

Frequently Asked Questions Electric Rate Ordinance

How much will the electric rate increase if adopted by County Council?

The Department of Public Utilities is proposing electric rate increases covering a two-year period to be approved by the Board of Public Utilities and adopted by the County Council. The entirety of the initial increase is through volumetric charges and not monthly service charges, which will remain flat. A second increase beginning July 1, 2024, increases both the monthly service charge and volumetric commodity rate. These increases will allow the DPU to generate revenues needed for current operations and improve the electric distribution system infrastructure. In the FY2024 budget cycle, DPU included a rate increase for the Electric Distribution Fund.

For a residential customer using 500 kwh per month, the increase will be \$6.50 per month beginning October 2023 and an additional \$7.15 per month beginning July 2024 for a total increase of \$13.65 per month.

Rate Status	Effective Date	Service Charge	Commodity Rate (per kwh)	Residential 500 kwh	% Increase	CPI change
Proposed	July 2024	\$12.60	0.1413	\$83.25	9.4%	-
Proposed	Oct 2023	\$12.00	0.1282	\$76.10	9.3%	*29.2%
Current	Feb 2015	\$12.00	0.1152	\$69.60	20.4%	1.3%
Historical	Dec 2013	\$6.43	0.1028	\$57.83	8.0%	5.3%
Historical	Feb 2011	\$5.95	0.0952	\$53.55	5.0%	1.2%
Historical	Sept 2008	\$5.67	0.0907	\$51.02	4.8%	5.0%
Historical	July 2007	\$5.67	0.0860	\$48.67	4.8%	27.1%
Historical	Dec 1998	\$5.67	0.0815	\$46.42		-
					61.7%	69.1%

* Consumer Price Index data by month goes through June 2023

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Why do we need these rate adjustments and what do they cover?

Over the next 10 years, DPU plans to invest an average of \$4.4 million annually to improve the electric distribution system. The money invested will serve to increase our electrical reliability, increase capacity and reduce the threat of outages by replacing aging infrastructure. This investment supports Los Alamos County residents and businesses as they electrify more appliances, heating and cooling systems, and cars.

PROJECTS ON 10-YEAR PLAN	AVG ANNUAL BUDGET
Underground replacements	\$2,330,000
Overhead system replacements (poles, x-arms, transformers)	\$400,000
Distribution & substation improvements	\$1,687,500

Further, in 2016 the Board of Public Utilities adopted financial policies to build cash reserves for each utility fund to ensure the department’s ability to meet operational needs, handle system retirement obligations, meet debt service requirements and be prepared for unanticipated system failures or external disruptions. These financial policies can be found at ladpu.com/library under “Financial Policies.” This rate ordinance meets the guidance of the adopted financial policies.

Where can I find the draft ordinance?

The draft ordinance is available on the DPU website at ladpu.com/rates under the folder Proposed Rate Changes.

Didn’t we have a rate increase just last year?

Electricity is the last utility service to see increased rates. In 2023, DPU implemented rate changes for natural gas, water and wastewater services. The last electric rate change was in 2015.

What is the process for changing electric rates?

The BPU will hold a public hearing August 16 at 5:30 pm in the Council Chambers of the Municipal Building (1000 Central Ave.) and via Zoom. If the BPU approves the ordinance, it will be introduced at the September 5 County Council meeting. The Council will then hold a public hearing to consider adoption at the September 26 meeting. Both County Council meetings will be held in Council Chambers. The following link will allow public access to both public hearings: ladpu.com/ratehearing

When will these rates take effect?

The initial increase will be effective once approved by County Council. The second rate change will be effective beginning July 1, 2024.

Are the BPU and County Council locked into these rates for the next two years?

No. Rates can always be modified if the BPU and County Council determine it is appropriate and approve and adopt a new rate ordinance.

