

**2021 WINTER WEATHER EVENT  
FEBRUARY 8 - 19, 2021  
DEFINITION OF TERMS**

TERM	MEANING	DESCRIPTION
AMA	Asset Management Agreement	A contract that we have with a third-party allowing them to use any Permian transportation that we do not use. For any Permian Basin supply, COP sells us that supply and transports it for us to our receipt point.
Blanco Remotes		One of NMGC's independent systems within the remote system. Refers to purchase of San Juan supplies to feed remote locations throughout New Mexico
BP	British Petroleum	Producer and marketer. We have both baseload and peaking/swing contracts with BP.
COC	Critical Operating Condition	A notice provided by interstate pipelines defining pipeline conditions and operational constraints. This means that their system is not behaving normally and they have to request actions by their shippers to maintain the integrity of the pipeline. They will also impose penalties on shippers who do not comply.  A critical operating condition is more severe than a SOC and has lower tolerance of 3%.
COP	ConocoPhillips	Producer, marketer, asset manager, off system transportation, on system transportation customer, shipper. NMGC has swing contracts through peaking or the AMA. We also have intraday peaking contracts with COP.
Chevron		Producer, marketer. NMGC has baseload and swing contracts with Chevron.
ECO	ECO Energy	Marketer. NMGC has baseload and swing contracts with ECO.
EP/EPNG	El Paso Pipeline	Owned by KM. Pipeline that runs from the Permian to California. One of the primary pipelines that NMGC utilizes.
ERCOT	Electric Reliability Council of Texas	The agency that oversees Texas' electric grid.
ETC	Energy Transfer Company	Marketer. This is the company that owns TW Pipeline. This the marketing arm of Energy Transfer Partners. We have baseload and swing contracts with them.

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FM	Force Majeure	Force majeure means there are unforeseeable circumstances that prevent someone from fulfilling a contract. A force majeure clause in a contract, which is what KM and other suppliers invoked, is a clause within a contract which excuses a party's failure to fulfill the contract due to the unforeseeable circumstances.
Gas Daily		<p>NMGC subscribes to S&amp;P Global Platts Gas Daily for its pricing information. S&amp;P Global Platts methodologies are designed to produce price assessments and indices that are representative of market value and of the particular markets to which they relate. Platts has no financial interest in the price of the products or commodities on which it reports. Platts' overall objective is to reflect the transactable value of the commodity assessed.</p> <p>Market participants voluntarily report pricing. These participants, for final daily indices for Platts locations, report each business day all physical fixed-price deals completed prior to the industry nomination deadline (1pm Central Time) for next-day pipeline delivery in North America.</p> <p>For the daily market, Platts publishes three price components: the midpoint, the common range, and the absolute range. The midpoint or index, also called the GDA (Gas Daily Average), is the volume weighted average of all transactions submitted to Platts.</p>
Intraday Market		Any gas purchases after Timely (noon Mountain Time). Purchases between noon prior day of flow all the way up to 6:00 pm day of flow. Generally, gas we purchase on the intraday market is fixed price and more expensive. We do have some contracts for swing gas that are intraday (peakers), but they are also more expensive.

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Keystone Remotes		One of NMGC's independent systems within the Remote system. Refers to purchase of Permian supplies to feed remote locations throughout New Mexico.
KGS/KM/KM Storage	Keystone Gas Storage, LLC	The Kinder Morgan storage facility where NMGC contracts for storage in Winkler County, Texas. NMGC contracts for 2.7 Bcf of storage capacity with seasonal injection and withdrawal rights.
Line Pack		Gas supply in NMGC's system that it can use for customers. Linepack can be used to assist with shifts in demand throughout the day.
Long		When the amount of gas purchased is above demand, meaning we have extra gas above what the current forecast indicates we need.
Lusk		Lusk is a bidirectional point in NMGC's system that feeds the South system, meaning it can both receive and deliver gas, from El Paso pipeline (EP).
North System	NMGC's Northwest System	NMGC's largest system. This is where we have the most residential customers and this system is the most heat sensitive, meaning it is the most affected by changes in the weather.
Peaker or Swing Contract		A type of contract that NMGC has that allows us to call on a specified volume of gas at a predetermined price. This is a contract in place that allows us to purchase our swing gas. We use these for next day purchases and same day purchases.
Permian	Permian Basin	A basin that's located in the southeast part of New Mexico and the southwest part of Texas. One of the main basins that NMGC purchases supply out of. Both EP and TW pipelines can transport gas to us from the Permian Basin.
Remotes	NMGC's Remote System	This system is comprised of three independent systems (Blanco, Keystone, and TW), meaning that we cannot feed them off of NMGC's pipelines. These independent systems are supplied from interstate pipelines (EP and TW).
San Juan	San Juan Basin	A basin that's located in the northwest part of New Mexico and the Four Corners area. One of the main basins that NMGC purchases supply from. EP and TW pipelines can transport gas to us from San Juan.

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Sequent	Sequent Storage	NMGC subleases with Sequent for .5 Bcf storage capacity at the KM storage facility in West Texas. NMGC's sublease expires at the end of March 2021.
Short		When the amount of gas purchased is below demand, meaning we have less gas than the current forecast indicates that we need.
SOC	Strained Operating Condition	<p>A notice provided by interstate pipelines defining pipeline conditions and operational constraints. This means that their system is not behaving normally and they have to request actions by their shippers to maintain the integrity of the pipeline. They will also impose penalties on shippers who do not comply.</p> <p>A strained operating condition is less severe than a COC and has higher tolerance of 10%.</p>
South System	NMGC's Southeast System	One of NMGC's three transmission systems located in the Permian. This system supplies many of NMGC's commercial customers.
Timely	Timely Cycle	The first cycle of the gas day, which ends at noon the day before the flow. If gas is purchased or scheduled during this cycle, it is the most reliable. This is when most of NMGC's contracts have to be called on.
Tolerance		When a pipeline has declared an SOC or COC, this is the amount you are allowed to be out of balance. You have to match what you're delivering onto the pipeline with what you're taking off the pipeline within the specified percentage.
TW	Transwestern Pipeline	An interstate pipeline flowing from the Permian to California. One of the major pipelines NMGC uses to transport gas.
TWSJ	Transwestern San Juan Pool	A gas pooling location (a location where gas is gathered for purchase and sale) on the TW in the San Juan.

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TW Remotes		One of NMGC's independent systems within the Remote system. Refers to purchase of Permian or San Juan supplies to feed remote locations throughout New Mexico. Throughout the storm we used San Juan.

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EXECUTIVE SUMMARY**

<b>DAY(S)</b>	<b>SUMMARY</b>
Monday February 8 - Wednesday February 10	The storm first showed on our forecasts on Monday the 8th. For the next several days, as per our standard approach, we monitored forecasts in anticipation of the forecast either firming up or changing.
Thursday February 11	On Thursday the storm had begun hitting Texas, but had not yet reached New Mexico, and we first started hearing about freeze offs in Texas halting gas production. This was the first indication that we might experience supply disruptions, but we were not having any yet. This is when we began to formalize our plan for purchasing gas over the upcoming holiday weekend. We had a few challenges at the outset: 1) it is difficult to purchase gas for a storm over the weekend because we have to purchase gas for the entire weekend in advance and demand can shift quickly from day to day as a storm approaches; 2) this challenge is even more difficult during a holiday weekend because it means we have to purchase gas for an additional day; 3) in addition to having to purchase gas for several days, we also have to purchase gas ratably across those days, meaning we have to purchase the same amount of gas for each day per our contracts. In this case, the weather was projected to be much warmer on Saturday than it was for Sunday, presenting challenges for buying ratably. Either we had to buy a lower amount of gas to meet Saturday's load and be short on Sunday, or we had to buy a larger amount of gas to meet Sunday's load and have to figure out where to store gas on Saturday. This was our biggest concern on Thursday.
Friday February 12	On Friday we had to make our gas purchases for the holiday weekend. In preparation for the storm, one of our goals was to reach and maintain a line pack of 100k MMBtu in order have some supply in our system to draw on due to the heavy loads we were anticipating. We planned to use a lot of our storage, which we had 165k MMBtu of withdrawal rights to. We planned to inject some gas on Saturday when the weather was warmer, then withdraw a lot of gas on Sunday, Monday, and Tuesday. At this point we had no indication from our counterparty that getting our gas from storage would be an issue and we planned to rely on it heavily.

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Saturday February 13	<p>One of our main goals was to increase our line pack to 100k MMBtu to prepare for the storm. In order to do this we had to redirect some of the gas that we were planning to inject into storage back into the system and also withdraw some gas from storage. As they day went on, the line pack was still not building as much as we wanted it to and at this point, we knew we were going to experience supply disruptions. We withdrew some additional gas to avoid buying on the intraday market, where prices were starting to increase.</p>
Sunday February 14	<p>We reached our goal of getting the line pack above 100k MMBtu and we felt like we were in a good position starting the day. Sunday morning we first started seeing cuts from KM. We were informed that TW, the pipeline delivering our gas from KM, was not delivering our full nomination. We tried reaching numerous contacts at KM and TW pipeline, including a vice president of TW, multiple times to get information about the disruptions they were experiencing and the impact on us. We had a difficult time getting any information and although we knew our supply was getting cut, we did not know by how much. We were also anticipating cuts from other suppliers due to the worsening conditions in the Permian. These anticipated cuts were going to make us short and our only other option to replace the supply was on the intraday market.</p> <p>That afternoon, KM declared Force Majeure and we finally knew how much gas we were going to get from them. Between KM and other suppliers, we were cut 75k MMBtu total. This meant that we were going to be 55k MMBtu short, even though we started the day above our goal line pack. In order to meet demand, we were forced to replace that 55k MMBtu on the intraday market. We knew that we were probably going to get more cuts. It continuously got colder on Sunday, making us concerned about supply disruptions Monday morning.</p>

