

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF NEW MEXICO GAS COMPANY, INC. )  
FOR APPROVAL OF REVISIONS TO ITS )  
RATES, RULES, AND CHARGES PURSUANT) )  
TO ADVICE NOTICE NO. 96 )**

**Case No. 23-00255-UT**

**NEW MEXICO GAS COMPANY, INC. )  
 )  
 )  
Applicant. )**

**NEW MEXICO GAS COMPANY, INC.’S APPLICATION FOR  
REVISIONS TO ITS RATES, RULES, AND CHARGES**

New Mexico Gas Company, Inc. (“NMGC” or the “Company”), through its undersigned counsel, files this Application for approval of revisions to its rate schedules and rules and for an increase in its retail natural gas sales and transportation rates. In support of its Application, NMGC states as follows:

1. NMGC is a public utility headquartered in Albuquerque, New Mexico. The Company provides natural gas sales and transportation service to approximately 545,000 customers throughout the State of New Mexico. NMGC is subject to the jurisdiction of the New Mexico Public Regulation Commission (“NMPRC” or the “Commission”), which, among other things has the authority to revise the Company’s rates, rules and charges for service provided to NMGC’s customers.

2. NMGC’s currently authorized sales and transportation rates and charges for natural gas service are:

<u><b>RATE NO.</b></u>	<u><b>TITLE</b></u>
Original Rate No. 1-4	Rate Rider No. 4 - Cost of Gas Component
Third Revised Rate No. 1-8	Rate Rider 8 - Weather Normalization Adjustment Mechanism
Original Rate No. 1-14	Rate Rider 14 - Miscellaneous Surcharge and Credits
Fourteenth Revised Rate No. 1-15	Rate Rider 15 - Energy Efficiency Program
Fifth Revised Rate No. 10	Residential Services
Fourth Revised Rate No. 11	Miscellaneous Fees and Charges
Fifth Revised Rate No. 30	Irrigation Service
Fifth Revised Rate No. 31	Water and Sewage Pumping
Fifth Revised Rate No. 35	Cogeneration Service
Fourth Revised Rate No. 37	Gas Air Conditioning
Second Revised Rate No. 39	Compressed Natural Gas Vehicle Fuel
Fifth Revised Rate No. 54	Small Volume - General Service
Fifth Revised Rate No. 56	Medium Volume - General Service
Fifth Revised Rate No. 58	Large Volume - General Service
Sixth Revised Rate No. 61	Sale for Resale
Seventh Revised Rate No. 70	Transportation Service
Original Rate No. 72	Compressor Fuel Service
Fourth Revised Rate No. 114	District Energy System Service
Second Revised Rate No. 116	Landlord Standby Service
Original Rate No. 701	Transportation for Frontier Field Services – Maljamar
First Revised Rate No. 702	Transportation for Compania de Autobastecedores de Gas Natural de San Jeronimo, S.A. de C.V.
Original Rate No. 703	Transportation from Bioenergy Plant
Second Revised Rate No. 706	Transportation to Holly Frontier Refinery and Marketing LLC
First Revised Rate No. 708	Transportation to Bloomfield Refining Company
Second Revised Rate No. 741	Transportation to City of Farmington—Animas and Bluffview Power Plants
First Revised Rate No. 742	Transportation to Mosaic Potash
Sixth Revised Rate No. 817	Transportation to Public Service Company of New Mexico – Bulk Power

3. NMGC’s Application includes a base period, adjusted base period, linkage data, and a future test year which meet the requirements of 17.10.630 NMAC and 17.1.3 NMAC. The base period, which reflects NMGC’s actual experience according to its books and records,

is the twelve-month period ending March 31, 2023. As discussed by NMGC Witness Erik C. Buchanan, the adjusted base period includes adjustments for known and measurable changes to the base period information. The linkage data provides information for the period of April 1, 2023 through September 30, 2024.

4. NMGC's Application calls for proposed rates based on a twelve-month Future Test Year Period ("Future Test Year") ending September 30, 2025. The Future Test Year reflects the expected financial and operating conditions NMGC will experience during the first year the proposed rates are in effect and is consistent with NMSA 1978, Section 62-6-14(D).

5. NMGC is seeking to recover additional capital investments it has made and will be making to its system, including investments made related to reduce risks to NMGC's system. These investments include ongoing investment in the Company's ongoing annual capital investment program, Integrity Management Program, and investments in information technology software such as an upgrade to the Company's aging Customer Information System ("CIS") to allow the Company to better engage with and serve customers.

6. NMGC is also experiencing increased operating costs, including pressures to expand and retain our workforce to better serve our customers, which are expected to continue to increase throughout the Future Test Year.

7. NMGC's currently authorized rates and charges and the revenues they produce no longer adequately reflect the cost of service for the various classes of sales and transportation customers served by the Company.

8. NMGC's currently authorized cost of service rates and charges result in an annual base rate revenue deficiency of approximately \$48.97 million, based on a Future Test

Year ending in September 2025 and a requested weighted average cost of capital of 7.38%, including a requested return on equity of 10.5% and a capital structure of 53% equity and 47% long-term debt.

9. NMGC's currently authorized rates and charges do not address the future costs of maintaining the safety and reliability of its system and running its business.

10. NMGC is seeking permission to establish and/or recover regulatory assets to recover rate cases expenses incurred in relation to this case, costs the Company experienced related to increased bad debt during the COVID-19 Pandemic, and some of the costs incurred in implementing an upgrade to the Company's CIS. NMGC is also seeking approval to establish two new regulatory assets for potential recovery in a future rate case including some of the costs incurred for pre-Feed and Feed studies related to NMGC's Liquefied Natural Gas project, and fees the Company actually incurs when customers pay their bills with credit cards. NMGC is also seeking to revise the amortization schedules of two regulatory assets established in prior cases and to continue to credit customers for Accumulated Deferred Income Taxes in the same manner NMGC has been since its 2019 Rate Case. NMGC is also requesting approval to establish and begin crediting to customers a new regulatory liability.

11. NMGC's exact legal name, address and telephone number are:

New Mexico Gas Company, Inc.  
P.O. Box 97500  
Albuquerque, New Mexico 87199-7500  
(505) 697-3833

12. The name, address and telephone number of NMGC's attorneys are:

Nicole V. Strauser, Esq.  
Dominic Martinez, Esq.  
New Mexico Gas Company, Inc.  
P. O. Box 97500  
Albuquerque, NM 87199-7500  
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13. NMGC requests that all pleadings, correspondence and other documents that are served on NMGC be e-mailed and delivered to its attorneys at the above addresses and to:

Gerald Weseen  
Anita Hart  
Rebecca Carter  
New Mexico Gas Company, Inc.  
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(505) 697-3832  
[Gerald.Weseen@nmgco.com](mailto:Gerald.Weseen@nmgco.com)  
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[rebecca.carter@nmgco.com](mailto:rebecca.carter@nmgco.com)

14. Pursuant to the requirements of 17.1.2.10(B)(1) NMAC, NMGC is submitting the following documents with this Application:

- A. NMGC Advice Notice No. 96;
- B. NMGC's Proposed Form of Notice to Customers;
- C. 17.10.630 NMAC Schedules A through R;
- D. 17.10.630 NMAC Schedule S, NMGC's Pre-filed Direct Testimony and Exhibits of Ryan A. Shell, Tom C. Bullard, Tommy H. Sanders, Kevin

I. Farr, Denise E. Wilcox, Gerald C. Weseen, Alana M. DeYoung, Erik C. Buchanan, Dylan W. D’Ascendis, Davicel Avellan, and Timothy S. Lyons;

E. NMGC proposes the following revised Rate Schedules and Rule listed below:

<b><u>RATE NO.</u></b>	<b><u>TITLE</u></b>
Sixth Revised Rate No. 10	Residential Service
Sixth Revised Rate No. 30	Irrigation Service
Sixth Revised Rate No. 31	Water and Sewage Pumping
Fifth Revised Rate No. 37	Gas Air Conditioning
Third Revised Rate No. 39	Compressed Natural Gas Vehicles Fuel
Sixth Revised Rate No. 54	Small Volume - General Service
Sixth Revised Rate No. 56	Medium Volume - General Service
Sixth Revised Rate No. 58	Large Volume - General Service
Seventh Revised Rate No. 61	Sale for Resale
Eighth Revised Rate No. 70	Transportation Service
First Revised Rate No. 72	Compressor Fuel Service
Fifth Revised Rate No. 114	District Energy System Service

<b><u>RULE NO.</u></b>	<b><u>TITLE</u></b>
Third Revised Rule No. 29	Rate Rider No. 8 – Details

15. Pursuant to 17.1.2.10(B)(2)(d) NMAC, NMGC confirms that it has fully complied with all Commission final orders in each of NMGC’s cases decided during the preceding five years, as evidenced by NMGC’s annual informational filings of April 30, 2023.

