

The background of the slide is a photograph of a desert canyon with layered rock formations. A large, semi-transparent red rectangle is overlaid on the upper half of the image, containing the title and author information. The sky is filled with dramatic, dark clouds.

Gas Rate **Code** Ordinance **No.** 02-385

Joann Gentry
Deputy Utility Manager - Finance & Administration

Overview



Presentation of Gas Rate Code Ordinance 02-385



Discuss aligning gas rate with current operational costs and net income



Discuss the prices of natural gas in New Mexico and how it compares to DPU



Discuss how this rate adjustment translates to an average summer and winter residential bill



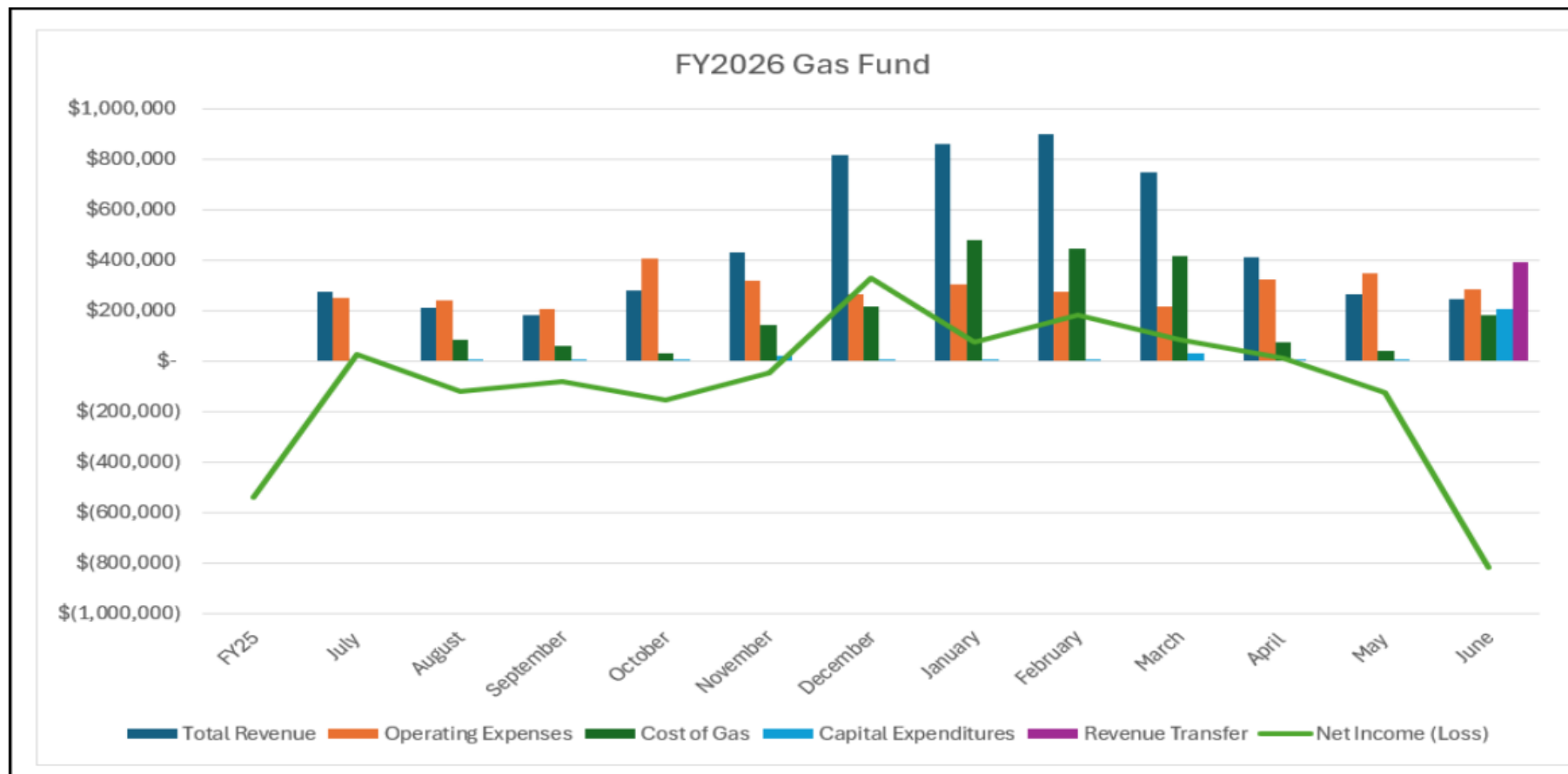
County Council rejected the previous ordinance on June 9, 2026