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Monday February 15	<p>Most of the gas we purchased on Sunday flowed and Monday morning we felt like we were in a pretty good position again. However, we knew we were going to get more cuts because the Permian was freezing and KM was still under Force Majeure. That morning KM issued an update on their Force Majeure cutting additional supply. Again, we did not know how much of our supply we would be able to get from them. That morning we also received a system-wide notice of Critical Operating Condition from EP indicating that there was underperformance in both the Permian and San Juan.</p> <p>We did experience cuts on our supply for Monday (today) and we had to buy 35k on the intraday market to replace those. As the day went on, we were concerned that more gas was going to freeze off and we were going to see more cuts. We decided to purchase an additional 20k MMBtu on the intraday market as insurance against further supply disruptions.</p> <p>That afternoon we received a notice from KM canceling the Force Majeure, however, they indicated that they still were not operating at full capacity and had reduced withdrawal rates. This meant that even though the Force Majeure was no longer in effect, we still were not getting access to all of our supply and again we didn't know how much supply we would be able to get.</p>
Tuesday February 16	<p>This was the first trading day since the storm had begun that we were able to make changes to our purchases. We decided to purchase our gas from the San Juan because the Permian was frozen off and we were only seeing minor disruptions from San Juan. The weather in New Mexico was getting a little bit warmer, but it was still freezing in Texas. Since the Permian was still frozen, it was impacting the market and causing supply disruptions. We purchased 232k for Wednesday (next-day purchases).</p>



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Wednesday February 17	<p>For Wednesday, we bought 11k on the intraday market to balance the Remote system and avoid penalties due to the EP COC.</p> <p>On Wednesday we bought 283k MMBtu for Thursday (next-day purchases). We bought about 70k MMBtu long because we were anticipating cuts from storage.</p> <p>We called our counterparties to make sure that we weren't going to have issues with our credit because the prices were so high. Only one counterparty (Devlar) had concern and we did a pre-payment with them. We exceeded our credit limits with other counter-parties, but they were understanding about the circumstances and worked with us.</p>
Thursday February 18	<p>On Thursday, we were getting to the tail end of the storm and supply was starting to come back. We still anticipated getting some cuts and made all of our purchases for Friday from the San Juan Basin to avoid the Permian. We purchased 188k for Friday (next-day purchases). The gas prices were starting to come back down.</p> <p>Throughout the day, more and more supply came back. We ended up having to reduce our withdrawal from storage several times because we had excess gas. In the early cycles of the day we had a few cuts, but we did not have to replace because we had so much excess gas.</p>
Friday February 19	<p>By Friday the market and gas prices had nearly returned to normal. NMGC was able to return to business as usual for the most part.</p>

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ENTRY #	DATE	TIME	EVENT/DEVELOPMENT	INFORMATION/ACTION
1	Monday 2/8/21	6:10 AM	<p>NMGC gas supply team had its regular morning meeting.</p> <p>The gas supply team typically meets twice a day, once in the morning at 6:10 AM and once in the afternoon at 12:45 PM to come up with our supply plan and make necessary changes as the day progresses. We have three systems to supply gas for - the North system, the South system, and the Remote system. The Remote system contains three independent systems: the Blanco Remotes, the Keystone Remotes, and the TW Remotes.</p> <p>To decide how to supply our systems with gas, during these meetings we run forecast models, monitor supply disruptions, manage storage injections or withdrawals, and plan gas purchases on the next day and intraday markets. The forecast takes into account the weather, historic loads, and how much gas is on our system and projects whether we will have sufficient supply. If the forecast projects that we will not have enough gas, then we purchase swing gas on the next day and intraday markets. These forecasts play an important role in deciding how much gas we purchase. Normally, we run a forecast model twice a day, during our morning meetings and our afternoon meetings.</p> <p>In addition to our forecasts, we subscribe to and review S&amp;P Global Platts ("Platts") and NGI for industry news updates. We also review forecasts from our weather subscription service, GTI, and we watch the weather channel to monitor national weather and news.</p>	<p>This is the first day that we can see the storm in our forecasts. The storm is projected to arrive on Sunday, 2/14/21. We're not taking any actions in response at this point because it is too far in advance and the weather can change, but the storm is on our radar.</p> <p>With the storm projected to arrive Sunday, we were planning to purchase gas for it on Friday in the next-day market, as we would for any Sunday, because that is how the market works. Additionally, all of our gas supply is contracted for in advance meaning that we are guaranteed to have our supply show up the day we call on it. This means that when we plan to purchase gas on Friday, our suppliers are contractually obligated to get it to us and we have no reason to believe that having enough gas will be an issue. It would also not benefit us to try to call on those contracts earlier and get gas for the storm before Friday because we would need to put the excess gas into storage, but would not be able to withdraw it during the weekend. We have a limit to how much gas we can withdraw from storage per day, 165k MMBtu. Even if we had a larger total amount of gas in storage, we would still only be able to withdraw 165k MMBtu per day. Thus, having additional gas in storage would not have provided us more gas during the weekend. In the days before the storm, we also have no reason to anticipate the unprecedented increases in gas prices. For these reasons, we do not purchase gas for the Sunday storm prior to Friday.</p>
2	Tuesday 2/9/21	5:30 AM	<p>Received Gas Daily pricing information for 2/9/21 (for gas ordered on Monday 2/8/21 that was delivered and priced on Tuesday 2/9/21).</p> <p>For Tuesday the 9th, prices were normal and all locations were trading in the range of \$3.13 to \$3.66 per MMBtu.</p> <p>NMGC also subscribes to Platts Gas Daily for its gas pricing information. Platts reports on prices for the next day market. When trading on the next day market, the official index price of that gas has not yet been set. Instead, market participants make their fixed-price purchases, then some participants voluntarily report to Platts every day what fixed prices they paid. Platts then takes that information and publishes a daily report, setting the daily index price of gas. The index price, also called the Gas Daily Average, is the volume weighted average of all of the transactions reported to Platts.</p>	<p>Most of NMGC's swing contracts, and one baseload contract, are priced based on the Gas Daily index price, so these reports give us pricing information for those contracts. When NMGC makes its next day purchases, the index prices have not been set yet. This report is issued the next day and retroactively sets the prices of NMGC's next day purchases. For example, when NMGC made its next day purchases on Monday 2/8/21 for delivery on Tuesday 2/9/21, it did not know the official index pricing. NMGC made those Monday purchases, then on Tuesday morning, this Gas Daily report came out and set the index price, which NMGC's contracts use.</p> <p>In addition to giving us pricing information for the locations in which we trade, these reports contain pricing information for the locations around us. They allow us to see prices in the San Juan, the Permian, the Rockies, and other locations. At this point, the prices in all locations were normal.</p>

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3	<b>Tuesday 2/9/21</b>	6:10 AM	NMGC gas supply team had its regular morning meeting.	As we get closer to the storm, our forecasts are continuously projecting that we will be short gas. The storm is on our radar and we're monitoring it, but we're still not taking any action at this time, for the same reasons described above. We are still days away from the storm, which is forecasted to arrive on Sunday, and forecasts can change. We have contracts in place to ensure that we get the volume of gas we need each day and so we do not need to buy gas and stock up in advance of storms. Additionally, the standard in the gas market is to purchase gas a day ahead, not a week ahead.
4	<b>Wednesday 2/10/21</b>	5:30 AM	Received Gas Daily pricing information for 2/10/21 (for gas ordered on Tuesday 2/9/21 that was delivered and priced on Wednesday 2/10/21).  This report said that for Wednesday all locations were trading in the range of \$3.19 to \$4.03 per MMBtu.	Here, all locations were trading at what we would characterize as normal pricing. There was not any indication of the huge price spikes to come.
5	<b>Wednesday 2/10/21</b>	6:10 AM	NMGC gas supply team had its regular morning meeting.	As we were getting closer, the storm is approaching and our forecasts are projecting us to be shorter on gas. However, we still do not buy gas for the Sunday storm at this time for the same reasons described above. We were still not concerned about supply because all of our swing gas is contracted for, meaning that we should have access to enough gas to meet our demand, even during a severe storm. Again, there is no advantage to purchasing gas so far in advance and it is not how the market functions. To prepare for the storm, we continued monitoring the weather forecasts for changes and we began to plan how we would get our gas for the weekend.  At this point we had no idea that pricing would be such an issue and our biggest concern was the weather discrepancy between Saturday and Sunday. For Saturday the weather was forecasted to be warm and we were projected to be 27k MMBtu short on the North system. On Sunday, that projection was substantially higher, forecasting us to be 163k MMBtu short because the weather was forecasted to be much colder. This discrepancy was forecasted for the South and Remote systems as well. This can be a challenge because we have to buy gas ratably across the holiday weekend (Saturday, Sunday, Monday, and Tuesday), meaning that we have to purchase the same volume of gas for each day, as required by our contracts. To buy ratably, either we had to buy a lower amount of gas for each day to meet Saturday's projected load and be short on Sunday, or we had to buy a larger amount of gas for each day to meet Sunday's projected load and store the excess on Saturday. NMGC has tools to assist with this challenge such as unratable intraday contracts and the ability to inject and withdraw gas from storage. The challenge was to utilize those tools and create an effective strategy to meet the variations in demand.

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6	<b>Wednesday 2/10/21</b>	Throughout the day	NMGC's operations team monitored the storm and began planning its preparations.	NMGC's operations team was aware of the coming storm and began planning the steps it needed to take to ensure NMGC's system would function.
7	<b>Thursday 2/11/21</b>	5:30 AM	Recieved Gas Daily pricing information for 2/11/21 (for gas ordered on Wednesday 2/10/21 that was delivered and priced on Thursday 2/11/21).  This report said that on Thursday, most locations traded in the \$4.00 per MMBtu range and a couple of them started trading around \$6.30 per MMBtu.	At this point the storm is on everyone's radar and gas prices are starting to rise a little bit. This is normal for any storm.
8	<b>Thursday 2/11/21</b>	Throughout the day	NMGC's operations team made its preparations for the coming storm.	Throughout the day, NMGC's operations team prepared for the storm so that it could ensure NMGC's system would function during the extreme cold. These preparations included: 1) having technicians stationed at all major compression stations throughout the State to ensure the compressors functioned; 2) having district engineers on standby to conduct hydrolic modeling in the event the system malfunctioned; 3) ensuring that load control technicians were available to work on regulator stations by deferring their other projects; 4) preparing field personnel to respond to customers during the storm by having multiple methods of communication, weather gear, and fueled and stocked vehicles; and 5) providing updated contact information to the NM Emergency Operations Center for Homeland Security and the City of Albuquerque Office of Emergency Management to ensure their notification of any outages.