16. NMGC confirms that its Application and supporting testimonies, exhibits, and schedules fully comply with the requirements contained in 17.1.3 NMAC.

17. Pursuant to 17.1.210.11(B) NMAC, NMGC is serving a copy of this Application and Advice Notice No. 96 on the Attorney General and all counsel of record in NMGC’s last rate case.

Wherefore, NMGC respectfully requests that the Commission authorize and approve the revised rates, charges and rules as set forth in this Application and the accompanying Advice Notice and grant the Company such other approvals and relief as may be just and proper.

Respectfully submitted this 14<sup>th</sup> day of September 2023.

NEW MEXICO GAS COMPANY, INC.

By: /s/ Nicole V. Strauser  
Nicole V. Strauser  
Vice President Compliance & General Counsel  
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*Attorneys for New Mexico Gas Company, Inc.*

NEW MEXICO GAS COMPANY, INC.

Advice Notice No. 96

September 14, 2023

NEW MEXICO PUBLIC REGULATION COMMISSION  
OF THE STATE OF NEW MEXICO

Page 1 of 3

New Mexico Gas Company, Inc. hereby gives notice to the public and to the New Mexico Public Regulation Commission of the filing and publishing of the following Rate(s) which are attached hereto:

<u>Rate Number</u>	<u>Title</u>	<u>Canceling</u>	<u>Effective Date*</u>
	Table of Contents – Rates		October 14, 2023 or as ordered by the Commission
Sixth Revised Rate No. 10	Residential Service	Fifth Revised Rate No. 10	October 14, 2023 or as ordered by the Commission
Sixth Revised Rate No. 30	Irrigation Services	Fifth Revised Rate No. 30	October 14, 2023 or as ordered by the Commission
Sixth Revised Rate No. 31	Water and Sewage Pumping	Fifth Revised Rate No. 31	October 14, 2023 or as ordered by the Commission
Fifth Revised Rate No. 37	Gas Air Conditioning	Fourth Revised Rate No. 37	October 14, 2023 or as ordered by the Commission
Third Revised Rate No. 39	Compressed Natural Gas Vehicle Fuel	Second Revised Rate No. 39	October 14, 2023 or as ordered by the Commission
Sixth Revised Rate No. 54	Small Volume General Service	Fifth Revised Rate No. 54	October 14, 2023 or as ordered by the Commission

\*NMGC intends that the effective date of its rate increase to be October 1, 2024, in accordance with the Future Test Year provisions of NMSA 1978, Section 62-6-14 (2009).

Advice Notice No. 96

*/s/Rebecca Carter*

Rebecca Carter  
Manager, Regulatory Affairs



NEW MEXICO GAS COMPANY, INC.

Advice Notice No. 96

September 14, 2023

NEW MEXICO PUBLIC REGULATION COMMISSION  
OF THE STATE OF NEW MEXICO

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<u>Rate Number</u>	<u>Title</u>	<u>Canceling</u>	<u>Effective Date*</u>
Sixth Revised Rate No. 56	Medium Volume General Service	Fifth Revised Rate No. 56	October 14, 2023 or as ordered by the Commission
Sixth Revised Rate No. 58	Large Volume General Service	Fifth Revised Rate No. 58	October 14, 2023 or as ordered by the Commission
Seventh Revised Rate No 61	Sale for Resale	Sixth Revised Rate No. 61	October 14, 2023 or as ordered by the Commission
Eighth Revised Rate No. 70	Transportation Service	Seventh Revised Rate No. 70	October 14, 2023 or as ordered by the Commission
First Revised Rate No 72	Compressor Fuel Service	Original Rate No 72	October 14, 2023 or as ordered by the Commission
Fifth Revised Rate No. 114	District Energy System Service	Fourth Revised Rate No. 114	October 14, 2023 or as ordered by the Commission

\*NMGC intends that the effective date of its rate increase to be October 1, 2024, in accordance with the Future Test Year provisions of NMSA 1978, Section 62-6-14 (2009).

Advice Notice No. 96

*/s/Rebecca Carter*

Rebecca Carter  
Manager, Regulatory Affairs

NEW MEXICO GAS COMPANY, INC.

Advice Notice No. 96

September 14, 2023

NEW MEXICO PUBLIC REGULATION COMMISSION  
OF THE STATE OF NEW MEXICO

Page 3 of 3

New Mexico Gas Company, Inc. hereby gives notice to the public and to the New Mexico Public Regulation Commission of the filing and publishing of the following Rules(s) which are attached hereto:

<u>Rule Number</u>	<u>Title</u>	<u>Canceling</u>	<u>Effective Date</u>
	Table of Contents – Rules		October 14, 2023 or as ordered by the Commission
Third Revised Rule No. 29	Rate Rider No. 8 – Details	Second Revised Rule No. 29	October 14, 2023 or as ordered by the Commission

\*NMGC intends that the effective date of its rate increase to be October 1, 2024, in accordance with the Future Test Year provisions of NMSA 1978, Section 62-6-14 (2009).

Advice Notice No. 96

*/s/Rebecca Carter*

Rebecca Carter  
Manager, Regulatory Affairs

23-00255-UT-2023-09-14-NMGC-2023-Rate-Case

NEW MEXICO GAS COMPANY

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RATES

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RATE NO.	DESCRIPTION	
1-4	Rate Rider No. 4 - Cost of Gas Component (Original)	
1-8	Rate Rider No. 8 - Weather Normalization Adjustment Mechanism (Third Revised)	
1-14	Rate Rider No. 14 - Miscellaneous Surcharge and Credits (Original)	
1-15	Rate Rider No. 15 - Energy Efficiency Program (Fourteenth Revised)	
10	Residential Services (Sixth Revised)	X
11	Miscellaneous Fees and Charges (Fourth Revised)	
30	Irrigation Service (Sixth Revised)	X
31	Water and Sewage Pumping (Sixth Revised)	X
35	Cogeneration Service (Fifth Revised)	
37	Gas Air Conditioning (Fifth Revised)	X
39	Compressed Natural Gas Vehicle Fuel (Third Revised)	X
54	Small Volume - General Service (Sixth Revised)	X
56	Medium Volume - General Service (Sixth Revised)	X
58	Large Volume - General Service (Sixth Revised)	X
61	Sale for Resale (Seventh Revised)	X
70	Transportation Service (Eighth Revised)	X
72	Compressor Fuel Service (First Revised)	X
114	District Energy System Service (Fifth Revised)	X
116	Landlord Standby Service (Second Revised)	
701	Transportation for Frontier Field Services – Maljamar (Original)	
702	Transportation for Compania de Autobastecedores de Gas Natural de San Jeronimo, S.A. de C.V. (First Revised)	
703	Transportation from Bioenergy Plant (Original)	
706	Transportation to Holly Frontier Refinery and Marketing, LLC (Second Revised)	
741	Transportation to City of Farmington - Animas and Bluffview Power Plants (Second Revised)	
742	Transportation to Mosaic Potash (First Revised)	
817	Transportation to Public Service Company of New Mexico – Bulk Power (Sixth Revised)	

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 10**  
**CANCELING FIFTH REVISED RATE NO. 10**  
**RESIDENTIAL SERVICE**

Page 1 of 2

AVAILABILITY

Service under this Rate is available to any customer for a single-family residential unit when served through a single meter.

TERRITORY

All of the Company's service areas.

RATES

Monthly and Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.1253 per therm for transmission service; and
- b. \$0.2018 per therm for distribution.

x  
x

The above rates shall be charged based on the functional services utilized by each customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each customer served under this Rate shall pay an Access Fee of \$15.50 per monthly billing period.

x

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of that service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

Advice Notice No. 96

*/s/Gerald C. Weseen*

Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 10**  
**CANCELING FIFTH REVISED RATE NO. 10**  
**RESIDENTIAL SERVICE**

Page 2 of 2

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

This is the highest priority service rendered by the Company and interruptions, curtailments, and capacity allocation of service shall be in accordance with the Company's Rule No. 21.

