

2023 Gas Rate Adjustment

Code Ordinance 02-340

Overview

- Ordinance No. 02-329 did not amend the variable rate (passed August of 2022)
- The Gas Rates consist of 3 components
 - Flat Monthly Service Charge
 - Fixed Charge per therm
 - Cost of Gas Pass Through (Variable rate)
- NMMEAA Discount – Fixed Volume Contract

Variable Rate Calculation

- Variable Rate per therm
 - San Juan Index
 - Transportation Costs – \$0.291 per therm and \$8,000 Fixed
 - NMMEAA Discount \$0.295 on 80% of purchases
 - Estimates for “Spot” Market, normally are 12% higher than SJ Index
- Prior Month Cost Adjustment per therm

San Juan Index

- \$1.432 standard deviation July 2009 through December 2022
- \$2.726 standard deviation July 2009 through January 2023
- \$2.150 standard deviation January 2021 through December 2022
- \$5.851 standard deviation January 2021 through January 2023

	Average San Juan Index per MMBTU	Avg Per Therm Expense
FY2014	\$ 4.32	\$ 0.43
FY2015	\$ 3.26	\$ 0.33
FY2016	\$ 2.10	\$ 0.21
FY2017	\$ 2.74	\$ 0.27
FY2018	\$ 2.30	\$ 0.23
FY2019	\$ 2.23	\$ 0.22
FY2020	\$ 1.77	\$ 0.18
FY2021	\$ 2.40	\$ 0.24
FY2022	\$ 5.21	\$ 0.52
FY2023	\$ 11.08	\$ 1.11

Proposed Rate Ordinance (02-340)

- Removal of \$0.99 cap
- Compensatory \$0.11 minimum for Cost of Gas
- Recovery Mechanism for unprecedented prices seen in December 2022 and January 2023.
 - Total estimated shortfall divided by average therms sold for 2 years = \$0.44 per therm
 - Expires April 8, 2025 or when funds are fully recovered

Recovery Mechanism

	San Juan Index	Estimated Gas Purchases	Current Variable Rate	Avg Therms Sold	Revenue Towards Gas Costs	\$\$ Under
Dec 22	\$ 10.29	\$ 1,833,309	0.99	957,876	\$ 948,297	\$ (885,012)
Jan 23	\$ 32.97	\$ 5,908,091	0.99	1,119,530	\$ 1,108,334	\$ (4,799,757)
Feb 23*	\$ 15.00	\$ 2,322,760	0.99	1,158,725	\$ 1,147,138	\$ (1,175,622)
Mar 23*	\$ 12.00	\$ 1,562,863	0.99	1,306,383	\$ 1,293,319	\$ (269,544)
Current Under collection						\$ (91,499)
Total						\$ (7,221,434)

*Estimated Prices

Estimated Under Collection \$ 7,221,434

Avg Therms Sold 8,316,697

Divided by Avg Therms Sold per Year \$ 0.87

Divided by 2 (collection over 2 years) \$ 0.44

Customer Base

- 4-year Average

	Los Alamos	White Rock	Total
Residential	5029	2342	7371
Multifamily	58	0	58
Commercial	315	56	371
County	34	10	44
Schools	26	2	28

	Small Meter	Large Meter
Residential	7351	20
Multifamily	13	45
Commercial	224	147
County	15	29
School	12	16

Customer Base

- Typical bill estimates use 75 therms to calculate the effects of increases on residential customers

	75 Therms or Under	Total %
Residential	4760	65%
Multifamily	10	17%
Commercial	201	54%
County	16	36%
Schools	12	43%

Therms*	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
0	216	290	237	176	77	61	52	52	60	65	98	177
100	6679	7619	6598	7620	5724	3372	1935	2002	2961	5766	6994	6579
200	51	37	24	87	1085	3289	3411	3647	3735	2038	456	109
300	6	5	3	4	87	587	1190	1193	787	146	24	10
400	2	2	3	2	8	79	229	263	113	24	4	3
500	2	2	2	1	3	13	48	81	32	8	3	2
600		1	2		1	4	12	28	12	7	1	2
700	1			1	1	2	4	11	6	4	1	1
800		1		1		1	3	5	5		1	1
900			1		1		1	3	3	2	1	1
1000							1	2	3	2		1
1100					1		1	2	1		1	
1200	1							2		1	1	1
1300								1	1		1	
1400						1	2	1		1		
1600						1	1					
1700							1		1			1
1800						1						
6700												1
Total	6958	7957	6870	7892	6988	7411	6891	7293	7720	8064	7586	6889