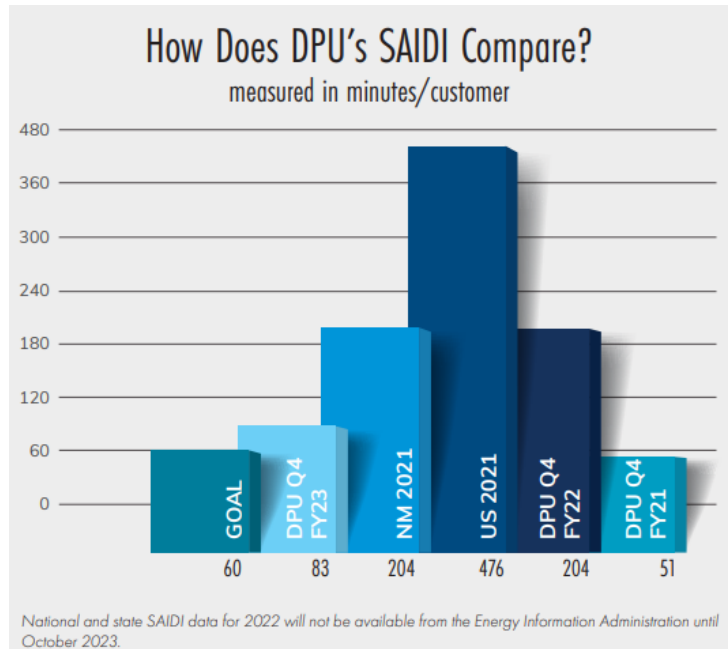
What is the SAIDI?

As a reliability indicator, DPU measures its System Average Interruption Duration Index (SAIDI). This is a formula to determine the annual average time that a DPU customer could expect to be without power.

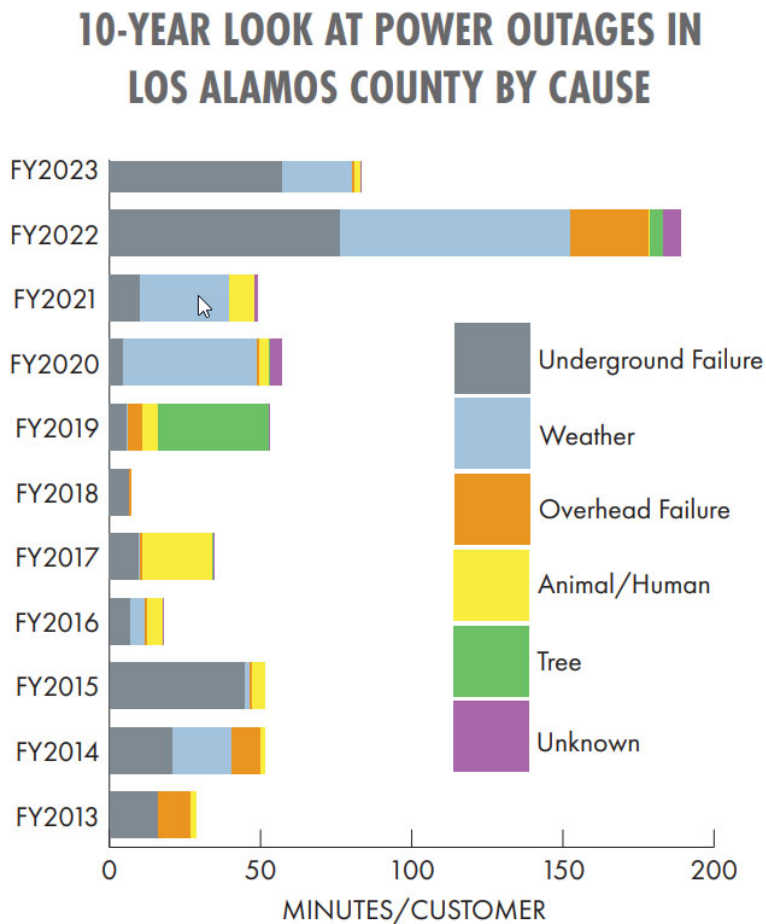
Are the consecutive rate increases tied to improving the SADI?

Yes, the rate increase and budgeted FY2024 expenditures in Electric Distribution are to improve infrastructure and reliability which will result in reduced outages.

DPU's SAIDI was 83 minutes at the end of FY2023. According to the Energy Information Administration (EIA), the mean SAIDI in 2021 was 126 minutes without major events and 476 minutes with major events for 809 utilities across the nation (excluding U.S. territories). The graph below shows how the SAIDI compares to DPU's goal, New Mexico and the United States.



What causes electric outages in Los Alamos County?