OTHER CONDITIONS

Service under this Rate is subject to all applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 30**  
**CANCELING FIFTH REVISED RATE NO. 30**  
**IRRIGATION SERVICE**

Page 1 of 2

AVAILABILITY

Service under this Rate to any Customer for use as fuel for a prime mover driving a water pump to irrigate crops.

TERRITORY

All of the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0524 per therm for transmission service; and X
- b. \$0.0437 per therm for distribution service. X

The above rates shall be charged based on the functional services utilized by each Customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$45.00 per monthly billing period. X

Special Rate Adjustment: The charges shall be increased or reduced by the amount indicated, as applicable to each particular area of service, in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem or state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one-thousandths percent (0.667%) late payment charge.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 30**  
**CANCELING FIFTH REVISED RATE NO. 30**  
**IRRIGATION SERVICE**

Page 2 of 2

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

Service under this Rate may be interrupted, curtailed or capacity allocated to protect service to higher priority Customers in accordance with the Company's Rule No. 21.

OTHER CONDITIONS:

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. Certain Customers belonging in the "irrigation" classification have executed special contracts. These Customers are to be designated special contract Customers for the purposes of this Rate and all rules of service.
3. Any minimum bill provisions of contracts under which special contract Customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 31**  
**CANCELING FIFTH REVISED RATE NO. 31**

**WATER AND SEWAGE PUMPING**

Page 1 of 2

AVAILABILITY

Service under this Rate is available to municipal or public utility water and sewage systems if the gas is used as a fuel for a prime mover and the output of the prime mover is utilized to drive a water pump for water or sewage pumping.

TERRITORY

All of the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0472 per therm for transmission service; and x
- b. \$0.0583 per therm for distribution service. x

The above rates shall be charged based on the functional services utilized by each Customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each Customer served under this Rate with an annual consumption of less than 200,000 therms shall pay an Access Fee of \$131.50 per monthly billing period and each Customer served under this Rate with an annual consumption of 200,000 therms or greater shall pay an Access Fee of \$215.00 per monthly billing period. x

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees and charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one-thousandths percent (0.667%) late payment charge.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs



**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 31**  
**CANCELING FIFTH REVISED RATE NO. 31**

**WATER AND SEWAGE PUMPING**

Page 2 of 2

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

Service under this Rate may be interrupted, curtailed, or capacity allocated to protect service to higher priority Customers in accordance with the Company's Rule No. 21.

RATE CLASS DETERMINATION

On an annual basis, the Company shall review and evaluate the customer's usage and ensure that such usage supports its assigned Access Fee. In the evaluation process, the Company shall consider each customer's past three (3) years of gas usage, each year measured starting cycle 1 of the July cycle billing month and ending either cycle 21 of the June cycle billing month (for sales customers) or cycle 22 of the June cycle billing month (for transportation customers). If a customer's usage during two (2) out of the three (3) years reviewed does not satisfy the usage requirements of the customer's currently assigned Access Fee, the Company will assign the customer to the appropriate Access Fee that matches the customer's usage. The Company will also take into consideration any circumstances it is made aware of that may impact the customer's future gas usage when determining whether to change a customer's Access Fee assignment.

OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. Certain Customers belonging in the water and sewage pumping classification have executed special contracts. These Customers are to be designated special contract Customers for the purposes of this Rate and all rules of service.
3. Any minimum bill provisions of contracts under which special contract Customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**FIFTH REVISED RATE NO. 37**  
**CANCELLING FOURTH REVISED RATE NO. 37**  
**GAS AIR CONDITIONING**

Page 1 of 2

AVAILABILITY

Service under this Rate is available to any commercial, industrial, government or institutional Customer that uses natural gas to operate equipment utilized for the space cooling of a facility.

TERRITORY

All the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0325 per therm for transmission service; and x
- b. \$0.0480 per therm for distribution service. x

The above rates shall be charged based on the functional services utilized by each Customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$28.50 per monthly billing period. x

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

CURTAILABILITY

Service under this Rate may be curtailed to protect service to higher priority Customers in accordance with the Company's Rule No. 21.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen  
Vice President  
Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**FIFTH REVISED RATE NO. 37**  
**CANCELLING FOURTH REVISED RATE NO. 37**  
**GAS AIR CONDITIONING**

Page 2 of 2

OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. Except as provided in Other Conditions No. 3, service under this Rate shall be separately metered by a natural gas meter and separately billed. If an additional natural gas meter must be installed at the Customer's location for the purpose of metering the natural gas utilized by the Gas Air Conditioner, that meter shall be installed at the Customer's expense but shall be maintained and read by Company personnel.
3. Where not feasible to separately meter natural gas used to operate the gas cooling equipment because the cooling process is driven by steam produced by a boiler or boilers which serve loads other than the gas cooling equipment, an allocation will be made of an equivalent portion of the total gas used by the boiler or boilers which produced the steam required for the operation of the gas cooling equipment. This allocation will be established each billing period by using an approved measurement of steam flow to the gas cooling equipment. This steam flow will be multiplied times the ratio of total natural gas consumed by the boiler or boilers to the total steam generated by the boiler or boilers during the same period to produce the number of therms to be billed. The Customer is responsible for installing and maintaining steam meters with the Company reserving the right to witness calibrations and check meter readings.
4. A Customer served under this Rate that utilizes natural gas for purposes other than Gas Air Conditioning shall be issued additional invoices as necessary. Each separate use of natural gas shall be metered separately and billed under the applicable rate or rates for such gas use.
5. Certain Customers belonging in the "Gas Air Conditioning" classification have executed special contracts. These Customers are to be designated as special contract Customers for the purpose of this Rate and all rules of service.
6. Any minimum bill provisions of contracts under which special contract Customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen  
Vice President  
Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**THIRD REVISED RATE NO. 39**  
**CANCELING SECOND REVISED RATE NO. 39**  
**COMPRESSED NATURAL GAS VEHICLE FUEL**

Page 1 of 2

AVAILABILITY

Service under the Rate is available to any person who requests compressed natural gas (“CNG”) vehicle fuel services provided hereunder.

TERRITORY

All of the Company’s service areas.

RATES

- a. Basic Cost of Service Rate: During each monthly billing period, the rate for all gas delivered is \$0.0711 per therm. x
- b. Cost of Gas Component: The basic charges for cost of service shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.
- c. Special Rate Adjustment: The basic charges shall be increased or reduced by the amounts indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission or its predecessor.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) working days thereafter. Any amount left unpaid 30 days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen  
Vice President  
Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**THIRD REVISED RATE NO. 39**  
**CANCELING SECOND REVISED RATE NO. 39**  
**COMPRESSED NATURAL GAS VEHICLE FUEL**

Page 2 of 2

CURTAILABILITY

Service under the “Compressed Natural Gas Vehicles Fuel Rates” in section Rates 1. above, may be curtailed to protect service to higher priority customers in accordance with the Company’s Rule No. 21.

OTHER CONDITIONS

Service under this Rate is subject to applicable laws and orders, and to the Company’s Rules and Regulations on file with the New Mexico Public Regulation Commission.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 54**  
**CANCELING FIFTH REVISED RATE NO. 54**  
**SMALL VOLUME - GENERAL SERVICE**

Page 1 of 2

AVAILABILITY

Service under this Rate is available to any Customer whose primary business activity at the location served is not provided for under any other Rate and whose usage is less than 200,000 therms as determined below. This Rate shall include churches and multi-unit residential structures in which each unit is intended for year-round occupancy by an individual family group.

TERRITORY

All the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0982 per therm for transmission service; and x
- b. \$0.0969 per therm for distribution service. x

The above rates shall be charged based on the functional services utilized by each Customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$34.25 per monthly billing period. x

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

Service under this Rate may be interrupted, curtailed or capacity allocated to protect service to higher priority Customers in accordance with the Company's Rule No. 21.

Advice Notice No. 96

*/s/Gerald C. Weseen*

Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 54**  
**CANCELING FIFTH REVISED RATE NO. 54**  
**SMALL VOLUME - GENERAL SERVICE**

Page 2 of 2

RATE CLASS DETERMINATION

On an annual basis, the Company shall review and evaluate the rates assigned to small volume, medium volume, and large volume customers to ensure that each customer's usage supports its assigned rate. In the evaluation process, the Company shall consider each customer's past three (3) years of gas usage, each year measured starting cycle 1 of the July cycle billing month and ending either cycle 21 of the June cycle billing month (for sales customers) or cycle 22 of the June cycle billing month (for transportation customers). If a customer's usage during two (2) out of the three (3) years reviewed does not satisfy the usage requirements of the customer's currently assigned rate, the Company will assign the customer to the appropriate rate for the customer's usage. The Company will also take into consideration any circumstances it is made aware of that may impact the customer's future gas usage when determining whether to change a customer's rate assignment.

OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. This Rate shall be used for special unmetered service such as gas street lights. Total hourly consumption of all gas burning appliances included, expressed in therms at the locations, shall be multiplied by 731 to determine the average monthly consumption of the service. The result, rounded to the next highest therm, shall then be billed at the rates provided in this Rate.
3. Certain Customers belonging in the "General Service" classification have executed special contracts. These Customers are to be designated as special contract Customers for the purpose of this Rate and all rules of service.
4. Any minimum bill provisions of contracts under which special contract Customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen  
Vice President  
Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 56**  
**CANCELING FIFTH REVISED RATE NO. 56**  
**MEDIUM VOLUME - GENERAL SERVICE**

Page 1 of 2

AVAILABILITY

Service under this Rate is available to any customer whose primary business activity at the location served is not provided for under any other Rate and whose usage is 200,000 therms or greater and less than 2,000,000 therms as determined below.

TERRITORY

All the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0787 per therm for transmission service; and x
- b. \$0.0663 per therm for distribution service. x

The above rates shall be charged based on the functional services utilized by each customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each customer served under this Rate shall pay an Access Fee of \$159.75 per monthly billing period. x

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

Service under this Rate may be interrupted, curtailed or capacity allocated to protect service to higher priority customers in accordance with the Company's Rule No. 21.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen  
Vice President  
Regulatory, Strategy and External Affairs



**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 56**  
**CANCELING FIFTH REVISED RATE NO. 56**  
**MEDIUM VOLUME - GENERAL SERVICE**

Page 2 of 2

RATE CLASS DETERMINATION

On an annual basis, the Company shall review and evaluate the rates assigned to small volume, medium volume, and large volume customers to ensure that each customer's usage supports its assigned rate. In the evaluation process, the Company shall consider each customer's past three (3) years of gas usage, each year measured starting cycle 1 of the July cycle billing month and ending either cycle 21 of the June cycle billing month (for sales customers) or cycle 22 of the June cycle billing month (for transportation customers). If a customer's usage during two (2) out of the three (3) years reviewed does not satisfy the usage requirements of the customer's currently assigned rate, the Company will assign the customer to the appropriate rate for the customer's usage. The Company will also take into consideration any circumstances it is made aware of that may impact the customer's future gas usage when determining whether to change a customer's rate assignment.

OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. Certain customers belonging in the "General Service" classification have executed special contracts. These customers are to be designated as special contract customers for the purpose of this Rate and all rules of service.
3. Any minimum bill provisions of contracts under which special contract customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen  
Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 58**  
**CANCELING FIFTH REVISED RATE NO. 58**  
**LARGE VOLUME - GENERAL SERVICE**

Page 1 of 2

AVAILABILITY

Service under this Rate is available to any Customer whose primary business activity at the location served is not provided for under any other Rate and whose usage is 2,000,000 therms or greater as determined below.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0597 per therm for transmission service; and X
- b. \$0.0695 per therm for distribution service. X

The above rates shall be charged based on the functional services utilized by each Customer.

Cost of Gas Component: The basic charges for cost of service set forth above shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$1,810.00 per monthly billing period. X

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

Service under this Rate may be curtailed, interrupted or capacity allocated to protect service to higher priority Customers in accordance with the Company's Rule No. 21.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen  
Vice President  
Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SIXTH REVISED RATE NO. 58**  
**CANCELING FIFTH REVISED RATE NO. 58**  
**LARGE VOLUME - GENERAL SERVICE**

Page 2 of 2

RATE CLASS DETERMINATION

On an annual basis, the Company shall review and evaluate the rates assigned to small volume, medium volume, and large volume customers to ensure that each customer's usage supports its assigned rate. In the evaluation process, the Company shall consider each customer's past three (3) years of gas usage, each year measured starting cycle 1 of the July cycle billing month and ending either cycle 21 of the June cycle billing month (for sales customers) or cycle 22 of the June cycle billing month (for transportation customers). If a customer's usage during two (2) out of the three (3) years reviewed does not satisfy the usage requirements of the customer's currently assigned rate, the Company will assign the customer to the appropriate rate for the customer's usage. The Company will also take into consideration any circumstances it is made aware of that may impact the customer's future gas usage when determining whether to change a customer's rate assignment.

OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. Certain Customers belonging in the "General Service" classification have executed special contracts. These Customers are to be designated as special contract Customers for the purpose of this Rate and all rules of service.
3. Any minimum bill provisions of contracts under which special contract Customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SEVENTH REVISED RATE NO. 61**  
**CANCELING SIXTH REVISED RATE NO. 61**

**SALE FOR RESALE**

Page 1 of 2

AVAILABILITY

Service under this Rate is available to other gas distributors for resale to those customers served by it and for its own incidental use. This Rate shall also apply to intrastate wholesale supply of gas to others.

TERRITORY

Service from the Company as approved by the Company.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0411 per therm for transmission service

x

The above rates shall be charged based on the functional services utilized by each customer.

Cost of Gas Component: The basic charges for cost of service set forth above shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each customer served under this Rate shall pay an Access Fee of \$2,773.00 per monthly billing period.

x

Special Rate Adjustment: The charges shall be increased or reduced by the amount indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and all other taxes, fees and charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) working days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**SEVENTH REVISED RATE NO. 61**  
**CANCELING SIXTH REVISED RATE NO. 61**

**SALE FOR RESALE**

Page 2 of 2

CURTAILABILITY

Service under this Rate may be curtailed or allocated to the extent provided for under the provisions of the Company's Rules. The Buyer must file a curtailment plan and monthly projections of demand by customer class with the Company. The Company may reduce service to the Buyer at any time customers of the Buyer are receiving gas while similar customers of the Company are curtailed unless the Buyer is using substitute fuel.

OTHER CONDITIONS

1. Service under this Rate is subject to all applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. The Company will not install any facilities of any kind to serve customers under this Rate. Applicants requesting higher levels of service shall contribute all costs of facilities required to provide such service.
3. All customers under this Rate shall have executed special contracts.
4. Any minimum bill provisions of contracts under which special contract customers are served shall continue in effect. In computing any amount due thereunder the amount of the Access Fee shall not be included.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**EIGHTH REVISED RATE NO. 70**  
**CANCELING SEVENTH REVISED RATE NO. 70**

**TRANSPORTATION SERVICE**

**Page 1 of 10**

AVAILABILITY

The transportation rates provided for herein are available to any Transportation Customer as defined herein. The standby service rates provided for herein are available to any Standby Customer as defined herein.

DEFINITIONS

Transportation Customer shall mean any customer defined as a Transportation Customer in 17.10.660 NMAC who submits a written request to the Company to transport natural gas pursuant to that Rule, when such Transportation Customer executes a transportation contract for the transportation of natural gas.

Standby Customer shall mean any Transportation Customer as defined herein or any end-user receiving deliveries of gas under a transportation contract, when such Transportation Customer or end-user executes a standby contract for standby service.

TERRITORY

All of the Company's service area.

RATES

1. Application Fee
  - A. Base Fee
    1. Standard Transportation Contract \$ 720.00
    2. Negotiated Transportation Contract \$ 2,600.00
  - B. Receipt Point Fee \$ 50.00 per point
  - C. Delivery Point Fee \$ 50.00 per point

No additional charges (contract, receipt, or delivery point(s) fees) will be assessed to Transportation Customers when end-use meters are transferred from a Form No. 31 (On System Transportation Agreement) to another pre-existing Form No. 31 agreement, or from a Form No. 46 agreement to a pre-existing Form No. 31 agreement.