*Rounded to the nearest 100 therms

Consumption/Usage

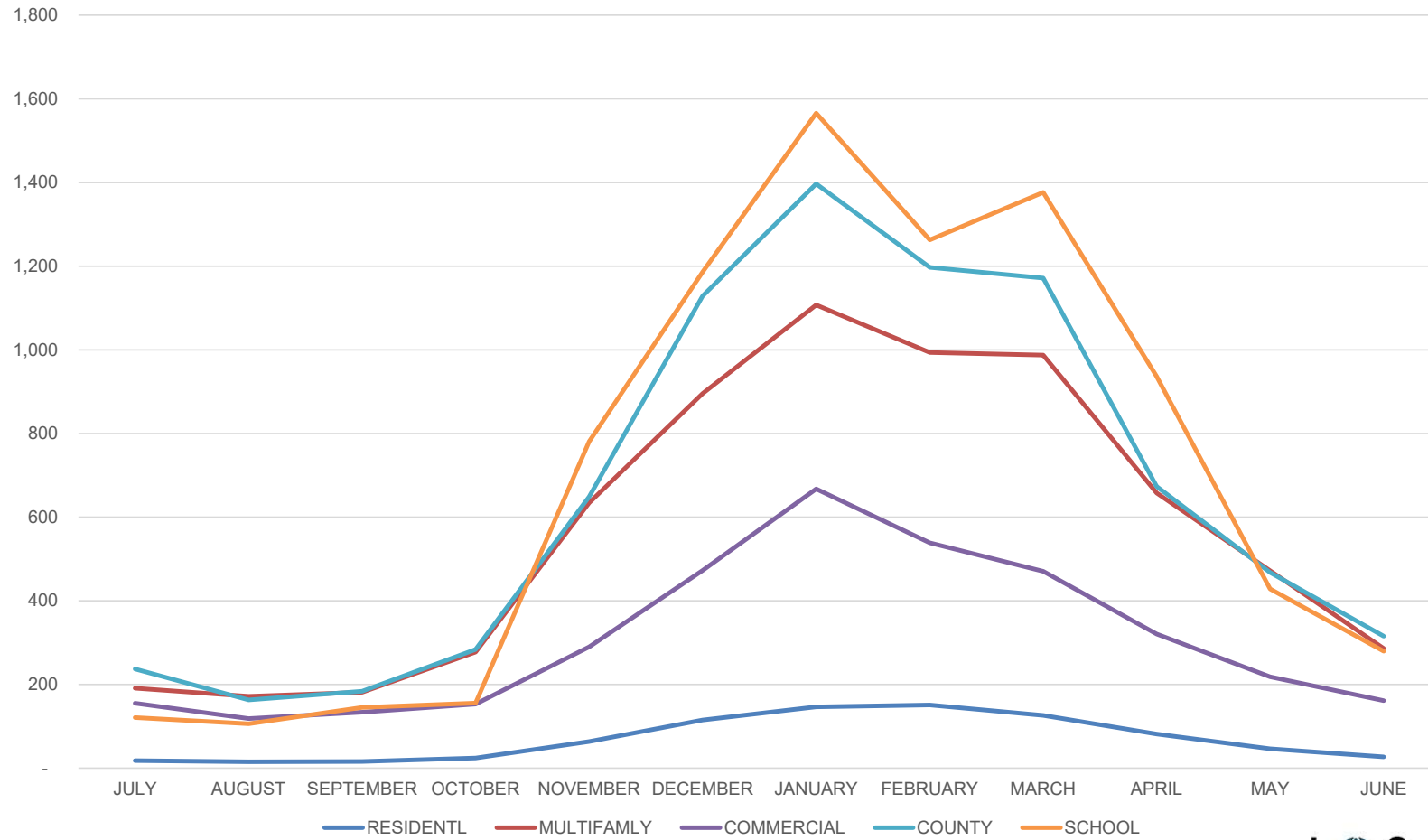
Average Therms Per Month

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
RESIDENTL	124,702	116,358	115,617	186,003	447,133	704,495	806,859	880,082	971,852	656,394	351,712	195,011
MULTIFAMLY	11,210	9,686	10,489	16,374	35,525	42,449	48,053	43,918	59,985	41,284	28,192	16,679
COMMERCIAL	57,571	44,491	49,572	57,413	105,542	143,256	191,081	162,207	176,552	122,984	81,486	60,284
COUNTY	10,724	7,137	8,132	12,146	27,246	40,869	41,909	45,746	53,608	31,311	20,688	13,879
SCHOOL	2,829	3,179	4,002	4,693	20,300	26,807	31,627	26,772	44,387	29,028	11,561	7,761
	207,035	180,851	187,812	276,629	635,745	957,876	1,119,530	1,158,725	1,306,383	881,001	493,639	293,613

Average Therm Per Household per Month

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
RESIDENTL	18	15	16	24	64	115	146	151	126	81	46	27
MULTIFAMLY	191	172	181	278	634	896	1,107	994	987	658	472	286