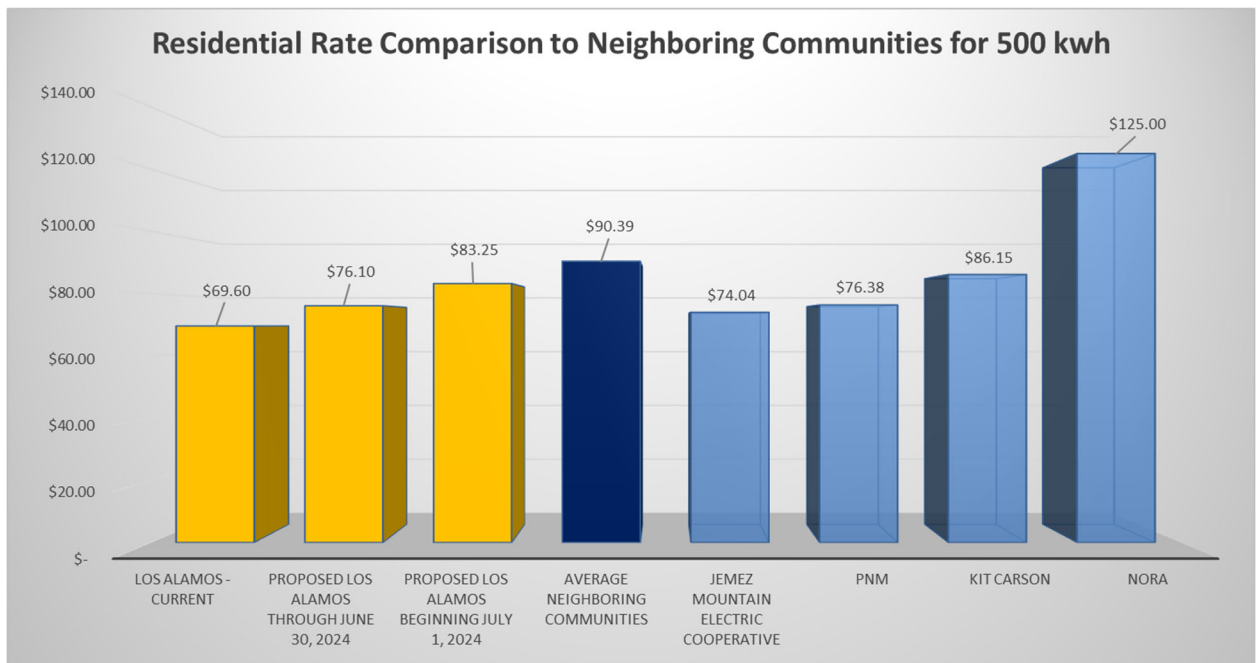


What if this rate ordinance is not approved?

If the rate increases are not approved, DPU will need to consider how to cut expenses. This will likely be done by delaying capital projects which will increase degradation of system conditions and result in a less reliable electric utility. It would also impact planned increases to electric distribution system capacity, which are becoming increasingly necessary as people electrify their homes and vehicles.

How do these rates compare with other communities?

Comparisons to neighboring communities for a residential 500 kwh utility charge are below.



Is there any assistance for individuals on fixed incomes?

DPU has a Utility Assistance Program. Originally set up to aid with energy bills for heating, the program was changed so that qualifying families can apply the assistance for all utility expenses. Information on assistance can be found at <https://ladpu.com/assist>.

Funded by DPU customer donations, the program is available to:

1. Qualifying low-income customers during the months of October through March;
2. Qualifying low-income customers over age 65, year-round;
3. Customers who demonstrate a financial hardship due to unforeseen circumstances. These customers may qualify for a single, lump sum credit.

Customers can contact the Customer Care Center to apply or to donate to the program – 505.662.8333 or CustomerCare@lacnm.us.

Other programs available to assist with customers' utility bills are: LA Cares, 505.661.8105, or Self-help, Inc, 505.662.4666.

New Mexico State offers the NM Low Income Energy Assistance Program (LIHEAP) to assist with energy bills, 505.753.2271.

What energy conservation tips are available to reduce household consumption?

DPU maintains a web page dedicated to energy and water conservation at ladpu.com/conserves. You'll find tips there for reducing energy costs.