2. Monthly and Individual Services Function Charges. For each classification defined in the Company's sales tariffs, the maximum rates for each functional service are:

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**

**EIGHTH REVISED RATE NO. 70  
CANCELING SEVENTH REVISED RATE NO. 70**

**TRANSPORTATION SERVICE**

		<u>Monthly Access Fee</u>	<u>Transmission Rate (\$/Therm)</u>	<u>Distribution Rate (\$/Therm)</u>	
A.	Rate 10	\$ 15.50	\$ 0.1253	\$ 0.2018	x
B.	Rate 30	\$ 45.00	\$ 0.0524	\$ 0.0437	x
C.	Rate 31				
	(Small)	\$ 131.50	\$ 0.0472	\$ 0.0583	x
	(Large)	\$ 215.00			x
D.	Rate 35				
	(Small)	\$ 55.00	\$ 0.0342	\$ 0.0454	
	(Large)	\$ 350.00			
E.	Rate 37	\$ 28.50	\$ 0.0325	\$ 0.0480	x
F.	Rate 39		\$ 0.0711	\$ 0.0711	x
G.	Rate 54	\$ 34.25	\$ 0.0982	\$ 0.0969	x
H.	Rate 56	\$ 159.75	\$ 0.0787	\$ 0.0663	x
I.	Rate 58	\$ 1,810.00	\$ 0.0597	\$ 0.0695	x
J.	Rate 61	\$ 2,773.00	\$ 0.0411		x
K.	Rate 72	\$ 307.00	\$ 0.0267		x
L.	Rate 114	\$ 1,810.00	\$ 0.0507	\$ 0.0415	x
M.	Non NMGC End Use		\$ 0.0309		x

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Gerald C. Weseen  
Vice President  
Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**  
**EIGHTH REVISED RATE NO. 70**  
**CANCELING SEVENTH REVISED RATE NO. 70**

**TRANSPORTATION SERVICE**

**Page 3 of 10**

4. Dehydration Rate

- (a) This Rate is available to any Transportation Customer whose gas supply, upstream of the Company's facilities, requires the water content to be removed in order to meet the quality specifications as set forth in the Company's transportation agreements, Form Nos. 31 and 34, through Company owned facilities.
- (b) The following rates shall apply:
  - (i) Monthly Service Charge       \$400.00;
  - (ii) Throughput Per Therm        \$0.003; plus
  - (iii) Transportation Customers will furnish all fuel used to operate the dehydration facilities.
- (c) Servicing of customer owned facilities by Company personnel will be billed in accordance with the Company's Rate No. 11. Due to distant locations, travel time from the Company's facilities will be added to the hourly rates.

5. Standby Rate

- (a) For each Standby Customer whose annual end-use consumption is less than 200,000 therms, \$0.005 per therm times estimated annual consumption; unless such end-user or Transportation Customer elects to nominate a Standby Maximum Daily Quantity (SMDQ) and twelve Maximum Monthly Quantities (MMQs). The standby fee will be billed to the customer in twelve equal monthly installments.
- (b) For each Standby Customer whose annual end-use consumption is equal to or greater than 200,000 therms, or an end-user whose annual end-use consumption is less than 200,000 therms and who elects to nominate a SMDQ and twelve MMQs, then the charge for standby shall be:
  - (i) Peak Demand Charge:        \$0.03 per therm times the SMDQ times twelve (12).
  - (ii) Quantity Charge:            \$0.004 per therm times the MMQ for each of the twelve contract months.

The sum of the Peak Demand and Quantity Charges will be billed to the Standby Customer in twelve equal monthly installments.

All gas delivered by the Company as standby gas shall be sold at Company's WACOG plus transmission and distribution rates.

Advice Notice No. 96

*/s/Gerald C. Weseen*

Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs



**NEW MEXICO GAS COMPANY**

**EIGHTH REVISED RATE NO. 70  
CANCELING SEVENTH REVISED RATE NO. 70**

**TRANSPORTATION SERVICE**

**Page 4 of 10**

In addition to the above charges, an Unauthorized Use Charge of \$1.00 per therm will be assessed for any metered volumes delivered to the end-user on any day which exceed the Standby Maximum Daily Quantity established for the end-user, if the Standby Maximum Daily Quantity was based on an amount chosen by or on behalf of the end-user rather than upon historical peak day use, if Emergency Gas Service is unavailable or is refused by the Transportation Customer and the Company has notified the Transportation Customer by telephone and telefax to curtail the end-uses of the gas.

6. Administrative Charges and Other Rates

Access Fee: Each Transportation Customer served under this Rate shall pay a Monthly Access Fee as shown in Section 2.

Rate Rider Adjustments: The charges shall be increased or reduced, as appropriate, for the billing month by amounts computed in accordance with applicable Rate Riders, as authorized by the NMPRC, provided that such adjustments shall not be applicable to Non-NMGC End-Users (as defined in Other Conditions 16 below).

Emergency Gas Service: The commodity price of Emergency Gas Service (EGS) shall be the highest gas cost currently being paid by the Company for its system supply customers, as included in the Company's monthly Gas Cost Factor Statement filed with the Commission (also see Other Conditions of this Rate).

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Use Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

7. Total Transportation Charge

The total monthly charge for transportation for each transaction shall be the sum of A, B, C, D and E as set forth below:

- A. Monthly Access Fee
- B. Individual Service Functions times the quantity associated with those services
- C. Charges for any other service provided
- D. Rate Rider adjustments, if applicable
- E. Applicable Taxes

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

Service under this Rate may be interrupted, curtailed or capacity allocated to protect service to higher priority transportation and sales customers in accordance with the Company's Rule No. 21.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen  
Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**

**EIGHTH REVISED RATE NO. 70  
CANCELING SEVENTH REVISED RATE NO. 70**

**TRANSPORTATION SERVICE**

**Page 5 of 10**

OTHER CONDITIONS

1. Service is subject to all applicable laws and orders, particularly 17.10.660 NMAC, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. All service under this Rate shall require the execution of a transportation contract by the Transportation Customer or a standby service agreement by the Standby Customer, as applicable. Transportation Customers may elect to use the Company's On- or Off-System Standard Transportation Contract, which are on file with the Commission as Form Nos. 31 and 34 or negotiate a different transportation contract.
3. An application for transportation service shall be made by a written request which shall be accompanied by the appropriate application fee as set forth in this Rate. The application fee shall consist of the base fee for either the standard or a negotiated transportation contract, plus the fees for the total number of receipt and delivery points specified in the Transportation Customer's request. No application fee will be required for the extension or renewal of an existing transportation agreement. The appropriate application fees must accompany a request for substantial amendment to existing contracts.
4. A current sales customer of the Company or any person acting on their behalf may elect to become a Transportation Customer of the Company pursuant to this Rate. A current sales customer shall give the Company written notice of its election to become a Transportation Customer sixty (60) days prior to commencement of transportation.

An Exit Fee or Credit will be applicable to sales customers, with annual consumption exceeding 10,000 therms, who elect to switch to transportation service. The Exit Fee or Credit is designed to "cash out" the switching customer's position in any accrued balancing accounts. The Exit Fee or Credit is equal to the exiting customer's share of the balance in the deferred gas cost account at the end of the month in which the termination of sales service occurs. The existing customer's share will be determined by (a) first dividing the balance in the deferred gas cost account by total sales consumption for the past twelve (12) months to determine the Exit Fee Factor and then (b) multiplying the customer's total consumption for the past twelve (12) months by the Exit Fee Factor.

If a transportation end-user returns to sales service within sixty (60) days of exiting sales service, the Exit Fee will be recalculated. The recalculation will take into consideration only the period during which the customer was on transportation service. The Company will issue a statement to the customer, showing the difference in the Exit Fee within thirty (30) days of the return to sales service. The statement will include an invoice for any Exit Fee due the Company or a notice of any Credit due the customer.

Any seasonal customer that does not have twelve (12) consecutive months of consumption as of the exit date shall be considered exempt from the Exit Fee provisions of this Rate. A seasonal customer, for the purposes of determining exemption from Exit Fees, shall be defined as any customer that consistently disconnects service in their normal course of business during the twelve (12) consecutive months of a calendar year.

Advice Notice No. 96

/s/Gerald C. Weseen

Gerald C. Weseen  
Vice President

Regulatory, Strategy and External Affairs

**NEW MEXICO GAS COMPANY**

**EIGHTH REVISED RATE NO. 70  
CANCELING SEVENTH REVISED RATE NO. 70**

**TRANSPORTATION SERVICE**

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5. The Company will not be required, at its expense, to install any facilities of any kind to serve a Transportation Customer under this Rate. Applicants requesting higher levels of service than currently available shall execute a facilities construction contract and shall pay for all costs of additional facilities, including storage facilities, required to provide such service as specified in Sections 10B.(2) and (3) and Section 10D. of 17.10.660 NMAC. Pursuant to Section 10D.(2) of 17.10.660 NMAC, a Transportation Customer who pays for all costs of additional facilities shall have the first right to transport gas through the additional facilities (“Incremental Capacity”) and such Incremental Capacity shall not be subject to Capacity Allocation under the Company’s Rule No. 32. The Incremental Capacity rights shall continue for the period of time specified in the separate Incremental Capacity agreement between the Company and the Transportation Customer.
6. All gas received at the receipt points and delivered at the delivery points shall be of pipeline quality as specified in Sections 7R. and 11F. of 17.10.660 NMAC or as specified in the transportation contract.
7. The Company shall transport gas received from a Transportation Customer at the various receipt points, reduce it by a quantity of gas equal to one percent (1%) and deliver at the delivery points as defined in the transportation contract the remaining quantities of gas on a Therm basis. Such reduction in gas quantity delivered shall be deemed to reflect gas consumed or lost in providing service hereunder.

