



New Mexico
GAS COMPANY®
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NEW MEXICO GAS COMPANY SUBMITS RATE CASE

ALBUQUERQUE, N.M. – New Mexico Gas Company (NMGC) filed a \$13.23 million future-test-year rate case Monday to recover significant capital investments made by NMGC between September 2017 and the end of 2021. NMGC anticipates a decision on this request by the New Mexico Public Regulation Commission in the fall of 2020.

If this request is approved:

- It is anticipated that new rates will go into effect in January 2021.
- As before, NMGC will continue to charge its customers for the cost of the services we provide in delivering gas. The cost of the gas itself will continue to appear on the bill as a pass-through to customers without markup by NMGC.
- An average residential bill of 50 therms will increase by approximately \$1.71 from \$40.61 to \$42.32, a 4.2 percent bill increase. Included in this will be an increase in the residential customer access fee from \$11.65 to \$12.70.
- Over the years, NMGC has worked to contain its operating expenses while maintaining excellent service levels, and as a result, operations and maintenance cost increases make up only a small part of the revenue request in this rate case.

“Even with the proposed increase, NMGC residential bills will remain among the lowest in the region and have increased on average only 1.95 percent annually since 2009,” NMGC President Ryan Shell said.

Key drivers for the requested rate increase are the recovery of capital investments the Company has made and will make including, among other things:

- The Santa Fe Mainline Project, which will supplement the existing mainline from Bernalillo to Santa Fe to enhance the reliability of natural gas service to communities in north-central New Mexico.
- A pipeline project in the Permian Basin which will enhance the supply of natural gas to our system, facilitate the beneficial use of natural gas in the state, and help alleviate the need to flare or vent natural gas during its production.

- Investment in Information Technology and Telecommunication projects and programs to enhance NMGC's computer system reliability with an emphasis in cyber-security and business functionality.
- Investment in ongoing smaller capital projects across New Mexico which enhance and improve the integrity, safety, and reliability of our pipeline system.
- The acquisition of NMGC's current headquarters building in Albuquerque which has been leased for the past 10 years and which recently became available for purchase.
- Investment in initiatives aimed at reducing greenhouse gas emissions associated with our system. These initiatives include investment in compressed natural gas (CNG) stations to serve governmental and business transportation needs, investment in solar at NMGC-owned facilities throughout the state, and repair and replacement programs on our pipelines and related facilities.

“Through these environmental initiatives, New Mexico Gas Company is proud to partner in New Mexico’s wider efforts to reduce GHG emissions,” Shell said.

Lastly, NMGC is proposing some modifications to its rate design. The proposed changes include:

- A cost recovery mechanism to facilitate the timely recovery of amounts expended on pipeline integrity, safety, and reliability programs and projects.
- A Modified CNG Rate to help develop fueling stations to promote the use of CNG by vehicle fleets throughout the state, such as municipal solid waste trucks.

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About New Mexico Gas Company

As the largest natural gas distribution utility in the state, New Mexico Gas Company serves 530,000 customers throughout New Mexico. New Mexico Gas is a subsidiary of Emera Inc. Visit our website at www.nmgco.com

About Emera

Emera Inc. is a geographically diverse energy and services company headquartered in Halifax, Nova Scotia, with approximately \$32 billion in assets and 2018 revenues of more than \$6.5 billion. The company primarily invests in regulated electricity generation and electricity and gas transmission and distribution with a strategic focus on transformation from high carbon to low carbon energy sources. Emera has investments throughout North America, and in four Caribbean countries. Emera’s common and preferred shares are listed on the Toronto Stock Exchange and trade respectively under the symbol EMA, EMA.PR.A, EMA.PR.B, EMA.PR.C, EMA.PR.E, EMA.PR.F and EMA.PR.H. Depositary receipts representing common shares of Emera are listed on the Barbados Stock Exchange under the symbol EMABDR and on The Bahamas International Securities Exchange under the symbol EMAB. Additional Information can be accessed at www.emera.com or at www.sedar.com.