COMMERCIAL	155	119	134	153	290	472	668	539	470	321	218	161
COUNTY	237	163	184	284	649	1,129	1,397	1,198	1,172	673	468	315
SCHOOL	121	106	145	155	781	1,186	1,566	1,263	1,376	936	428	280

Average Therm Per Billed Location Per Month



Projected Average Customer Bills

Post FEB 2021 Averages \$ 0.63 \$ 1.15 \$ 0.93 \$ 1.01 \$ 1.00 \$ 1.24 \$ 0.95 \$ 0.79 \$ 0.94 \$ 1.32 \$ 1.28 \$ 0.57

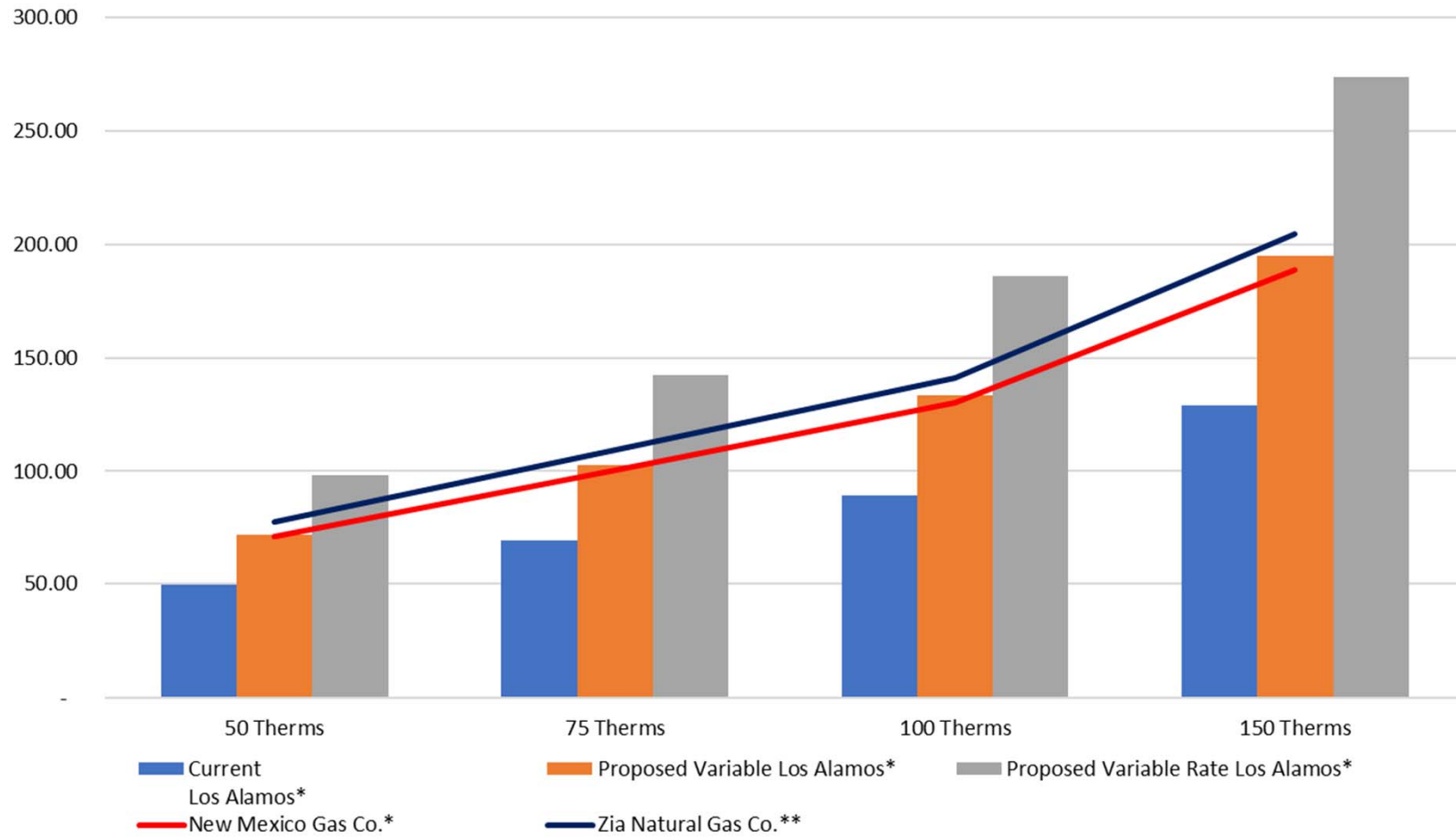
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
RESIDENTL	\$ 26	\$ 32	\$ 29	\$ 41	\$ 90	\$ 182	\$ 187	\$ 167	\$ 160	\$ 138	\$ 81	\$ 32
MULTIFAMILY	\$ 179	\$ 250	\$ 225	\$ 360	\$ 801	\$ 1,349	\$ 1,343	\$ 1,043	\$ 1,185	\$ 1,041	\$ 732	\$ 245
COMMERCIAL	\$ 147	\$ 176	\$ 168	\$ 203	\$ 372	\$ 716	\$ 814	\$ 570	\$ 570	\$ 513	\$ 345	\$ 142
COUNTY	\$ 213	\$ 233	\$ 223	\$ 359	\$ 799	\$ 1,664	\$ 1,650	\$ 1,219	\$ 1,369	\$ 1,045	\$ 712	\$ 259
SCHOOL	\$ 113	\$ 155	\$ 178	\$ 201	\$ 960	\$ 1,748	\$ 1,848	\$ 1,285	\$ 1,606	\$ 1,449	\$ 653	\$ 231