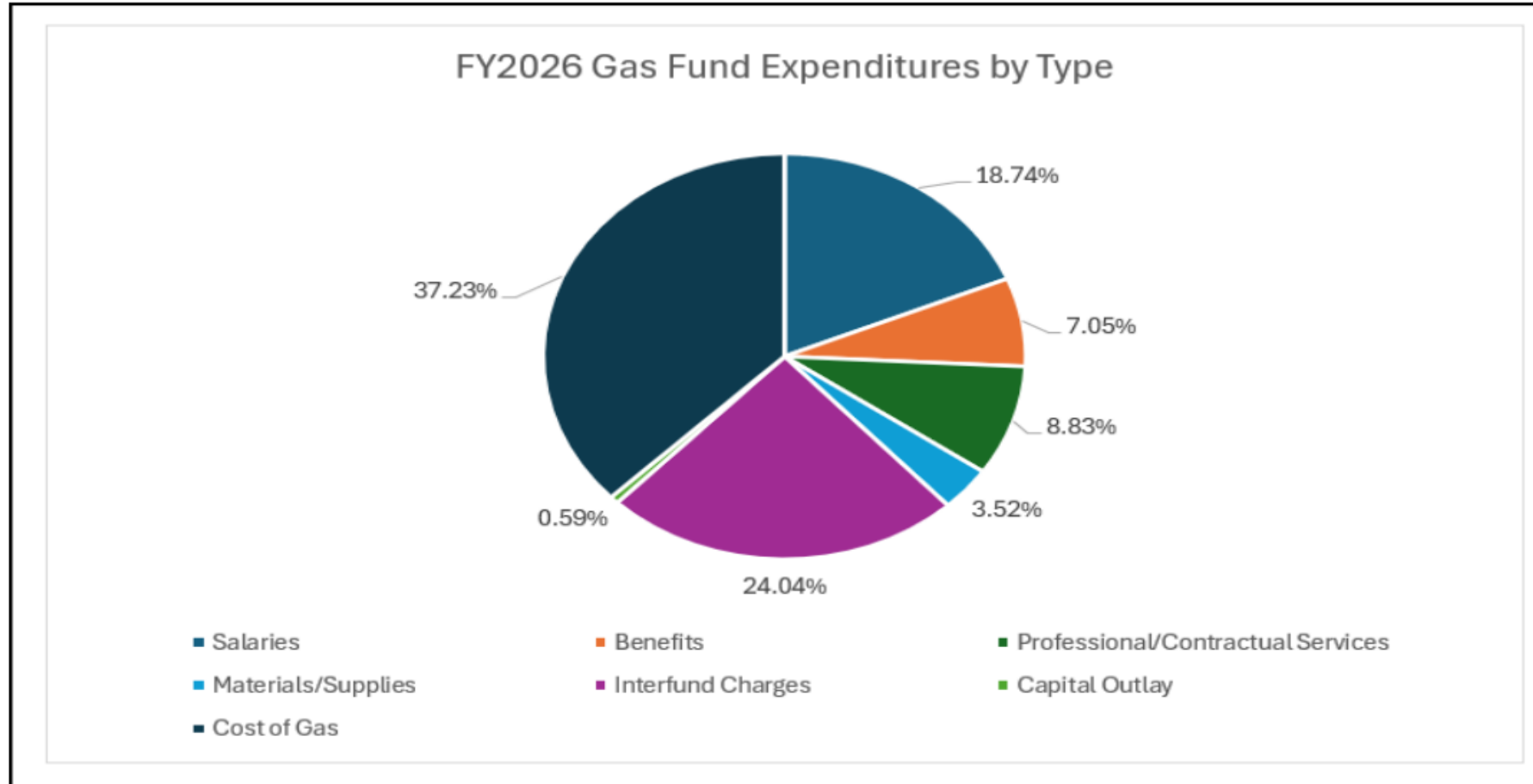
Suggested a single rate adjustment be proposed rather than a multi-rate adjustment

How did the gas fund do in FY 2026?