Transportation contracts that include off-system deliveries through the Company’s “Redondo, Star Lake or Espejo Compressors” will include, for each compressor facility used, an additional one percent (1%) to reflect gas consumed for a total of up to four percent (4%) if all compressor facilities are used.

8. A deposit may be required to be paid by a potential Transportation Customer at the time the transportation contract is executed. The deposit shall be equal to the total estimated charges for the first full month of transportation service. If the Transportation Customer commences substantial performance of its contract obligations within forty-five (45) days of execution of the contract, the deposit will be credited to the Transportation Customer’s account within sixty (60) days of execution of the transportation contract. If the Transportation Customer does not commence substantial performance of its contract obligations within forty-five (45) days of execution of the contract, the deposit may be forfeited, and the transportation contract may be terminated. Governmentally owned gas distribution systems and utilities are exempt from paying the deposit.
9. The payment terms for transportation, standby service and/or EGS (as defined in Other Conditions 14 below) under this Rate will be specified in the transportation contract or standby service contract, as applicable.
10. A Transportation Customer shall be entitled to return to the Company’s system supply as a sales customer up to its full requirements upon the availability of capacity to transport system supply gas and with prior written notice to the Company. The cost of gas for such re-entry customers shall be determined as follows:

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*/s/Gerald C. Weseen*

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- (a) Any Transportation Customer providing sixty (60) days' notice to the Company before re-entry to system supply will receive service from the Company as a sales customer with commodity costs based on the Company's Rate Rider No. 4; or
- (b) A Transportation Customer who fails to give the Company at least sixty (60) days' notice of re-entry will purchase gas from the Company if, as and when such supply is available and the Company is able to provide such supply without curtailing any existing customers with commodity costs based upon the greater of
  - (i) the Company's average cost of gas; or
  - (ii) the Company's actual price of gas (including transportation charges, if any) which is used or obtained to provide such gas.
- (c) At the expiration of sixty (60) days from the date of the Transportation Customer's request, the customer will receive gas service from the Company as a sales customer with commodity costs based on the Company's Rate Rider No. 4.

In cases above the customer will be billed for cost of service under its otherwise applicable Rate Schedule according to its customer classification.

A Transportation Customer requesting re-entry as a sales customer may be required to execute a special service contract. This contract will specify a minimum purchase obligation for a certain period of time. If the re-entry customer and the Company are unable to negotiate a special service contract, either party may file a complaint with, or seek binding arbitration from, the New Mexico Public Regulation Commission.

- 11. The Transportation Customer shall balance the quantity of gas tendered for transportation at the receipt points with the quantity of gas taken at the delivery points. Failure to do so may result in penalties which shall be applied in accordance with the Company's Rule No. 28 as such rule may be adjusted from time to time.
- 12. Standby service shall be available to a Standby Customer as defined herein only for a minimum term of one year pursuant to a separate standby service contract. For standby service pursuant to "Rates", Section 4.(b) of this Rate, the Standby Customer's Standby Maximum Daily Quantity ("SMDQ") (in Therms) of standby gas that the Company will be obligated to provide during any day of the contract period, subject to the curtailment, interruption or capacity allocation provisions of Section 10E. of 17.10.660 NMAC and the Company's Rule No. 21, in effect at that time, will be established as follows:
  - a. For an end-user who does not have continuously recording metering equipment, the SMDQ for full coverage will equal the end-user's average daily quantity delivered during the end-user's peak month of the preceding twelve (12) month period multiplied by a factor of 1.3.

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- b. For an end-user currently having continuously recording metering equipment, the SMDQ will be either:
  - (i) the end-user's highest actually metered daily use during the preceding twelve (12) month period for full coverage; or
  - (ii) an amount chosen by the end-user or by the Standby Customer on behalf of the end-user for partial coverage.
- c. For an end-user or Standby Customer acting on behalf of an end-user not currently having continuously recording metering equipment but who has requested the installation of such equipment at its own cost and expense, the SMDQ will be either:
  - (i) the quantity referenced in Paragraph 12a above; or
  - (ii) an amount chosen by the end-user or by the Standby Customer on behalf of the end-user.
- d. An end-user with multiple meters may elect in the standby contract to purchase standby service for a specific meter or meters. The SMDQ shall represent the sum of the SMDQs for all elected meters.
- e. If the Standby Customer is a Transportation Customer who is not an end-user, the following shall apply:
  - (i) The SMDQ shall be determined at the discretion of the Standby Customer;
  - (ii) The Standby Customer must hold a separate standby contract for each of the Company's system, i.e., Northwest, Southeast or Remote Systems;
  - (iii) The Standby Customer must identify in the standby contract each delivery meter to be covered by the standby contract;
  - (iv) The Standby Customer must identify in the standby contract the priority in which the delivery meters are to be curtailed if the SMDQ or maximum monthly quantity as defined below has been met and EGS is not available.

In no instance shall the Company be obligated to provide on any day in the contract period an amount of standby gas in excess of the Standby Maximum Daily Quantity chosen for each end-user or Standby Customer acting on behalf of an end-user pursuant to Other Conditions 12b(ii) or 12c(ii). Gas over and above the chosen Standby Maximum Daily quantity may be available under EGS as discussed in Other Conditions 14 of this Rate.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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The Standby Customer shall identify a separate Maximum Monthly Quantity of standby gas for each of the twelve (12) months of the contract period. In no instance shall the Company be obligated to provide during any month in the contract period an amount of standby gas in excess of the Maximum Monthly Quantity chosen by the Standby Customer for that month. Gas over and above the Maximum Monthly Quantity may be available under EGS as discussed in Other Conditions 14 of this Rate.

13. A Standby Customer shall be entitled to return to the Company's system supply as a sales customer up to its full requirements with sixty (60) days prior written notice to the Company. During the sixty (60) days re-entry period, if the Standby Customer requests to purchase system supply gas from the Company, then the commodity cost of such gas shall be at the Company's WACOG during the term of the standby contract. After the expiration of the term of the standby contract, the Company shall provide system supply gas to the Standby Customer in accordance with Other Conditions 10 of this Rate. In the event that a Standby Customer receives system supply gas during the term of the standby contract, the Standby Customer shall continue to pay the standby rate in addition to any other applicable charges for service.
14. EGS is an optional service that the Company will provide to a Transportation Customer or Standby Customer's delivery point if, in its sole discretion, the Company determines that EGS gas is available at that delivery point. The application of EGS shall be as follows:
  - a. In the event the Company's final schedules, as submitted in accordance with the Company's Form No. 38, show a confirmation by a third-party transporter is less than ninety percent (90%) of the Transportation Customer's nomination there is a failure of supply which may be subject to EGS. In the event that the Transportation Customer is unable to obtain a confirmation by a third-party transporter of all of the nomination shortfall at any receipt point on the applicable section of the Company's system, no later than the next successive flow day, the Company may, in its sole discretion, provide EGS or curtail deliveries of gas to the Transportation Customer's end use meters. After the Company provides notice of a curtailment, if the Transportation Customer fails to curtail usage at the end use meters, any gas taken shall be unauthorized gas.
  - b. If the Company provides EGS to a Transportation Customer, EGS shall be for the Quantity of gas equal to the difference between the nominated volumes and the volumes actually delivered by the Transportation Customer beginning with the flow day in which there was a supply failure and continuing so long as the supply failure exists.
  - c. Other than the schedules provided pursuant to the Company's Form No. 38, the Company is not required to provide any notice of its intent to charge EGS nor of any specific supply failure prior to providing EGS. The final confirmation from the third-party transporter and/or the Company's final schedule shall be deemed to be sufficient notice of a supply failure for EGS purposes.
  - d. A Transportation Customer or Standby Customer who has purchased EGS from the Company shall pay the commodity cost as specified in "Rates" Section 5 of this Rate. The Transportation Customer or Standby Customer shall also pay an amount based on the service rate per Therm set forth in this Rate.