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9	Thursday 2/11/21	9:32 AM	<p>Received Warning of a strained operating condition (SOC) from El Paso Pipeline ("EP Pipeline"). EP Pipeline is an interstate pipeline and is the other primary pipeline that NMGC utilizes to transport gas. This warning indicated that EP Pipeline's system was currently fine, but that it was concerned about its system operations with the upcoming storm forecast and the potential for supply loss. EP Pipeline indicated that because of the forecasted conditions, they might have to declare an SOC.</p> <p>Pipelines allow third-party shippers to transport gas through their system. When a shipper transports gas through the pipeline, they have to reserve transportation on the pipeline for the amount of gas they want to transport. They are then expected to put that amount of gas onto the pipeline and get that same amount of gas out once it is delivered. Delivering the same amount of gas that is taken off keeps the pipeline system balanced and allows it to function.</p> <p>When a pipeline declares an SOC, it is experiencing an imbalance. Either they are getting too much gas in the pipeline and not enough is being used by customers or they are not getting enough gas on the pipeline and too much is being used by customers. In either case, the pipeline is imbalanced and can experience operational problems. When this happens, the pipeline provides notice to shippers that the shippers must supply the correct amount of gas to meet their end-user demand within a certain percentage, or tolerance. The pipeline imposes penalties on shippers whose supply and usage are imbalanced. EP Pipeline was warning that it might have to take these actions in light of the upcoming storm.</p>	<p>We made sure that our gas control coordinator kept an eye on this, but it was not unexpected or uncommon for EP Pipeline to issue an SOC warning in advance of a storm. We continued ensuring that we had enough gas supply. We made some adjustments to the volumes in our Remote System to make sure that if EP Pipeline did declare an SOC, the system would be balanced within the tolerance and we would not incur penalties.</p>
10	Thursday 2/11/21	12:44 PM	<p>Received news update from Platts.</p> <p>This particular update said that "The price spikes across the Midwest/Texas/Rockies are being fueled by widespread production freeze-offs, with an estimated 1.5-2.0 Bcf/d of production offline currently in the Midcontinent and Texas, due to the severe cold."</p>	<p>This was the first Platts update that we saw discussing the storm. This update told us that the storm was already coming through Texas and causing freeze offs halting gas production. However, at this point the storm had not yet even reached New Mexico or the Permian itself. This was an indication to us that we were likely to experience supply disruptions. It alerted us to the potential that we might see issues with our gas supply as the storm worsened in Texas and eventually reached the Permian.</p>

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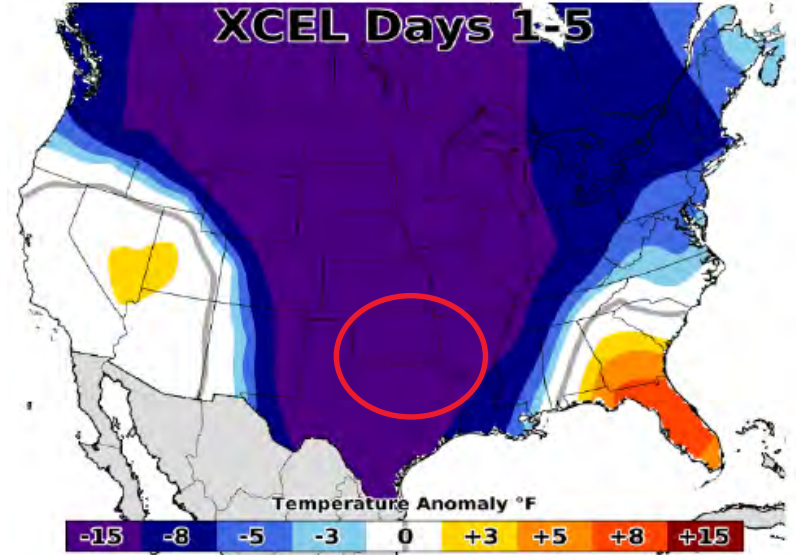
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11	Thursday 2/11/21	12:45 PM	NMGC gas supply team had its regular afternoon meeting.	<p>NMGC's gas supply team met to discuss gas purchases for the long weekend and develop a supply plan. We would make these purchases on Friday 2/12/21 (tomorrow). We were preparing to purchase gas for the long holiday weekend (Saturday, Sunday, Monday, and Tuesday). Normally on Fridays we purchase gas through Monday. However, Monday was President's Day, which meant that the gas market would be closed for an additional day and we had to purchase our gas through Tuesday. The forecasted demand was high, so we needed to utilize a lot of swing gas. For swing gas, we were planning to withdraw a substantial amount from KM Storage and purchase the rest on the next day market (on Friday).</p> <p>We knew that the storm was coming on Sunday and that, as the week progressed, it was forecasting to be even colder. Yesterday, our forecasts projected that we would be 163k MMBtu short in the North system on Sunday. Today the forecast projected that we would be 207k MMBtu short in the North system on Sunday because the temperature for Sunday was forecasted to be even colder. The forecasts also still showed that the weather was going to be warmer on Saturday (forecasting us to only be 17k MMBtu short in the North system), before getting very cold on Sunday.</p>
12	Thursday 2/11/21	2:08 PM	<p>Received Cold Weather Alert from Transwestern Pipeline ("TW Pipeline"). TW Pipeline is an interstate pipeline that runs from the Permian to California. It is one of the two major pipelines that NMGC uses to transport gas.</p> <p>TW Pipeline issued a notice due to the cold weather in the Permian and San Juan. It said that it was working to maintain and/or increase its linepack and encouraged operators to ensure their suppliers were performing as expected.</p>	<p>This notice was similar to the SOC warning issued by EP Pipeline, but issued from a different pipeline, TW. Again, it is not unexpected or uncommon for pipelines to issue notices like this when a storm is forecasted.</p>
13	Thursday 2/11/21	All day	<p>Weather forecasts in Texas were changing to reflect much colder temperatures than previously expected.</p> <p>As can be seen in the map on the next page, Texas' expectations of the storm changed drastically as the week progressed. On February 5, the forecasted temperature for February 10-14 was expected to be around -8 degrees Fahrenheit. By February 11, that changed quickly and Texas was suddenly expecting temperatures of -15 degrees Fahrenheit for February 11-15.</p>	<p>We saw many weather maps indicating what is shown here - that the storm was projecting to be much colder than expected. Based on this, we anticipated that there would be supply disruptions in the Permian and we planned to purchase our supply from other basins to the extent possible.</p>

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Entry Number 13

**2021 Cold Weather Event – Forecast Changes**

Mid-Con Forecast for Feb 10-14  
as of Feb 5th

Mid-con Forecast for Feb 11-15  
as of Feb 11th



- The change of Texas' expectations from a prior week to a current week are a material driver to demand

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14	Friday 2/12/21	5:30 AM	<p>Received Gas Daily pricing information for 2/12/21 (for gas ordered on Thursday 2/11/21 that was delivered and priced on Friday 2/12/21).</p> <p>This report said that for Friday, most locations, including all those in the Permian, were trading in the \$10.00-\$12.00 per MMBtu range.</p>	<p>As we were getting closer to the storm, the prices were continuing to increase, but at this point they were still not out of the ordinary. When any storm is approaching, it is normal for gas prices to increase some. This increase was consistent with what we would have expected for that.</p>
15	Friday 2/12/21	6:10 AM	<p>NMGC gas supply team had its regular morning meeting.</p>	<p>Today, Friday, we had to make all of our next-day purchases for the long weekend and prepare for the Sunday storm. Our starting line pack today was 81k MMBtu and we wanted to increase it in anticipation for the high demand we expected over the weekend. In addition to utilizing the full amount of our baseload gas, we needed to withdraw gas from storage and make next-day purchases to meet the forecasted demand. We planned to withdraw a lot of our gas from KM Storage and obtain the rest with next-day purchases. We had 160k MMBtu in KM Storage that we had the right to withdraw, which was not enough to cover all of the swing gas we needed.</p> <p>In addition to our baseload, we needed to get swing gas from storage and next-day purchases because demand was forecasted to be so high. We came up with our storage plan and our purchase plan. With respect to storage, we planned to inject some gas on Saturday when it wasn't as cold, then withdraw a lot of gas on Sunday (165k MMBtu), Monday (73k MMBtu), and Tuesday (27k MMBtu). With respect to next-day purchases, we bought 187k MMBtu per day for the State through the weekend. We also reserved all of our transportation rights on the pipelines so that we could move our gas without issue.</p> <p>We purchased our gas from multiple basins and from the sources which we thought would be the most reliable. Because we anticipated that the Permian would have a lot of supply disruptions due to the weather, we switched our supply to other basins (San Juan and Piceance) to the extent possible. We did purchase some gas for our Remote system from the Permian because of our transportation contracts, which provide transportation for gas to that system from the Permian. We did not anticipate that the Permian would freeze to the extent that it did and it was reasonable to source a small amount of gas from there.</p> <p>We planned to rely heavily on withdrawing our gas from KM Storage, which is located in the Permian. However, we believed that withdrawing our gas from storage in the Permian would be more reliable than purchasing gas from the Permian. With production in the Permian already being affected by the cold (largely due to freeze-offs at well heads), purchasing gas from the Permian had more potential for disruptions. The gas in storage did not have those risks.</p>