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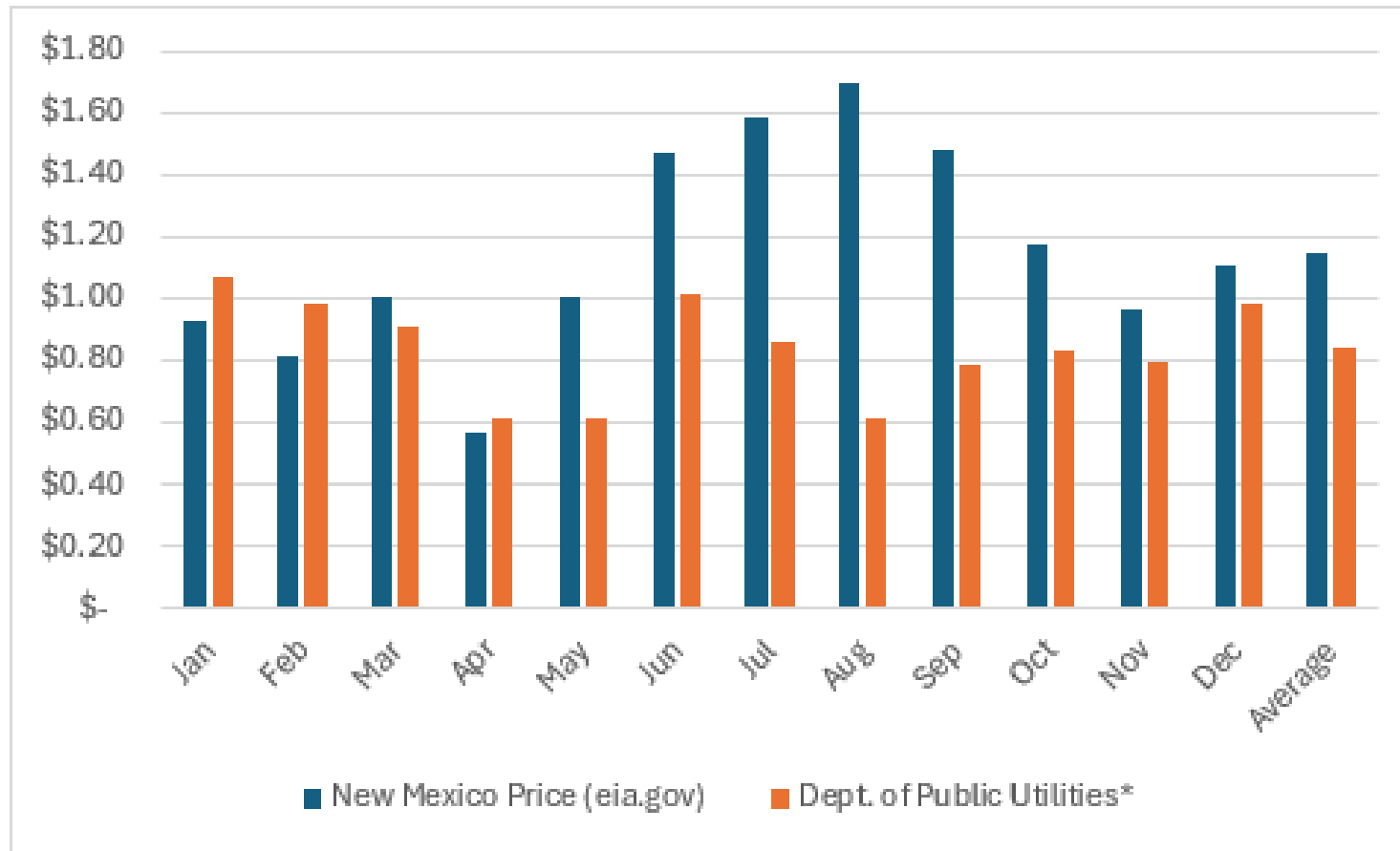
What were FY26 Expenditures?