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*/s/Gerald C. Weseen*

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**NEW MEXICO GAS COMPANY**

**EIGHTH REVISED RATE NO. 70  
CANCELING SEVENTH REVISED RATE NO. 70**

**TRANSPORTATION SERVICE**

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15. An end-user receiving service under this Rate may at the same time meet part of its requirements through sales service from the Company. A combined sales/transportation customer, excluding retail CNG services under the Company's Rate No. 39, must have separate meters for sales service and transportation service, respectively. The customer is required to warrant to the Company that the gas flowing through the separate transportation and sales meters serves separate gas consuming equipment and is not commingled downstream of the meters.
16. "Non-NMGC End-User" as used in this Rate shall mean an end-user who is not, and at its current location was not and could not become a direct sales customer of the Company.
17. A Transportation Customer may obtain its standby service from a third party if it so desires. Third Party standby gas will be transported by the Company under the same terms and conditions set forth in the Transportation Customer's transportation agreement with the Company.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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**NEW MEXICO GAS COMPANY, INC.**

**FIRST REVISED RATE NO. 72  
CANCELING ORIGINAL RATE NO. 72  
COMPRESSOR FUEL SERVICE**

Page 1 of 2

AVAILABILITY

Service under this Rate is available for compressor station service.

TERRITORY

All the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rate for all gas delivered shall be:

- a. \$0.0267 per therm for transmission service

X

Cost of Gas Component: The basic charges for cost of service set forth above shall be increased or reduced, as appropriate, by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to the rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$307.00 per monthly billing period.

X

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated, as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICE

In accordance with the Company's Rule No. 21, service under this Rate shall be designated as a Priority 1 – Human Needs.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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Regulatory, Strategy and External Affairs



**NEW MEXICO GAS COMPANY, INC.**

**FIRST REVISED RATE NO. 72  
CANCELING ORIGINAL RATE NO. 72  
COMPRESSOR FUEL SERVICE**

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OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. Certain Customers belonging in the "Compressor Fuel Service" classification have executed special contracts. These Customers are to be designated as special contract Customers for the purpose of this Rate and all rules of service.
3. Any minimum bill provisions of contracts under which special contract Customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

Advice Notice No. 96

*/s/Gerald C. Weseen*

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**NEW MEXICO GAS COMPANY**  
**FIFTH REVISED RATE NO. 114**  
**CANCELING FOURTH REVISED RATE NO. 114**  
**DISTRICT ENERGY SYSTEM SERVICE**

Page 1 of 3

AVAILABILITY

Service under this Rate is available to the integrated end-use facilities of any natural gas Customer which uses natural gas to satisfy large scale and diverse energy requirements (including, but not limited to, a combination of heating, cooling, and/or electricity generation). The minimum total annual usage for Customer facilities served under this Rate shall be greater than 5,000,000 therms.

TERRITORY

All of the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0507 per therm for transmission service; and X
- b. \$0.0415 per therm for distribution service. X

The above rates shall be charged based on the functional services utilized by each Customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$1,810.00 per monthly billing period. X

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of that service.

Advice Notice No. 96

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**NEW MEXICO GAS COMPANY**

**FIFTH REVISED RATE NO. 114  
CANCELING FOURTH REVISED RATE NO. 114**

**DISTRICT ENERGY SYSTEM SERVICE**

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Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty-seven one thousandths percent (0.667%) late payment charge.

INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICES

Service under this Rate may be interrupted, curtailed or capacity allocated to protect service to higher priority Customers in accordance with the Company's Rule No. 21.

OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rule and Regulations on file with the New Mexico Public Regulation Commission.
2. District Energy System (DES) facilities served under this Rate shall be required to maintain a monthly load factor variation of not more than plus or minus thirty-five percent (35%) and an annual peak load factor of not greater than one hundred fifteen percent (115%) or less than eighty-five percent (85%). Except as otherwise expressly provided in this Rate, failure to maintain a plus or minus thirty-five percent (+/- 35%) variation in monthly load factor and an annual peak load factor of at least eighty-five percent (85%) and not greater than one hundred fifteen percent (115%) will result in the Customer's facilities being served under other applicable Rate(s) based on its end-use characteristics at the delivery point(s). After first qualifying for service under this Rate, a Customer's DES facilities shall not be served under other applicable rate(s) by operation of this section without thirty (30) days prior notice by the Company to the Customer and confirmation by the Company that the failure to maintain the load factor variation described in this section is not attributable solely to the Customer's modification to its existing DES facilities, DES facility additions, or any scheduled change in operation of its existing DES facilities.
3. After first qualifying for service under this Rate, a Customer served under this Rate shall notify the Company of any modification(s) to its existing DES facilities which may significantly impact the gas demand or load factor characteristics of its DES usage prior to making such adjustments or operating such new facilities. A Customer served under this Rate shall also provide prior notice to the Company of any scheduled change in the operation of existing DES facilities (e.g., down-time for scheduled maintenance) which may significantly impact the gas demand or load factor characteristics of those facilities. The calculation of the Customer's monthly load factor and annual peak load factor under Other Conditions 2. of this Rate shall not reflect any short-term variations in monthly load factor or annual peak load factor attributable solely to such modification to its existing DES facilities, or scheduling changes in operation of its DES facilities when prior notice of such modification, or scheduling change has been provided to the Company in accordance with this paragraph.

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**FIFTH REVISED RATE NO. 114**  
**CANCELING FOURTH REVISED RATE NO. 114**  
**DISTRICT ENERGY SYSTEM SERVICE**

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4. After first qualifying for service under this Rate, a Customer served under this Rate shall notify the Company of any DES facility addition(s) which may significantly impact the gas demand or annual peak load factor characteristics of its DES usage prior to operating such new facilities. The calculation of the Customer's monthly load factor and annual peak load factor under Other Conditions 2. of this Rate shall not reflect any variations attributable solely to DES facility addition(s) for a minimum of one year after the DES facility addition(s) is placed in operation, when prior notice of such addition(s) has been provided to the Company in accordance with this paragraph.
5. For purposes of this Rate, monthly load factor variation is defined as the change in metered therm usage in any month from the metered therm usage in the immediate preceding month. Annual peak load factor is defined as the average daily therm usage for a consecutive twelve (12) month period divided by the average daily therm usage of the coincident peak month during the twelve (12) month period.
6. Any Customer served under this Rate shall be required to demonstrate its capability to control, manage, and be responsible for the seasonal, monthly, daily, and hourly swings in the demand in its DES facilities, both those which are predictable and those which are not. The Customer must be able and willing to monitor, record, and communicate daily DES usage in order that it control and manage its load requirements. Accordingly, each Customer served under this Rate shall be required to furnish, at its expense, daily metering equipment for the purpose of monitoring its DES load characteristics in order to ensure continuing compliance with the Rate qualifications.

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*/s/Gerald C. Weseen*

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*/s/Gerald C. Weseen*

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**NEW MEXICO GAS COMPANY**  
**THIRD REVISED RULE NO. 29**  
**CANCELING SECOND REVISED RULE NO. 29**  
**RATE RIDER NO. 8 DETAILS**

Page 1 of 6

1. Definitions:

The following words and terms shall have the indicated meaning when used in the Company's Rate Rider No. 8 and this Rule:

Actual Calendar Month Heating Degree Days: The cumulative monthly Weighted Average Heating Degree Days for the current Heating Season.

Adjustment Period: The annual period beginning with cycle 1, October.

Annual Reconciliation Report: The annual report filed with the Commission which provides the weather-related revenue excesses and deficiencies and the revenues or revenue credits for the Company's Weather Normalization Adjustment for a Reconciliation Period.

Balancing Account: Contains the cumulative monthly differences between the weather-related revenue excesses or revenue deficiencies as they are recorded on the books and records of the Company, and the revenues resulting from billings or credits to customers for the recovery or crediting of weather-related revenue excesses or revenue deficiencies as they are recorded on the books and records of the Company.

Balancing Account Adjustment Factor: A component of the Weather Normalization Adjustment Factor designed to allow the Company to continuously manage the Balancing Account.

Commission: The New Mexico Public Regulation Commission.

Company: New Mexico Gas Company.