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16	<b>Friday 2/12/21</b>	early morning	NMGC is preparing for gas purchases.	In the gas market, generally purchases are made for the next day. For example, on a Monday NMGC purchases its gas for Tuesday. These are referred to as next-day purchases. However, the market is closed on Saturday and Sunday for the weekend. This means that, typically, on Friday, NMGC must purchase enough gas to meet its demand for the entire weekend (Saturday, Sunday, and Monday). As the gas market is closed on weekends, it is also closed on holidays. When the holiday is a Monday, this means that the Friday before, NMGC must purchase gas for an additional day in advance (Saturday, Sunday, Monday, and Tuesday). Monday February 15, 2021, during the Winter Event was President's Day, which meant that NMGC had to make its next-day purchases for four days on Friday.
17	<b>Friday 2/12/21</b>	mid-morning	NMGC gas supply team is watching the gas market and seeing gas prices increase substantially. We would not receive the official index price until Saturday morning.	By this point we had already made our next-day purchases for the weekend and the price of those purchases would be based on the index prices, which we would not receive until Saturday morning. As we were keeping an eye on the market trading, we saw prices for gas starting to rise. This was when we first started to become aware of pricing issue, but there was nothing we could do about it.
18	<b>Friday 2/12/21</b>	11:36 AM	Received SOC Warning - Update #1 from EP Pipeline.  This update said that EP Pipeline would remain under an SOC warning. It said that its linepack remained at a satisfactory level, but that EP Pipeline remained concerned that due to the forecasted cold temperatures in the Permian through the middle of next week and the potential for supply disruptions, they might have operational difficulties .	Again, this type of notice is not uncommon or unexpected when a storm is approaching. We were monitoring to ensure that the system would be balanced and that we would not incur penalties in the event EP Pipeline did declare an SOC.
19	<b>Friday 2/12/21</b>	12:45 PM	NMGC gas supply team had its regular afternoon meeting.	The gas supply team met and had no changes to our next-day purchases since we made them this morning.  After next-day purchases are made in the morning, there are deadlines by which we can make changes to those purchases if we need to because of things like supply disruptions or changes in forecasts. On the day that gas is flowing, we also have certain deadlines by which we can make intraday changes to those purchases.
20	<b>Friday 2/12/21</b>	3:00 PM	Phone calls between NMGC and ConocoPhillips ("COP") to ensure that things were in place for the Sunday storm. COP is a producer with whom NMGC has various swing contracts, some of which it planned to call on for the weekend gas supply.	We noticed that COP was not reflecting some of the gas we had scheduled. Our team called COP and confirmed that our gas from them was scheduled for the weekend.
21	<b>Friday 2/12/21</b>	3:30 PM	Instead of injecting gas into storage, we added it into the system to raise line pack.	The weather got colder and our line pack was falling. Our line pack was 62k MMBtu at this point, when yesterday at the same time it was 75k MMBtu. We wanted to raise the linepack to be able to use it in anticipation of supply disruptions. We were forecasted to be 20k MMBtu long. So we reduced our storage injection by 20k MMBtu and sent it to our system to raise line pack and avoid buying on the intraday market on Saturday.

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22	<b>Friday 2/12/21</b>	5:56 PM	<p>Josh Tilbury declares Level 3 under NMGC's Supply Event Plan.</p> <p>The Supply Event Plan is an internal NMGC plan that initiates actions within NMGC's Gas Supply Departments and facilitates communications within NMGC and with outside parties when there is concern about supply disruptions. The plan can be activated at one of three levels - three, two, or one - with three being the least severe. Level Three is declared in response to an anticipated or actual event that has the potential to cause disruptions to normal gas supply operations. At Level Three, no impact to normal operations has yet occurred, but gas supply personnel are provided with notice to take preparatory actions and speak with pipeline operators, suppliers, and shippers.</p>	<p>Josh Tilbury declared Level Three under the Supply Event Plan due to the forecasted high winter load for Sunday and the potential for supply disruptions due to the storm. Mr. Tilbury told everyone to review the Supply Event Plan and take the appropriate actions assigned under it. We had already been taking most of the actions required, which included things like conducting additional meetings; contacting pipelines, shippers, suppliers, and storage providers; monitoring pipeline notices; and establishing a line pack target.</p>
23	<b>Friday 2/12/21</b>	8:09 PM	<p>NMGC's operations team completes preparation for the coming storm.</p>	<p>NMGC's operations team spent Thursday and Friday enacting their preparations for the storm to ensure that NMGC's system would function. At this time, the operations team confirmed all of the preparations that had been taken.</p>
24	<b>Saturday 2/13/21</b>	5:30 AM	<p>Received Gas Daily pricing information for 2/13/21 (for gas ordered on Friday 2/12/21 for delivery and pricing on 2/13/21)</p> <p>This report indicated that for Saturday, gas prices increased dramatically. In the Permian gas was trading at a premium, in the range of \$76.18 to \$117.42 per MMBtu. The prices in the San Juan were lower than that, but still high, ranging from \$63.54 to \$92.23 per MMBtu. White River Hub, located in the Piceance Basin was trading at \$139.45 per MMBtu.</p>	<p>This report confirmed what we began seeing Friday mid-morning, that the gas prices were increasing significantly. We have never seen gas prices reach this high in this region. Because we had purchased all of our gas for the weekend on Friday, this Gas Daily report set the prices for our gas purchases from Saturday through Tuesday.</p>

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25	Saturday 2/13/21	6:10 AM	NMGC gas supply team had its regular morning meeting.	<p>On Saturday the weather was still fairly warm, which is why we planned to inject some of our gas into storage, so that we could withdraw it on the cold days. Our line pack this morning, 64k MMBtu, was not as high as we wanted it to be. Our goal was to get it to 100k MMBtu by Sunday morning in order to be prepared for the Sunday morning load. In order to increase the line pack, we reduced the amount of gas we were planning to inject into storage. Instead of injecting 32k MMBtu into KM Storage, we redirected it into our system. This resulted in us injecting about 5k MMBtu into KM Storage. We also withdrew 45k MMBtu from KM Storage. Additionally, we needed to inject some gas into our storage facility at Sequent so that we would have some additional gas to withdraw on Sunday. We injected 12.5k MMBtu into Sequent storage and scheduled a withdrawal of 12k MMBtu for Sunday.</p> <p>We discussed withdrawing an additional 20k MMBtu from KM Storage in order to be long so that we would be more prepared for the Monday morning load. We thought it would be a good idea to withdraw the additional gas for Monday because the forecast model kept projecting colder temperatures and we were anticipating cuts. We were already forecasted to be a little short on Sunday, assuming there weren't any supply disruptions. Having this extra 20k MMBtu would fix that problem as well as allow us some extra to account for additional supply disruptions. Withdrawing an additional 20k MMBtu would put us 45k MMBtu long.</p> <p>Throughout the day we saw minor cuts to our gas from suppliers, none of which were from storage. We had 337 MMBtu cut from our purchases. This is normal. We see small supply disruptions like this all the time.</p>
26	Saturday 2/13/21	12:45 PM	NMGC gas supply team had an afternoon meeting.	We had no intraday changes to our purchases. We decided to run the forecasting model again at 4:00 pm to check for weather changes as the storm was approaching.
27	Saturday 2/13/21	4:20 PM	<p>NMGC gas supply team had an evening meeting.</p> <p>Normally the gas supply team has two meetings per day - the morning meeting and the afternoon meeting. In situations such as this, where there is potential for supply disruptions, the gas supply team adds an evening meeting and meets three times per day to monitor changes to the weather forecast, demand, and supply disruptions.</p>	<p>It was getting towards the end of the day and our line pack was at 84k MMBtu. The line pack was not building as much as we wanted to reach our 100k MMBtu goal. We also knew there were going to be supply disruptions due to the cold weather in the Permian. We wanted to get another 26k MMBtu to meet our goal and account for disruptions. To this end, we withdrew 15k MMBtu from KM Storage. TW Pipeline agreed to hold that 15kMMBtu for us in the event that we didn't need it. We also got a 5k MMBtu payback from a shipper, which means that the shipper transported gas on our system and in the process burned some of our line pack and had to repay us.</p> <p>We also withdrew an additional 20k MMBtu, as we had discussed earlier, from KM Storage in order to make us 45k MMBtu long in the North system. We decided to withdraw from storage because our only other option was to buy on the intraday market, where the prices were already increasing.</p>

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28	<b>Saturday 2/13/21</b>	4:30 PM	NMGC calls KM Storage to ensure that we would be able to withdraw the maximum amount we were entitled to over the weekend.	We called to make sure that we would not have any issues with withdrawing the maximum amount throughout the weekend. We were planning to rely heavily on our storage supply so we wanted to confirm things with them. The KM Storage representative agreed that our withdrawal volumes were fine.
29	<b>Sunday 2/14/21</b>	6:10 AM	NMGC gas supply team had its regular morning meeting.	<p>We did not have any intraday changes to our purchases. The linepack was at 106k MMBtu, above our 100k MMBtu goal. Based on our forecast, we were long and had sufficient gas supply for the day. We felt like we were in a good position starting the day.</p> <p>On Sunday, the storm was hitting New Mexico and we began to really see supply disruptions, primarily from storage. Ultimately, KM Storage cut us approximately 65k MMBtu, although it took a while for them to give us this information. Our purchases were also cut by a small amount, 3,149 MMBtu.</p>
30	<b>Sunday 2/14/21</b>	9:08 AM	<p>COP informed NMGC that KM Storage was not giving us as much gas as we were withdrawing.</p> <p>NMGC has a contract with TW to transport gas on their pipeline. NMGC has an asset management agreement ("AMA") with COP, wherein we released our contract with TW to COP, and COP manages it. Since COP is managing our transportation on the TW pipeline per the AMA, it knows when we are not getting as much gas as we are supposed to.</p> <p>COP called NMGC and told us that KM Storage was not giving us as much gas as we were supposed to be getting. KM Storage was giving us 100k MMBtu less than we withdrew and COP was using their own gas to make up the difference.</p>	This was the first indication that we were going to see problems from KM Storage. At this point we did not know how severe they would be.