Price of Natural Gas - CY2025

New Mexico Prices vs. DPU

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NM Price Data: U.S. Energy Information Administration

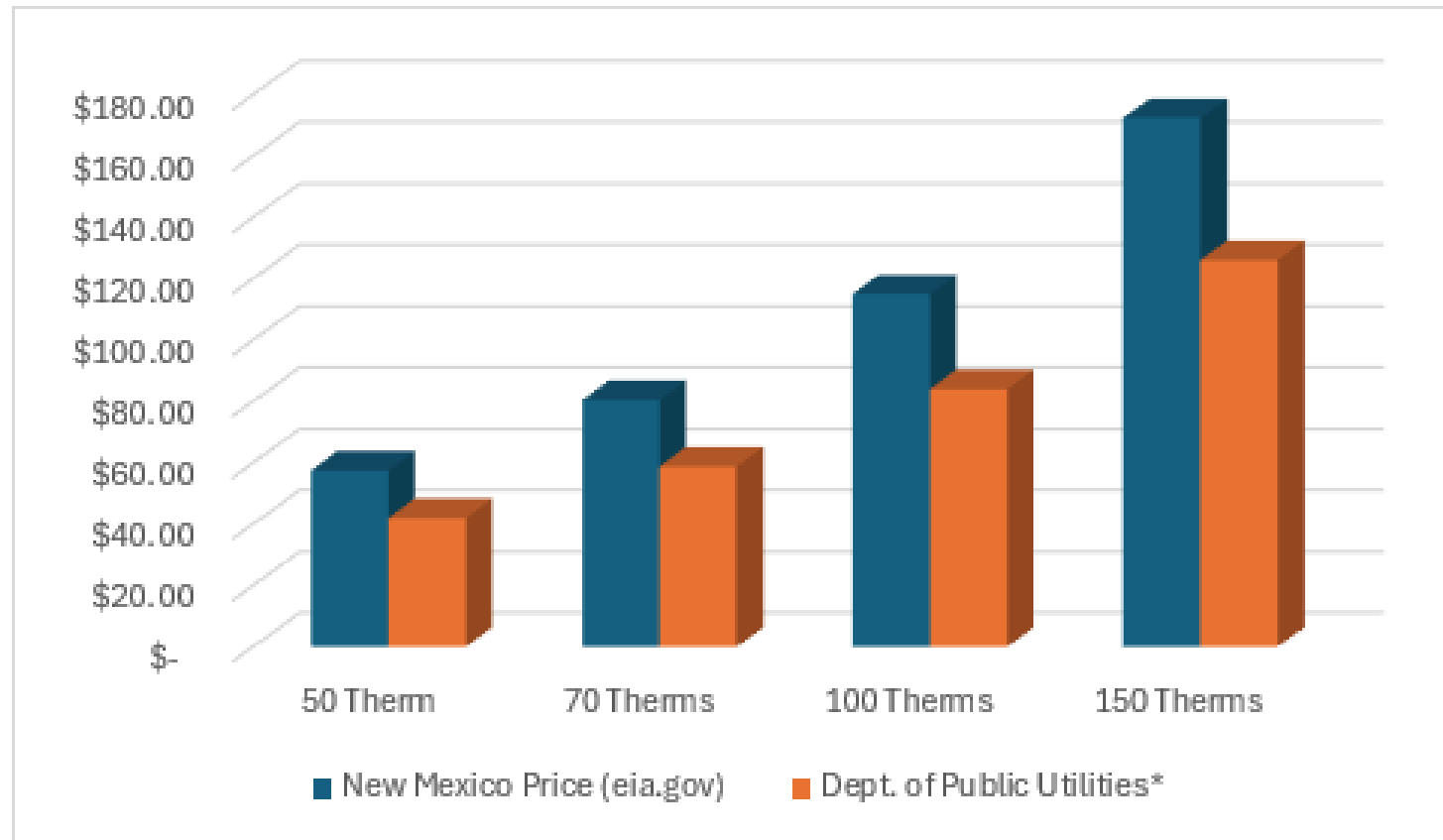
website: eia.gov

*Used CY2025 Variable Cost of Gas by month