Degree Day Consumption Factor: The aggregate heating use per degree day by rate class for the calendar month stated in therms as set forth in the following table:

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*/s/Gerald C. Weseen*

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**NEW MEXICO GAS COMPANY**  
**THIRD REVISED RULE NO. 29**  
**CANCELING SECOND REVISED RULE NO. 29**  
**RATE RIDER NO. 8 DETAILS**

<u>Month</u>	<u>Rate 10 Residential</u>	<u>Rate 54 Small General Service</u>	
October	35,564	14,607	X
November	49,019	18,586	X
December	54,017	21,518	X
January	62,631	26,204	X
February	59,384	25,062	X
March	52,802	23,803	X
April	39,858	18,603	X

Heating Degree Day: The difference between 65° and the mean daily temperature for the calendar day for days when the mean daily temperature is below 65°. Heating Degree Days equal zero for calendar days when the mean daily temperature is 65° or greater.

Heating Season: The seven consecutive calendar months beginning October and ending April.

Margin Revenue Factor: The revenue per therm net of applicable taxes and fees established in the Company's most recent base rate case for the applicable rate class as set forth in the following table:

<b>Rate Class</b>	<b>Margin Revenue Factor</b>	
<b>Rate 10 - Residential</b>		
Transmission	\$0.1253	X
Distribution	<u>\$0.2018</u>	X
Transmission & Distribution	\$0.3271	X
<b>Rate 54 - Small General Service</b>		
Transmission	\$0.0982	X
Distribution	<u>\$0.0969</u>	X
Transmission & Distribution	\$0.1951	X

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**THIRD REVISED RULE NO. 29**  
**CANCELING SECOND REVISED RULE NO. 29**

**RATE RIDER NO. 8 DETAILS**

Normal Calendar Month Heating Degree Days: The cumulative ten-year Weighted Average Heating Degree Days for each calendar month from October through April as established in the Company’s most recent base rate proceeding. Normal Calendar Month Degree Days are set forth in the following table:

<u>Month</u>	<u>Normal Degree Days</u>
October	237
November	575
December	850
January	867
February	664
March	486
April	260

x  
x  
x  
x  
x  
x  
x

Reconciliation Period: The twelve consecutive months ended September 30 of each year.

Weather Normalization Adjustment Component: The amount included in each customer’s bill to recover or credit the net weather-related revenue excess or deficiency as determined in Rate Rider No. 8 and this Rule.

Weather Normalization Adjustment Factor: The rate to be multiplied by the customer’s billing units to determine the Weather Normalization Adjustment Component.

Weather Normalization Adjustment Factor Statement: The report establishing the Weather Normalization Adjustment Factor. The Weather Normalization Adjustment Factor Statement is filed with the Commission prior to changing the previously used Weather Normalization Adjustment Factor.

Weighted Average Heating Degree Days: The average daily Heating Degree Days reported by the National Oceanographic and Atmospheric Administration for the weather stations representative of the Company’s service area computed on the basis of the weightings specified in the following table:

<u>Station</u>	<u>Percentage Weighting</u>
Albuquerque	57.24%
Deming	5.00%
Farmington	12.12%
Roswell	8.49%
Santa Fe	17.16%

x  
x  
x  
x  
x

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*/s/Gerald C. Weseen*

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Vice President  
Regulatory, Strategy and External Affairs



**NEW MEXICO GAS COMPANY**  
**THIRD REVISED RULE NO. 29**  
**CANCELING SECOND REVISED RULE NO. 29**  
**RATE RIDER NO. 8 DETAILS**

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2. Records

The Company shall maintain records which identify the weather-related revenue excesses or revenue deficiencies and the revenues or revenue credits attributable to the operation of Rate Rider No. 8. The difference between the weather-related revenue excesses or revenue deficiencies and the revenues or revenue credits described in this section shall be entered into the Balancing Account. Entries shall be made in this account at the end of the month in which the Rate Rider No. 8 weather-related revenue excesses or revenue deficiencies and revenues or revenue credits are recorded on the Company's books. The Balancing Account entry shall consist of the following:

- A. Rate Rider No. 8 weather-related revenue excesses or revenue deficiencies shall be taken from the Company's books and records. Rate Rider No. 8 revenue excesses or revenue deficiencies shall include:
  - (1) The amount, if any, by which weather-related revenue excesses occur due to colder-than-normal weather, as determined in accordance with the provisions of Rider No. 8.
  - (2) The amount, if any, by which weather-related revenue deficiencies occur due to warmer-than-normal weather as determined in accordance with the provisions of Rider No. 8.
- B. Rate Rider No. 8 revenues or revenue credits shall be taken from the Company's books and records. Rate Rider No. 8 revenues shall include, but not be limited to:
  - (1) The amount of weather normalization adjustment revenues recorded through the customers' Weather Normalization Adjustment Component.
  - (2) The amount of weather normalization adjustment revenue credits recorded through the customers' Weather Normalization Adjustment Component.
- C. The Company shall separately maintain records attributable to the operation of Rate Rider No. 8 for service provided to Rate 10 Residential Service customers and Rate 54 Small General Service customers.
- D. If Rate Rider No. 8 is discontinued or replaced, the amount recorded in the Balancing Account, positive or negative, as of the effective date that Rate Rider No. 8 is discontinued or replaced shall be credited to customers or charged to customers in a future period.

3. Calculation of the Weather Normalization Adjustment Factor

- A. The Weather Normalization Adjustment Factor shall be determined as follows:
  - (1) A calculation of the revenue impact of colder-than-normal or warmer-than-normal weather shall be performed for each month of the Heating Season. A revenue excess shall result for the month when the Actual Calendar Month Heating Degree Days for the month exceed the Normal Calendar Month Heating Degree Days for the month. A revenue deficiency shall result for the month when the Actual Calendar

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*/s/Gerald C. Weseen*

Gerald C. Weseen

Vice President

Regulatory, Strategy and External Affairs

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Month Heating Degree Days for the month fall below the corresponding Normal Calendar Month Heating Degree Days for the month.

- (2) The weather-related revenue impact shall be determined by first calculating the difference between Actual Calendar Month Heating Degree Days and Normal Calendar Month Heating Degree Days and multiplying this difference by the Degree Day Consumption Factor for the month and by the Margin Revenue Factor.
- (3) The monthly weather-related revenue excess or revenue deficiency shall be determined separately for each rate class subject to Rider No. 8.
- (4) The monthly revenue excesses and revenue deficiencies shall be summed together for the seven-month period of October through April to determine the net revenue excess or deficiency for the current Heating Season for each rate class subject to Rider No. 8.
- (5) A calculation of the net prior period over or under-recovery of the Weather Normalization Adjustment Factor shall be performed by comparing the cumulative difference between the net revenue excess or revenue deficiency to the cumulative net revenues and revenue credits for prior periods for each rate class subject to Rider No. 8.
- (6) The sum of the net revenue excess or deficiency for the current Heating Season and the net prior period over or under-recovery of the Weather Normalization Adjustment Factor for prior periods shall represent the total net revenue impact to be recovered through the Weather Normalization Adjustment Factor for each rate class subject to Rider No. 8.
- (7) The Weather Normalization Adjustment Factor for the Adjustment Period shall be the total net revenue impact to be recovered through the Weather Normalization Adjustment Factor divided by the projected billing units for each rate class subject to Rider No. 8.

4. Reports and Statements

- A. A Weather Normalization Adjustment Factor Statement must be filed annually with the Commission no later than June 30 before adjustment of the Weather Normalization Adjustment Factor. Each Statement shall consist of a cover letter identifying the items impacting the Weather Normalization Adjustment Factor, a projection of the final reconciliation balance for the twelve-month period ending on September 30 and any matters which may be of interest to the Commission. The Weather Normalization Adjustment Factor Statement consists of the following sections:

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Section 1 - Summary of the Weather Normalization Adjustment Factors

Section 2 - Determination of the Weather Normalization Adjustment Factor

(A) Actual Monthly Heating Degree Days

(B) Monthly Weather-Related Revenue Excesses and Deficiencies

Section 3 - Determination of the Balancing Account Adjustment Factor.

B. An Annual Certified Reconciliation Report shall be filed with the Commission as soon after the completion of the September accounting month as permitted by record availability, and shall be filed annually no later than December 31. This report shall consist of the following sections:

- (1) a summary of weather-related revenue excesses or deficiencies and revenues or revenue credits which were recorded in the Balancing Account;
- (2) a summary of reconciling items including items adjusting the Balancing Account; and
- (3) any additional reporting requirements as specified by the Commission.

The Weather Normalization Adjustment mechanism is continuous and therefore, the Balancing Account is also continuous. Any under or over-collection of weather-related revenue excesses or deficiencies that resulted in the prior Reconciliation Period will immediately carry over into the subsequent Reconciliation Period. All adjustments resulting from the Annual Reconciliation will be recorded into the Balancing Account as they become certified in the Annual Reconciliation process.

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