



NEW MEXICO GAS COMPANY

ORIGINAL RULE NO. 13

BUDGET PAYMENT PLAN

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- A. Residential and Commercial Customers may elect to participate in the Company's Budget Payment Plan for payment of charges for gas service. The Plan year shall be the 12 months ending each year with the Customer's August bill. The Plan monthly payment shall be determined as follows:
- (1) for Customers electing to commence with the September bill, the monthly payment shall be 1/12th of the estimated charges for the Customer's plan year.
 - (2) for Customers electing to commence with the October or later bill, the monthly payment shall be based on the number of remaining months in the budget year. Succeeding years shall be computed on an annual basis as in subparagraph (1) above.
- B. The estimated charges for gas service for the plan year, or the remainder of the plan year, shall be based upon the most recent, available prior corresponding period at the same service location; or, if there is not a comparable period of service at the same service location, then the charges shall be based upon consumption of similar units in the same area. Such historical consumption may be normalized for known load characteristics and for unusual weather conditions. The estimated charges for service shall be adjusted to current rates and for other known charges, including adjustments for significant changes in the projected fuel cost. Such adjustments may be made, as needed, to avoid an excessive balance at the end of the Plan year.
- C. The Company reserves the right to adjust the remaining monthly plan payment to be paid by the Customer. Each Customer in the plan will receive a regular monthly gas bill which will reflect actual consumption and charges for that billing month and the amount of any debit or credit balance before the payment of that month's plan payment. The Customer shall continue to pay the monthly plan payment amount each month for gas service, notwithstanding the current gas service charge shown on the bill.
- D. Any other charges incurred by the Customer shall be paid monthly when due in addition to the monthly plan payment.
- E. The August gas bill for each Customer in the Plan shall be handled as follows:
- (1) Any amount due the Company up to the monthly Plan payment shall be paid in full by the due date shown on the bill.
 - (2) If the balance due the Company exceeds the monthly Plan payment, a payment equal to the monthly Plan payment will be paid and the excess shall be utilized in computing the next Plan year's monthly Plan payment.
 - (3) Any balance due the Customer shall also be utilized in computing the next year's monthly Plan payments.

EFFECTIVE

JAN 30 2009

REPLACED BY NMPRC
BY F1008-00078-45

Advice Notice No. 1

Ryan Shell
V.P. Controller & Treasurer
New Mexico Gas Company

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- F. Any amount due the Customer or due the Company will be settled and paid at the time a Customer, for any reason, ceases to be a participant in the Plan.
- G. Any Customer's participation in the Plan may be discontinued in accordance with the Company's Rule Nos. 18 and 19, as approved by the New Mexico Public Regulation Commission.
- H. The budget payment Plan shall be available to any Residential or Commercial Customer who is then either current in payments for utility services or who has entered into, and is complying with a settlement agreement.
- I. Interest will not be charged the Customer on accrued debit balances nor paid by the Company on accrued credit balances.
- J. Any budget payment amount left unpaid 30 days after bill date is subject to a six hundred sixty seven one thousandths (0.667) late payment charge.

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BY F10 08-00078-4T

Advice Notice No. 1



Ryan Shell
V.P. Controller & Treasurer
New Mexico Gas Company