Cost of Gas – CY2025

New Mexico Prices vs. DPU

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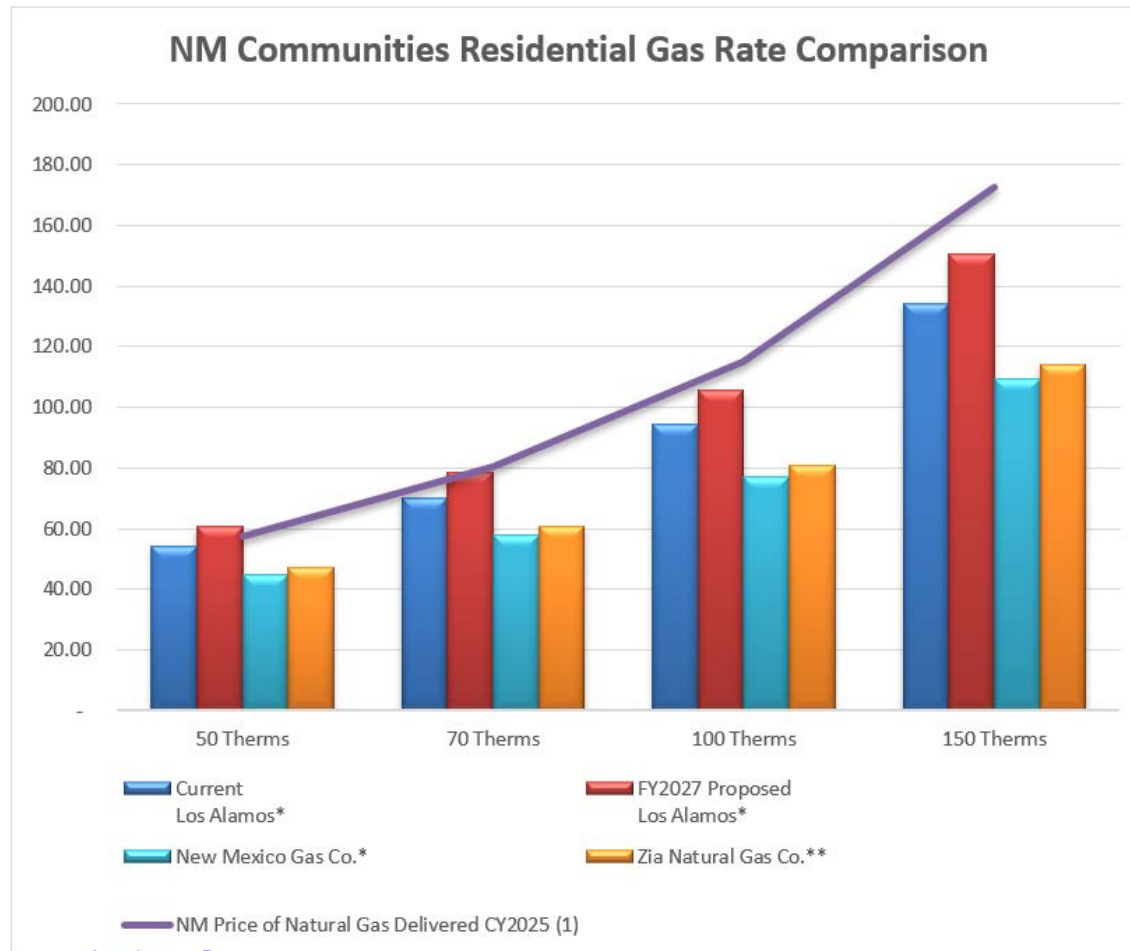
NM Price Data: U.S. Energy Information Administration

website: [eia.gov](https://www.eia.gov)