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31	Sunday 2/14/21	9:30 AM	<p>TW Pipeline issued Critical Notice of Underperformance for certain locations, including KM Storage.</p> <p>Pipelines receive gas from producers or other pipelines such as KM Storage, and deliver it to purchasers. Because the pipelines know how much gas they are supposed to receive from each supplier, they know when they are not delivering as much as they are supposed to. When this happens, they issue notices informing everyone that a supplier is underperforming.</p> <p>With this notice, TW Pipeline said that it was concerned about the performance of multiple locations and that if performance did not improve, it might limit volumes for the specified locations. This means that if KM Storage did not deliver enough gas onto the Pipeline, TW would cap KM at what it was delivering and anything that we tried to withdraw above that would be cut.</p>	<p>KM Storage was one of the specified locations that TW Pipeline indicated was underperforming. This caused us more concern for supply disruptions from KM Storage.</p>
32	Sunday 2/14/21		<p>NMGC called TW Pipeline gas control.</p> <p>NMGC was informed that TW Pipeline was only delivering 60k MMBtu out of the 200k MMBtu we were supposed to get from KM Storage. KM was underperforming and not giving all of the gas we withdrew to TW pipeline to deliver to us. In an effort to get the rest of our gas, we called TW Pipeline gas control to confirm the status of KM Storage and what it was delivering. They confirmed that KM Storage was underperforming, but did not know any other information.</p>	<p>We were concerned because we were not getting our gas out of storage and we were facing the coldest day of the year. COP told us earlier that KM Storage was underperforming and now that was being confirmed by TW Pipeline. This is where we started having issues with our withdrawals from KM Storage.</p>
33	Sunday 2/14/21	Between 9:30 AM and 12:40 when FM letter from KM was	<p>NMGC tried calling various contacts from KM Storage and EP Pipeline to get information about why we were not getting all of our gas from KM. EP Pipeline and KM Storage are owned by the same company, Kinder Morgan, so we called EP Pipeline hoping that they would be able to give us information.</p>	<p>We needed to know why KM Storage was not delivering all of our gas, so we tried calling the KM Storage representative to find out what was going on. The KM Storage representative responded by text saying that she was in a meeting.</p> <p>Since we couldn't reach anyone from KM Storage, Josh Tilbury called the EP Pipeline representative and asked for the phone number of the EP Pipeline vice president of the southwest area in an effort to escalate the matter. The EP Pipeline representative would not provide the phone number. Instead, she indicated that they would look into the issue and call us back.</p> <p>We eventually got a call back from a KM Storage manager who said everything was all right. The KM manager said they were having mechanical failures that were preventing them from flowing enough gas onto TW Pipeline because there was not enough pressure. He also said that they were stopping deliveries to northern pipelines in order to try and increase pressure and that they were anticipating this would resolve the issue. He said that KM Storage was still working on resolving the issues, but that KM was confident it would be able to get us all of our gas. Finally, he suggested that Josh Tilbury call TW Pipeline for more information.</p>

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34	Sunday 2/14/21	received	NMGC calls TW Vice President looking for information regarding concerns with KM.	NMGC called a TW vice president and told him about the conversation we had with KM wherein KM said they were confident they could make our delivery for the day. The TW vice president said that it was not possible for KM to make the delivery based on what was flowing through TW's system.
35	Sunday 2/14/21		Josh Tilbury calls KM storage because we were getting conflicting information about our delivery from KM.	NMGC was getting conflicting information - KM Storage said they were going to be able to deliver all of our gas, but TW Pipeline said that was not possible. Because of this conflicting information, Josh Tilbury called KM Storage back and told them what the TW Pipeline vice president informed us - that it would be impossible for KM Storage to deliver all of our gas based on the amount of gas that KM Storage was currently flowing onto TW. KM Storage continued to indicate that it would deliver all of our gas.  All morning we had been getting information from other sources that KM Storage was having trouble getting gas out of their facility. KM Storage's assurance that they believed they could deliver all of our gas was therefore not entirely convincing. After these conversations, we anticipated that we were going to get cut by KM Storage, but we did not know by how much. We were also anticipating cuts from other suppliers. We were trying to withdraw the maximum amount from KM Storage for this day and any supply disruption was going to make us come up short. When we got cut by KM Storage, we knew that our only alternative was going to be to go into the intraday market to buy replacement gas.
36	Sunday 2/14/21	12:08 PM	Received SOC Warning - Update # 2 from EP Pipeline.  This was a warning that EP Pipeline remained under an SOC warning and was starting to see the loss of Permian supply as a result of the weather. It said that it was receiving approximately 64% of the gas it was scheduled to receive from the Permian.  EP Pipeline said that if it continued to see supply loss overnight, it would declare an SOC the next day, Monday.	We were already seeing supply disruptions in the Permian at this point and we had received the two prior SOC warnings from EP Pipeline, so we anticipated that EP might declare an SOC. We were already preparing for EP to declare an SOC and we continued to do so. We wanted to ensure that if an SOC was declared, our supply was balanced and we would not incur penalties.
37	Sunday 2/14/21	12:40 PM	Received Force Majeure Notice from KM storage.  KM Storage stated that it had a flow control valve stuck, which was affecting the pressure in their system and causing it to be too low. KM has to have enough pressure in the system to get the gas out of their facility, so this issue was preventing them from delivering all of the gas they were supposed to. Because of this, KM Storage said that it was only able to deliver 200k MMBtu total out of the facility, 140k MMBtu of which would go onto TW Pipeline. 200k MMBtu is only half of what the facility can deliver onto the pipelines.	Out of the 140k MMBtu that was coming on to TW Pipeline, NMGC would get 105k MMBtu, which meant that we were getting cut by 65k MMBtu. Both TW and EP Pipelines connect to and can deliver gas from KM Storage. Since we were getting a limited amount from TW Pipeline, our plan was to try going through the EP Pipeline instead to try and get more gas. However, if we were unable to go through EP Pipeline, we would be forced to buy replacement gas on the intraday market.

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38	Sunday 2/14/21	12:45 PM	NMGC gas supply team had its regular afternoon meeting.	<p>We started the day with 106k MMBtu line pack, which was supposed to leave us 20k MMBtu long. However, because our gas supply was cut, primarily by KM Storage, we were now forecasted to be 55k MMBtu short. Because of the KM Storage Force Majeure letter, we finally got an answer on how much gas would be coming from KM Storage and we knew we were going to get cut approximately 60-65k MMBtu. We were cut approximately 75k MMBtu total, including cuts from other suppliers. At this point the weather was getting colder than anticipated, by two degrees, and the forecasted demand increased. This made us concerned that we would continue to see supply disruptions that afternoon and Monday morning. We needed to replace at least 55k MMBtu of gas or we would not have enough gas for the Monday morning load. Monday morning was still projected to be very cold with high demand.</p> <p>The EP Pipeline gas control manager said that EP would allow us to borrow 30-40k MMBtu from their line pack during the night if we needed it. EP Pipeline was essentially offering us some insurance to help us because of our good relationship with them. With this in mind, our plan was to buy the 55k MMBtu to be flat, meaning we were buying only what we were forecasted to need, and use this loan from EP if we got more cuts.</p> <p>In order to make up for the cuts, we purchased 55k MMBtu in the intraday market, which took us all afternoon. Although we were able to, it was difficult to purchase the 55k MMBtu due to the lack of supply in the Permian and the high demand everywhere. In order to ensure that we had enough supply, we needed to buy the gas as soon as we were able to from reliable sources. Our priority was reliability so that we could ensure that we had enough supply to meet our customers' needs during the storm.</p>
39	Sunday 2/14/21	1:20 PM	<p>NMGC called on its short notice contract with Energy Transfer Company ("ETC") in order to try to get the 55k MMBtu it needed to replace cuts.</p> <p>ETC is a marketer that owns TW Pipeline. NMGC has both baseload and swing contracts with ETC. One of the swing contracts we have with ETC is a short notice contract, which allows us to call on 10k MMBtu quickly.</p>	<p>We called on the short notice contract to fill some of the cuts we received. However, we never ended up getting this gas. ETC was 100k MMBtu short on their own supply and could not deliver 10k MMBtu to us even though we had a firm contract with them.</p>
40	Sunday 2/14/21	3:40 PM	<p>NMGC called COP trying to purchase some of the 55k MMBtu it needed to replace cuts.</p>	<p>COP told us their supply was frozen off and that there was no gas being produced in the Permian. However, COP was still able to find 37k MMBtu for us. This was most of the supply for the 55k MMBtu that we needed to replace cuts.</p>
41	Sunday 2/14/21	4:20 PM	<p>NMGC gas supply team had an evening meeting.</p>	<p>We spent all afternoon arranging and confirming the purchase of the 55k MMBtu. It was difficult to do since there was such a limited supply of gas in the market. We were able to get the 37k MMBtu from COP and we were able to buy 17.3k MMBtu from other suppliers.</p>

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42	Monday 2/15/21	1:25 AM	Electric Reliability Council of Texas initiates rotating outages in Texas.	We were primarily aware of the outages in Texas through our schedulers, some of whom informed us that they were using their backup facilities because they did not have power. We were watching this situation, however, we were also getting information about potential rolling brown outs here in New Mexico, and we were more focused on monitoring those. We did not focus on monitoring brown outs in Texas because we were not sourcing our gas from there. We switched our supply to the San Juan and Piceance Basins to the extent possible. The biggest impact on us from the brown-outs in Texas was the affect on the market, which drove gas prices up.
43	Monday 2/15/21	6:10 AM	NMGC gas supply team had its regular morning meeting.	On Monday morning we had enough supply to meet demand. The line pack was 105k MMBtu, still above our 100k MMBtu goal, and most of the gas we purchased yesterday on the intraday market flowed. At this point we did not have any intraday changes, however, we knew that it was possible we would have to make some as the day progressed. We were certain that we were going to get cuts today because the Permian was freezing and KM Storage was still under Force Majeure.  Ultimately, we would get cut 15,331 MMBtu by KM Storage and 16,789 MMBtu from other suppliers on our purchases.
44	Monday 2/15/21	8:43 AM	NMGC called KM Storage representative to get information about our storage withdrawal.	KM Storage was still under Force Majeure and we had no idea how much gas we were going to be able to get from them. We called the KM Storage representative to see if she could give us any information about how much gas we might get. The representative indicated that KM Storage was cutting an additional 30% of the total amount of gas coming out of the facility, but she could not give us any indication of how much of this gas we would get.
45	Monday 2/15/21	8:44 AM	Received update #1 on KM Storage Force Majeure, which further reduced the amount of gas that NMGC could get out of KM Storage.  This update indicated that KM Storage would only be able to deliver 140k MMBtu total out of the facility. This was an additional reduction from the initial Force Majeure notice, which indicated that 200k MMBtu would come out of the facility.	Since the total amount of gas coming out of KM Storage was being reduced again, we knew that we were going to get cut even more. At this time we did not know how much gas we would be able to get and we had a large withdrawal from KM Storage scheduled for Monday. We knew that we were going to have to make purchases in the intraday market to replace cuts from KM Storage.