Proposed Variable Rate

Projections \$ 0.55 \$ 0.55 \$ 0.55 \$ 0.55 \$ 0.69 \$ 1.50 \$ 4.08 \$ 2.80 \$ 3.88 \$ 1.30 \$ 1.10 \$ 0.55

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
RESIDENTL	\$ 25	\$ 22	\$ 23	\$ 30	\$ 70	\$ 211	\$ 644	\$ 471	\$ 531	\$ 137	\$ 73	\$ 32
MULTIFAMILY	\$ 163	\$ 148	\$ 155	\$ 232	\$ 607	\$ 1,577	\$ 4,804	\$ 3,041	\$ 4,088	\$ 1,030	\$ 647	\$ 239
COMMERCIAL	\$ 134	\$ 105	\$ 117	\$ 133	\$ 283	\$ 837	\$ 2,901	\$ 1,653	\$ 1,953	\$ 507	\$ 305	\$ 139
COUNTY	\$ 193	\$ 136	\$ 152	\$ 229	\$ 601	\$ 1,952	\$ 6,017	\$ 3,627	\$ 4,814	\$ 1,034	\$ 627	\$ 253
SCHOOL	\$ 103	\$ 92	\$ 122	\$ 130	\$ 721	\$ 2,050	\$ 6,743	\$ 3,824	\$ 5,653	\$ 1,434	\$ 575	\$ 226

NM Communities Residential Gas Rate Comparison



SAMPLE RESIDENTIAL BILL - Assuming Small Gas Meter

Monthly Usage	Current Los Alamos*	Proposed Variable Los Alamos*	Proposed Variable Rate Los Alamos***	New Mexico Gas Co.*	Zia Natural Gas Co.**
50 Therms	49.76	71.76	98.18	70.99	77.46
75 Therms	69.51	102.51	142.13	100.49	109.19
100 Therms	89.26	133.26	186.09	129.99	140.92
150 Therms	128.76	194.76	274.01	188.98	204.38

*Average of 12 months Cost of Gas Commodity Rate used.

** Average of all service areas used for comparison.

***Estimated average of 12 months Cost of Gas Commodity Rate used.

Questions