*Used CY2025 Average Variable Cost of Gas

Neighboring Communities

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Attachment B

SAMPLE RESIDENTIAL BILL - Assuming Small Gas Meter					
Monthly Usage	Current Los Alamos*	FY2027 Proposed Los Alamos*	NM Price of Natural Gas Delivered CY2025 (1)	New Mexico Gas Co.*	Zia Natural Gas Co.**
50 Therms	54.25	60.53	57.48	44.77	47.37
70 Therms	70.25	78.53	80.47	57.72	60.72
100 Therms	94.25	105.53	114.95	77.14	80.75
150 Therms	134.25	150.53	172.43	109.51	114.12

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

** Average of all service areas used for comparison.

(1) Source EIA.gov, excludes any Monthly Service Fees

Typical Bill for Residential Customers

Historical & Projected Typical Monthly Bill for Residential							
	ELECTRIC 500 kwh	GAS 75 therms	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total \$\$ change	Total % change
FY2018	\$69.60	\$42.50	\$39.06	\$47.45	\$198.61	\$5.24	2.71%
FY2019	\$69.60	\$44.00	\$39.91	\$51.24	\$204.75	\$6.14	3.09%
FY2020	\$69.60	\$42.50	\$43.12	\$54.32	\$209.54	\$4.79	2.34%
FY2021	\$69.60	\$53.75	\$45.23	\$55.95	\$224.53	\$14.99	7.15%
FY2022	\$69.60	\$59.75	\$47.07	\$57.07	\$233.49	\$8.96	3.99%
FY2023**	\$69.60	\$87.51	\$50.20	\$57.93	\$265.24	\$31.75	13.60%
FY2024**	\$76.10	\$59.83	\$53.96	\$59.08	\$248.97	(\$16.27)	-6.13%
FY2025	\$83.25	\$61.75	\$58.19	\$60.56	\$263.75	\$14.78	5.94%
FY2026	\$90.75	\$71.25	\$61.87	\$64.80	\$288.67	\$24.92	9.45%
	ELECTRIC 500 kwh	GAS 70 therms	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total \$\$ change	Total % change
FY2027	\$106.19	\$78.53	\$66.81	\$69.33	\$320.86	\$32.19	11.15%

Note: (75 therms used to calculate average cost of gas FY2018-FY2026. Updated to 70 therms starting in FY2027 based on 5-year average)

** Gas Sunset Recovery

How does the current gas rate compare to the proposed gas rate?

	Current Rate	Proposed	% Change
Fixed rate per Therm	\$0.34	\$0.48	41
Service charge	\$14.25	\$15.53	9
Monthly Average over the 12 months			
70 Therms Variable (0.42)	\$29.40	\$29.40	-
70 Therms Fixed	\$23.80	\$33.60	41
Service Charge	\$14.25	\$15.53	9
Total	\$67.45	\$78.53	16
Winter Average			
126 Therms Variable (0.42)	\$52.92	\$52.92	-
126 Therms Fixed	\$42.84	\$60.48	41
Service Charge	\$14.25	\$15.53	9
Total	\$110.01	\$128.93	17

Recommendation & Summary

- Adopt Code Ordinance 02-385
 - Align gas rates to operational costs
 - This is a single rate adjustment to go into effect September 1, 2026
 - Proposed gas rate is below statewide cost trends
 - Adopting the rate ordinance will provide stable operations and necessary infrastructure maintenance

Next Steps



Introduced to BPU on June 17, 2026



BPU approved Code Ordinance 02-385 on July 22, 2026



Introduction to County Council on August 4, 2026



Public Hearing of Code Ordinance 02-385 by County Council on August 25, 2026

Thank you!

Questions?

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