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46	<b>Monday 2/15/21</b>	10:06 AM	<p>Received Notice of Critical Operating Condition (COC) from EP Pipeline.</p> <p>A COC is similar to an SOC, but a more severe level. Typically, after issuing a warning, a pipeline will declare an SOC, and then a COC. However, in this instance, EP Pipeline went from the warning straight to the COC, indicating more serious problems. When a pipeline declares an SOC, it is experiencing an imbalance. Either they are getting too much gas in the pipeline and not enough is being used by customers or they are not getting enough gas on the pipeline and too much is being used by customers. In either case, the pipeline is imbalanced and can experience operational problems. When this happens, the pipeline provides notice to its shippers that they must supply the correct amount of gas to meet their end-user demand within a certain percentage, or tolerance. The pipeline imposes penalties on shippers who are imbalanced.</p> <p>In this instance, EP Pipeline was imposing penalties on shippers whose customers were using more gas than the shippers were delivering. For this COC, shippers had to supply the correct amount of gas within 3% of their user demand. If EP Pipeline had issued an SOC, the tolerance would have been a little higher at 10%.</p> <p>The penalties imposed under these circumstances would have been steep. If a shipper is out of the tolerance, it is charged the higher of 1) the daily mid-point spot price, or 2) the monthly system cash out index price. In this particular situation, the penalty would have been the daily mid-point spot price, which would have been based on the very high prices we were seeing on the intraday market.</p>	<p>The COC stated that there were production problems in both the Permian and the San Juan Basins, but particularly in the Permian. This indicated to us that the Permian was freezing off and gas production was being affected.</p> <p>We had already been closely balancing our supply on EP Pipeline, preparing for EP to declare an SOC based on the prior warnings they issued. Instead of an SOC, EP Pipeline declared the more severe COC, which meant that we had to balance our supply within an even smaller tolerance. In order to keep the system balanced, meet demand, and to avoid steep penalties, we had to closely monitor and balance our supply on the pipeline.</p>
47	<b>Monday 2/15/21</b>	10:19 AM	<p>COP called NMGC asking for as much warning as possible to be able to fulfill our swing gas demands.</p>	<p>We have peaking contracts with COP for our swing gas, wherein they hold onto a specified volume of gas for us at a predetermined price. They were contractually obligated to provide us with gas, but needed time to scramble and get it. They asked us to give them as much warning as possible so that they could try to find the gas for us. We knew everyone was having problems supplying gas.</p>
48	<b>Monday 2/15/21</b>	11:23 AM	<p>Received Critical Notice of Underperformance regarding KM Storage from TW Pipeline.</p>	<p>When locations that deliver gas into TW Pipeline are underperforming, meaning they are not delivering as much gas as they are supposed to, we get these notices. They generally only affect us if we're buying gas from those specific locations. TW Pipeline was letting its shippers know that KM Storage was underperforming, which we already knew.</p>

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49	<b>Monday 2/15/21</b>	12:20 PM	NMGC called KM Storage trying to get information regarding how much gas we would be able to get for Wednesday.	<p>This was Monday and we were planning the next-day purchases we would be making tomorrow (Tuesday) for delivery on Wednesday. However, KM Storage was still under Force Majeure and we did not know how much gas we would be able to get from them. In order to plan, we called KM Storage to try to get an idea of how much gas we would be able to withdraw for Wednesday. The KM Storage representative advised that we would probably get around the same volume for Wednesday that we would get for Tuesday. Based on this, we estimated that we would likely get around 60k MMBtu out of storage on Wednesday. However, that was not a guarantee and we might not even get that. We decided to schedule a withdrawal of 80k MMBtu for Wednesday. We thought that we would at least get the 60k MMBtu based on what KM Storage told us, but by nominating a little more, we would hopefully get a little more as a buffer. We did not schedule the maximum amount we could withdraw, which was 165k MMBtu, because we knew we would not get it.</p>
50	<b>Monday 2/15/21</b>	12:45 PM	NMGC gas supply team had its regular afternoon meeting.	<p>For today, Monday, we needed to make some intraday purchases because of supply disruptions. In total we had to buy 35k MMBtu on the intraday market to replace cuts and to keep our supply balanced due to the COC on EP Pipeline.</p> <p>We were also planning the next-day purchases that we would make on Tuesday for Wednesday. The forecasting model showed us being 130k MMBtu short in the North system. We wanted to purchase 150k MMBtu to get us 20k MMBtu long. We planned to withdraw 80k MMBtu from KM Storage, as discussed above, and purchase the rest from TWSJ, a gas source that had the lowest cost gas through the weekend and that was not in the Permian. The Permian was still having significant supply issues and we were only seeing minor disruptions from the San Juan, where the TWSJ gas came from. Additionally, buying from this source would allow us to avoid transporting gas on EP Pipeline, which was still under a COC.</p> <p>Because we had to purchase our next-day gas for the entire holiday weekend on Friday, Tuesday was going to be our first chance to make next-day purchases since the storm had arrived. We had to make these decisions based on the information we had with respect to reliability and pricing over the weekend. We were able to get the gas we needed, which allowed us to avoid buying on the intraday market the next day (Tuesday). However, the price of this gas was more expensive than anticipated. The index prices for this gas had not yet been set when we made these decisions, which is normal. Although TWSJ had the lowest cost gas through the weekend, that was not the case when the index prices came out for Wednesday.</p>

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51	<b>Monday 2/15/21</b>	1:30 PM	NMGC's Remote system was going to be out of balance under the EP COC so NMGC scheduled a 10k MMBtu gas withdrawal from KM Storage to keep the system balanced.	<p>As described above, due to the EP Pipeline COC we needed to keep our gas supply balanced within a small percentage, or else EP Pipeline would impose high penalties on us. We were going to be short 10k MMBtu for the Remote system due to supply disruptions and we needed to replace that. We were also trying to balance the system and keep EP Pipeline line pressure up.</p> <p>Although KM Storage was still under Force Majeure, we decided to try withdrawing the 10k MMBtu from there. If we got the 10k MMBtu, then we would be able to avoid going into the intraday market. If we did not get the 10k MMBtu from them, then we would know that the intraday market was our only option. The intraday market was still very expensive and the gas supply was very limited.</p> <p>We also decided to schedule another 10k MMBtu withdrawal from KM Storage for the next day (Tuesday) to again try to avoid buying in the intraday market. We anticipated that we were going to have this problem then as well.</p>
52	<b>Monday 2/15/21</b>	2:00 PM	Received Force Majeure Letter from ETC.	We have a baseload contract with ETC and had seen minor cuts from them. As described earlier, we also have a short notice contract with ETC, which allows us to call on 10k MMBtu quickly. We called on our short notice contract for two days in a row and ETC was unable to deliver that gas. Based on these things, we already knew that ETC was experiencing supply disruptions and we were adjusting accordingly.
53	<b>Monday 2/15/21</b>	3:15 PM	NMGC grew increasingly concerned about more supply disruptions and purchased an additional 20k MMBtu on the intraday market.	At this point we had received several Force Majeure letters and EP Pipeline had declared the COC. As the day went on we were getting concerned that more gas was going to freeze off and we were going to get more of our gas cut. We wanted to purchase an additional 20k MMBtu to cover cuts from KM Storage and to have as insurance against further cuts. Under normal circumstances we would simply purchase the 20k MMBtu in the intraday market, but because the gas prices had increased so much, we sought executive approval to make the purchase. NMGC's executive team approved and we purchased the additional 20k MMBtu on the intraday market.
54	<b>Monday 2/15/21</b>	4:20 PM	NMGC's gas supply team had its evening meeting.	At this time, the temperature was continuing to get colder and demand was increasing. However, we were comfortable that we had enough gas supply because the 20k MMBtu intraday purchase we made earlier put us long. During this meeting we ran the forecasting model to monitor the weather changes.

