

# **Get Connected!**

## **Natural Gas Availability on Tano Road**

Updated May 2012

*The Tano Road Association (TRA) has been working with New Mexico Gas Company (NMGCO) to bring natural gas to as many homes in our neighborhood as possible. The most efficient and inexpensive way to do this is to engage small clusters of houses that are most easily serviced to coordinate share costs. Tano Road resident Jack Purson is the TRA Coordinator who will work with neighborhood groups to obtain gas line extensions. A nominal fee for this service is being determined.*

### **Why convert to natural gas**

- Natural gas is cheaper than propane. The seemingly high cost of bringing gas lines to your home is a smart financial choice. Working now with 10-15 of your neighbors can lessen everyone's cost in your cluster.
- Natural gas is as convenient as it is cheap. You won't need to worry about filling a large unsightly tank. This is a clean and abundant fuel, and increases energy efficiency in your home. Plus, it is safer because it is lighter than air while propane is not.
- The process of getting gas lines extended is unnecessarily complex, time consuming, and requires homeowner availability for project oversight. Working with your TRA Coordinator will enable a smooth and easy process, won't take up a lot of your time, and it will get done right. TRA is doing most of the paperwork, and Jack Purson is overseeing the details to make this project the least amount of effort for you. Jack successfully coordinated the gas line extension for a cluster of homes on Tano and has 20 years of experience in technical project management.

### **Logistics**

- 1) We are pursuing this in clusters of approximately 15 homes at a time to take advantage of special pricing from NMGCO. The first two clusters are homes along Calle San Martin and Calle San Acacia. Their installation should be complete by this fall. Other clusters will follow.
- 2) Owners will be advised of costs in three parts: Main gas line cost, main gas line trench cost, and your individual Yard line cost (if applicable). The main line is what is in the road, and the Yard line is what goes from the main line to your meter (which you will probably want near your house or propane tank). The Yard Line is optional (can be done later), but the two costs for the Main line are not.
- 3) Your new gas meter will be capable of being read each month by radio frequency so no physical access to your property is required unless a repair is needed. NMGCO will be responsible for maintaining the gas line up to your meter so it is wise to place the meter as close to your home as is practical.

- 4) There is an online calculator at [https://www.nmgco.com/gas\\_calculator.aspx](https://www.nmgco.com/gas_calculator.aspx) that will tell you what your natural gas bill would be vs. your propane bill. You may be shocked by the savings! Natural gas costs roughly one third that of propane. For the homes that have already been converted, the expenses will typically be recovered in less than 3 years of usage. For example, in one recently converted 3200 square foot house on Tano Road, the three-year average propane usage was 1876 gallons per year and at \$2.50 per gallon going forward, homeowners will save \$3491 annually. The total cost of their conversion was about \$7500, so they will break even in 2.2 years.
- 5) Propane is an unregulated commodity like gasoline or diesel fuel, while natural gas is a tightly regulated utility. The price of propane is volatile and has been increasing over the last 10 years, while natural gas prices have actually declined. This is due to the fact that new natural gas reserves have been tapped using new technology that is expected to keep prices at lower levels for decades to come. The cost of heating with propane will inevitably rise, but the prices of natural gas will remain relatively stable and low. Given these trends, it is difficult to comprehend how people will be able to afford propane in 5 to 10 years.
- 6) In this difficult real estate market, natural gas is a very attractive feature that will increase your homes value and help to sell it faster.
- 7) What about gas outages? In February 2011, a wide-area gas outage affected Santa Fe and most parts of New Mexico, Arizona, and Texas. This terrible outage was the first in 20 years and was caused primarily by an uncommonly bitter cold weather event. NMGCO recognizes the importance of keeping the gas flowing, regardless of the weather, and is working on plans for the first ever Liquid Natural Gas storage facility (or perhaps an underground reservoir of gas) in New Mexico that will be capable of delivering several days of gas in the event of a disruption of gas supply from Northwestern New Mexico or Texas.
- 8) Finally, the conversion of your gas appliances can be done at your leisure using a licensed plumber of your choice or there may be coordination services available at additional cost. Furnaces and gas ranges can have their fuel orifices bored out to work with natural gas but water heaters generally need to be replaced. There are some modest rebates available on water heaters of higher efficiency. See the NMGCO web site for details. The cost of professional appliance conversion varies greatly depending on your home but \$2000± is about average. Plan on a NMGCO charge of \$60 on your first bill to set your gas meter.

### **What do I do now?**

If you don't want natural gas, do nothing but please notify us.

If you want more information, contact Jack Purson (988-4006) or TRA.