



City of Las Vegas

1700 N. Grand Avenue | Las Vegas, NM 87701 | T 505.454.1401 | lasvegasnm.gov

Mayor Louie A. Trujillo

October 29, 2021

Subject: Natural Gas Rates

Dear Customer,

The City of Las Vegas will be increasing the cost of natural gas beginning November 2021. The purpose of this letter is to explain the reasons for the increase.

Your natural gas bill reflects three components: (a) Monthly Service Charge, (b) Cost of Natural Gas, (c) Cost of Service, and (c)

- (a) **Monthly Service Charge** is a fixed amount and will not change.
- (b) **Cost of Natural Gas** reflects the market price for natural gas delivered to the City by its supplier, Zia Natural Gas. Zia Natural Gas has informed the City that these costs will increase by 26% this year. The increase in cost means that the rate the City charges for cost of gas will increase from \$3.50 per MCF to \$4.30.
- (c) **Cost of Service** reflects the City's cost for operating and maintaining the City owned transmission and distribution system. This cost is adjusted annually to reflect changes in the consumer price index (CPI), a common measure of inflation. The Bureau of Labor Statistics reported that CPI increased this year by 5.2%. To minimize the increase in the overall cost of the delivery of Natural gas, the city will **NOT** increase cost of service this year.

What does this mean for you? For the average consumer, it means that their monthly gas bill will increase from \$45.15 to \$56.98 a 26.2% increase. Of course, no one is average. If you use less gas than the average consumer, your bill will increase by less, and if you use more, it will increase by more.

For a comparison with other communities the average cost of gas (per MCF) in August of 2020 was **\$8.54** in Las Vegas, NM **\$12.74** in Albuquerque, NM and **\$18.42** across the United States.

Fiscal Year	2017	2018	2019	2019B	2020	2021	2022
Monthly Service Charge	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
CLV Cost of Service	\$3.23	\$3.26	\$3.31	\$3.31	\$3.47	\$3.53	\$3.53
CLV Cost of Gas (includes UAG)	\$3.64	\$3.77	\$3.20	\$3.51	\$3.07	\$3.50	\$4.30 (4.58)
Unaccounted for Gas (UAG) (%)	4.26	5.99	5.01	5.01	5.96	2.79	6.09
Consumer Price Index (%)	1.4	2.5	2/5ths of 3.6	N/A	2.7	1.7	5.2
Avg Residential Bill (5MCF)	\$44.61	\$45.99	\$42.55	\$44.10	\$42.70	\$45.15	\$56.98

If you have any questions, please feel free to contact the City's Customer Service Manager, Jodi Marquez at (505) 454-3832.

Sincerely,


Maria Gilvarry
Utilities Director

David Ulibarri
Councilor Ward 1

Michael L. Montoya
Councilor Ward 2

Elaine Rodriguez
Councilor Ward 3

David G. Romero
Councilor Ward 4