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55	<b>Monday 2/15/21</b>	4:35 PM	<p>Received notice from KM cancelling Force Majeure</p> <p>KM cancelled the Force Majeure, however, they said they still were not operating at full capacity and everyone would still be getting reduced amounts of gas. Apparently, their equipment was fixed, but they were still trying to get enough pressure in their system to get the gas out. This meant that even though the Force Majeure was cancelled, we could still not access all of the gas we were entitled to.</p>	<p>This notice was unusual to us because generally, when a Force Majeure is cancelled it means that the supplier is now able to meet its full contractual obligations. That was not the case here, as KM Storage said our withdrawals were still limited and we could not have access to all of the gas we were entitled to. KM Storage said that an additional 70k MMBtu could be withdrawn from their facility in total, but we did not know how much of that 70k MMBtu NMGC would get.</p> <p>We called the KM Storage representative to try to get information about how much gas we could get from them. The KM Storage representative said that their equipment was fixed and that they were working on getting their system fully functioning. She confirmed that the additional 70k MMBtu would be flowing out of their system, but she could not tell us how much of that gas NMGC would get. The KM representative advised that we call the EP Pipeline to see if they could tell us.</p> <p>We then called EP Pipeline to see if any of our gas from KM Storage gas would be restored. Since the Force Majeure was cancelled we wanted to see if there was any chance we would get all of our gas. EP Pipeline informed us that we would not be able to get all of our gas from KM Storage and we would only be able to get what was flowing.</p>
56	<b>Monday 2/15/21</b>	5:00 PM	NMGC began seeing cuts from other suppliers and made calls to inquire.	<p>We were starting to see cuts from suppliers other than KM Storage, and many of them were to our baseload gas. In total the baseload cuts amounted to 4053 MMBtu. Baseload gas is our cheapest gas so we wanted to see if there was any way we would be able to get it back. To this end, we called our suppliers to inquire about the cuts. This is something that is common for us to do, even under normal circumstances. We were assured by all of our suppliers that we were high priority, but there was a lack of supply because of the freezing conditions in the Permian and it was not likely that we would get our gas back.</p>
57	<b>Monday 2/15/21</b>	5:08 PM	NMGC still did not know how much gas we would be able to withdraw from KM Storage, even though the Force Majeure was cancelled.	<p>We reached out to KM Storage trying to get information about the Force Majeure cancellation. Although the Force Majeure was cancelled, we still did not have access to all of the gas we were contractually entitled to. We knew that an additional 70k MMBtu was supposed to come out of KM Storage, but we still did not know how much of that gas we would get, which made it difficult to plan how much we needed to purchase. Again, KM Storage could not tell us how much of that gas we would get. Despite asking numerous times, we could not get any answer or even any guidance on how it might be determined.</p>
58	<b>Monday 2/15/21</b>	5:54 PM	<p>Received COC Update #1 from EP Pipeline.</p> <p>This update said that EP remained under a COC because its line pack had decreased and it was concerned that it would not recover enough overnight to meet the morning loads due to the supply loss in the Permian. It said that the Permian was performing at 62% of its already reduced volume. Meanwhile, the San Juan was performing at 116% of its reduced volume.</p>	<p>This notice does not change anything for NMGC. EP Pipeline was still operating under a COC and we still had to balance our supply within a small tolerance or else be charged penalties.</p>

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59	Tuesday 2/16/21	5:30 AM	<p>Received Gas Daily pricing information for 2/16/21 (for gas ordered on Monday 2/15/21 that was delivered and priced on Tuesday 2/16/21).</p> <p>For Tuesday the Permian was still trading at a premium, in the range of \$76.1800 to \$93.1250. Although lower than the Permian, San Juan prices were also still high, in the range of \$63.5400-\$92.2350 per MMBtu. The White River Hub, located in the Piceance Basin traded at \$139.4550.</p>	<p>The prices in the next-day market were still extremely high and we had no control over this. Because the demand was so high, we needed swing gas and we had to make next-day purchases pursuant to our contracts whose prices were set by these index prices.</p>
60	Tuesday 2/16/21	6:15 AM	<p>NMGC gas supply team had its regular morning meeting.</p>	<p>During this meeting we had to determine 1) whether we need to make any intraday purchases for today (Tuesday), and 2) what next-day purchases we were going to make today for Wednesday.</p> <p>First, on Tuesday morning we were in a good position and we had no intraday changes at this point. Our starting line pack yesterday was 105k MMBtu. Because we purchased the additional 20k MMBtu our starting line pack this morning was 92k MMBtu. Purchasing the additional 20k MMBtu helped us to keep our linepack up and it was a good decision.</p> <p>Second, in determining our next-day purchases for Wednesday, we knew that we were forecasting to be short, which is normal coming out of a weekend. We were also anticipating more cuts, so we decided to make purchases to be about 20k long so that we could account for those. We purchased 143k MMBtu and withdrew about 85k MMBtu from storage for total of 227k MMBtu for the state. We also got all of our gas from San Juan and storage to avoid cuts from production in the Permian.</p> <p>The weather in New Mexico was getting a little warmer, but it was still freezing in Texas. The Permian was still frozen, impacting the market and causing us to continue seeing massive supply disruptions. This was also the first time that the market would make next-day purchases since Friday, when everyone had to purchase gas through the long weekend. This meant that the market was still going to be very unpredictable and we would still see cuts and increased prices.</p>
61	Tuesday 2/16/21	7:04 AM	<p>Once again, NMGC still did not know how much gas we would be able to withdraw from KM Storage, because it was still limiting how much gas we could withdraw even though the Force Majeure was cancelled.</p>	<p>At this point, KM Storage was still limiting how much gas we could withdraw although they had cancelled the Force Majeure. KM Storage was also not giving us any guidance on how much gas we would be able to get. We guessed that we might be able to withdraw the same amount that we got yesterday, which was 60k MMBtu.</p> <p>We called the KM Storage representative to see if we could get any information on how much gas they thought we could get the next day. Again, the representative was vague and could not give us an answer. She advised that tomorrow we could probably expect to get the same amount of gas that we got today.</p>
62	Tuesday 2/16/21	8:00 AM	<p>The weather conditions and supply disruptions were continuing unabated.</p>	<p>NMGC decided to post a conservation message on social media because the weather conditions and supply disruptions were continuing unabated. The message asks customers to consider lowering their thermostats to help conserve energy and save money.</p>

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63	<b>Tuesday 2/16/21</b>	8:06 AM	NMGC got cuts to gas for the Remote system.	We had some cuts to the gas supply for our Remote system and we needed to replace it in order to meet demand, keep our supply balanced, and avoid penalties imposed by EP Pipeline due to the COC. We moved some gas we bought from COP to the Remote system to resolve the issue. This was an intraday change.
64	<b>Tuesday 2/16/21</b>	8:50 AM	Scheduled withdrawal gas from KM storage to keep the Remote system balanced.	The gas supply team was planning for Wednesday. As described in the entry above, the Remote system was cut 10k MMBtu today and we replaced that cut with gas purchased from COP. We anticipated that we would have the same problem tomorrow. Because were still seeing cuts from the Permian, where COP gas would be coming from, we decided that tomorrow we would withdraw replacement gas from storage instead of purchasing it from COP and we scheduled that withdrawal.
65	<b>Tuesday 2/16/21</b>	12:55 PM	NMGC gas supply team had its regular afternoon meeting.	We had no intraday changes for today (Tuesday) because we were already 15k MMBtu long on the North system and has sufficient supply.  For the next-day purchases we made on Tuesday for Wednesday, we wanted to be 30k MMBtu long because we were anticipating more supply disruptions. At this time, we were 24k MMBtu long. To reach our goal of 30k MMBtu and have a little extra, we withdrew an additional 10k from KM Storage.
66	<b>Tuesday 2/16/21</b>	1:05 PM	COP called NMGC asking for as much notice as possible before we called on our swing contract with them.	COP called us and said again that they needed as much notice as possible for us to call on our swing contract so that they could have time to locate gas for us. We told the COP scheduler that we were likely to call on 20k MMBtu.
67	<b>Tuesday 2/16/21</b>	1:05 PM	NMGC began seeing cuts to baseload gas from ECO Energy ("ECO"), which NMGC has baseload and swing contracts with.  When we see cuts to our supply, even under normal conditions, we reach out to our suppliers to try to get information and see if there is a possibility that we will get the cut gas back. In this case we especially wanted to do this because the cuts were to our baseload gas, which is our cheapest gas.	NMGC called ECO to ask about the cuts. ECO informed us that currently, gas could not get onto EP pipeline from the Permian and so we were not going to get that cut gas back.  We had been getting cuts all weekend and we were continuing to see cuts to gas coming from the Permian, such as these cuts from ECO. Based on this we determined that it would be more reliable to withdraw all of our gas out of storage for the Remote system. Although KM was still operating at a reduced capacity, we were still getting some gas from them.

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68	<b>Tuesday 2/16/21</b>	2:48 PM	<p>Received COC Update #2 from EP Pipeline.</p> <p>The update said that EP Pipeline remained under a COC. The system linepack stabilized overnight, but given the underperformance in the Permian, continued drafting of the system was going to impact EP's ability to maintain linepack for that day and the next. The Permian was scheduled at a reduced volume and was only performing at 91% of that reduced volume.</p>	<p>It was good news that EP Pipeline's line pack had stabilized, indicating that operations were improving. However, this update did not change anything because EP Pipeline was still under COC and we were still required to balance our supply within a small tolerance. We continued with our same course of action.</p>
69	<b>Tuesday 2/16/21</b>	3:30 PM	<p>Received Force Majeure Letter from COP.</p>	<p>We had been getting a lot of cuts from COP in the Permian, so we knew they were experiencing supply disruptions and had already replaced those cuts.</p>
70	<b>Tuesday 2/16/21</b>	4:20 PM	<p>NMGC gas supply team had its evening meeting.</p>	<p>At this meeting we were monitoring changes from the afternoon to evening meeting. There were no significant changes and we didn't have any changes to our next-day or intraday purchases.</p>
71	<b>Wednesday 2/17/21</b>	5:30 AM	<p>Received Gas Daily pricing information for 2/17/21 (for gas ordered on Tuesday 2/16/21 that was delivered and priced on Wednesday 2/17/21).</p> <p>For Wednesday (GD17), the Permian was trading between \$184.5650 and \$201.4150 per MMBtu. San Juan gas traded between \$163.3900-\$223.1100 per MMBtu. White River Hub, located in the Piceance Basin traded at \$106.7250 per MMBtu.</p>	<p>The prices in the next-day market were still extremely high. Although the storm had passed in New Mexico, the Permian was still freezing, raising the gas prices.</p>

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72	Wednesday 2/17/21	6:15 AM	NMGC gas supply team had its regular morning meeting.	<p>During this meeting we had to determine 1) whether we needed to make any intraday purchases for today (Wednesday), and 2) what next day purchases we were going to make today for Thursday.</p> <p>First, we did have to make an intraday purchase. We got cuts to the Remote system and we had to go into the intraday market to replace 12k MMBtu.</p> <p>Second, we had to decide what next day purchases to make today for Thursday, but we still did not know how much gas we would be able to withdraw from storage because KM would not give us information. KM Storage was still operating at reduced capacity and we were still having to guess how much gas we would get based on the previous day. We didn't know how KM Storage was deciding how much gas everyone would get, so we were trying to guess based on what they have done in the past. Historically, KM Storage would take the reduced volume they can get out of their facility and assign everyone who is trying to withdraw gas a percentage of that reduced volume. We decided to try to withdraw a higher amount than we needed so that if we got a percentage of that, it would be more than if we tried withdrawing only what we needed. We also decided to get all of our gas from the San Juan and KM Storage to avoid cuts from the Permian.</p> <p>We obtained 205k MMBtu for the North system. Based on our forecasts, this put us 70k MMBtu long, which seems excessive. However, we were expecting to get cut 40k MMBtu from KM Storage based on what we were cut the day before, so we were actually expecting our purchase to make us about 30k MMBtu long. This would allow us to account for other supply disruptions.</p>
73	Wednesday 2/17/21	12:55 PM	NMGC gas supply team had its normal afternoon meeting.	<p>We had no changes to our next-day or intraday purchases. At this meeting we only had to make decisions on how to keep the system balanced. We had an imbalance issue in the South system and redirected some gas to resolve it.</p>
74	Wednesday 2/17/21	1:52 PM	<p>TW Pipeline issues Pipeline Conditions - Cold Weather Alert.</p> <p>TW Pipeline issued this alert on 2/11/21 and it was effective through 2/22/21. This was a reminder notice that said the same thing as the 2/11/21 alert. Again, it said that TW Pipeline was working to maintain and/or increase its line pack and encouraged operators to ensure their scheduled supplies were performing as expected.</p>	<p>We did not do anything in response to this alert because it was just a reminder about information we already had.</p>



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75	<b>Wednesday 2/17/21</b>	2:49 PM	<p>Received Critical Notice of Underperformance regarding KM Storage from TW Pipeline.</p> <p>When locations that deliver gas into TW Pipeline are underperforming, or not delivering as much gas as they are supposed to, we get these notices. These notices generally only affect us if we're getting gas from the specific locations that are underperforming. In this specific notice was TW was informing everyone that KM Storage was underperforming.</p>	<p>We were monitoring KM storage trying to get any information we could. However, we already knew that KM Storage was underperforming because we were not able to get all of our gas from them. We did not do anything in response to this notice.</p>
76	<b>Wednesday 2/17/21</b>	throughout afternoon	<p>NMGC learned that it had exceeded its credit limits due to the incredibly high gas prices.</p>	<p>We needed to make sure that we did not have problems with our credit while paying for this very expensive gas. We had exceeded our credit limits, which meant that suppliers would technically be able to stop selling gas to us until we made other arrangements. We called our suppliers to ensure that they would still sell gas to us. Only one supplier was concerned that we had exceeded our credit limits and so we pre-paid for their gas. The other suppliers were understanding of the circumstances and worked with us rather than refusing to sell us gas.</p>
77	<b>Wednesday 2/17/21</b>	4:15 PM	<p>Received COC Update #3 from EP Pipeline.</p> <p>This update said that EP Pipeline remained under a COC, but that its system line pack had experienced moderate recovery overnight. It said the Permian supply was beginning to show signs of recovery, but that the winter weather was expected to continue through Friday (the 19th), indicating that the system could still continue to experience operational problems.</p>	<p>It was good to hear that gas production in the Permian was potentially starting to recover, but this update did not change anything. The COC on EP Pipeline was still in place and we still had to continue to closely monitor and balance our supply.</p>
78	<b>Thursday 2/18/21</b>	5:30 AM	<p>Received Gas Daily pricing information for 2/18/21 (for gas ordered on Wednesday 2/17/21 that was delivered and priced on Thursday 2/18/21).</p> <p>For Thursday prices in the Permian were still elevated, mostly trading in the range of \$32.8200 to \$68.30 per MMBtu. San Juan traded in the range of \$28.48 to \$34.72 per MMBtu, which is still high. White River Hub, located in the Piceance Basin traded at \$19.82 per MMBtu.</p>	<p>Though still much higher than normal, the prices were starting to come down. This indicated that the Permian was starting to recover and that production of gas was starting to come back.</p>

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79	Thursday 2/18/21	6:15 AM	NMGC gas supply team had its regular morning meeting.	<p>During a storm like this, once the cold weather passes, supply starts coming back. We go from all of our suppliers underperforming to all of our suppliers fully delivering. Then we end up with excess gas and have to determine how to store it. On Thursday we were getting to the tail end of the storm and the gas supply was starting to come back. We were not seeing as many supply disruptions and so we received more gas than we anticipated we were going to. We had so much gas that we needed to store some and injected 50k MMBtu into KM Storage, instead of withdrawing any gas from storage.</p> <p>During this meeting we had to determine 1) whether we needed to make any intraday purchases for today (Thursday), and 2) what next day purchases we were going to make today for Friday.</p> <p>First, we did not need to make any intraday purchases.</p> <p>Second, we were purchasing gas for Friday and there was still some uncertainty about the supply. At this point gas supply was just starting to come back and so it was still possible that we were going to get cuts and have disruptions. The Permian was still having issues with production so we got all of our gas from the San Juan and KM Storage to avoid cuts from the Permian. We purchased 188k MMBtu total.</p>
80	Thursday 2/18/21	7:32 AM	<p>Received Notice of COC lifted from EP Pipeline.</p> <p>This notice lifted the COC that was declared on Monday February 15. It said that the Permian Basin production had recovered overnight and that EP Pipeline's system was operating and able to make its scheduled deliveries.</p>	<p>With the COC lifted we did not have to monitor our supply quite as closely and we would not incur steep penalties if we were outside of the very small tolerance.</p>
81	Thursday 2/18/21	12:58 PM	NMGC gas supply team had its regular afternoon meeting.	<p>At this point, the gas supply was continuing to come back. As the day continued, supply and line pack were increasing. In fact, the supply had increased so much that we needed to get rid of gas. We had to make intraday changes and reduce the amount of gas we withdrew from KM Storage. We ended up reducing our withdrawals from KM Storage by 40K MMBtu.</p> <p>Now that the gas supply was coming back, the next-day gas prices were going back down. They started going back down for yesterday's next-day purchases, and now for today's next day purchases they were down even more.</p>
82	Thursday 2/18/21	2:50 PM	NMGC's line pack continued to increase as gas supply came back.	<p>The line pack was increasing so much that we needed to reduce it and more supply was still coming in. To reduce the line pack, we injected another 15k MMBtu into KM Storage.</p>

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83	<b>Thursday 2/18/21</b>	3:28 PM	Saw notice from KM Storage regarding Texas Governor Greg Abbott's Wednesday A+D85fternoon Mandate that gas producers in Texas not take any gas out of the state. Such a mandate was unprecedented. However, in this notice, KM Storage was indicating that because it and the pipelines it transports gas on are regulated by the Federal Energy Regulatory Commission ("FERC"), it did not believe that the Governor's mandate would affect them.	<p>No one contacted us about this notice from KM Storage, we came across it in industry news. It was uncertain whether Abott had the authority to issue such a mandate and what it meant for many people in the gas industry. Our suppliers were trying to determine what impact it had on them and, likewise, we needed to determine what impact, if any, it had on us. At this point, the storm had mostly passed and supply was back so we did not anticipate that the mandate would impact us. We were primarily concerned with whether the mandate would impact KM Storage, which is located in Texas. However, in this notice KM Storage was saying that it did not anticipate any impact because it was regulated by FERC.</p> <p>We knew that some of the gas we purchase from COP comes from Texas and could potentially be impacted by the mandate. We contacted COP to see where our gas was coming from and to see if there would be a problem getting it. COP did not think the mandate would affect us because the gas we purchased was coming from the New Mexico side of the Permian, not out of Texas. For this reason, the mandate ultimately did not affect us. It did not cause us to change our storage plan or cause supply disruptions.</p>
84	<b>Thursday 2/18/21</b>	5:40 PM	NMGC's line pack continued to increase as gas supply came back.	The line pack was still increasing as the day went on. We made an intraday change and reduced our withdrawal from KM Storage by another 15k MMBtu.
85	<b>Friday 2/19/21</b>	5:30 AM	Received Gas Daily pricing information for 2/19/21 (for gas ordered on Thursday 2/18/21 that was delivered and priced on Friday 2/19/21)/  For Friday, the prices were significantly lower. In San Juan gas was trading between \$5.9350 and \$6.1400 per MMBtu. The prices in the Permian were down to between \$7.9900 and \$8.0200 per MMBtu. White River Hub traded at \$5.9600 per MMBtu.	With gas production in the Permian recovering, market prices were nearly back down to normal.
86	<b>Friday 2/19/21</b>	6:45 AM	NMGC gas supply team had its regular morning meeting.	We met Friday morning as normal to determine whether any intraday changes were necessary and to determine our next-day purchases to be made today for the weekend. At this point, the storm had passed and we were no longer having supply disruptions. The next-day gas prices were also nearly back down to normal. We were able to plan for this weekend essentially like any other and things were back to normal.
87	<b>Friday 2/19/21</b>	9:28 AM	Josh Tilbury de-activates Level 3 under NMGC's Supply Event Plan.	At this time, the storm had passed, prices were returning to normal, and we had excess supply. The Level 3 status was no longer necessary and Josh Tilbury de-activated it.