

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF NEW MEXICO GAS COMPANY, INC.)
FOR APPROVAL OF ITS 2020-2022 ENERGY)
EFFICIENCY PROGRAM PURSUANT TO)
THE NEW MEXICO PUBLIC UTILITY AND)
EFFICIENT USE OF ENERGY ACT)
)
NEW MEXICO GAS COMPANY, INC.)
)
Applicant.)
_____)**

Case No. 19-00248-UT

[To NMGC Customers: This document is required by the New Mexico Public Regulation Commission (“NMPRC”). The purpose of this document is to provide you with notice of NMGC’s proposed energy efficiency plan for 2020 through 2022. This notice:

- Describes the NMPRC process to consider NMGC’s proposed plan; and
- Describes how you can participate in this process if you wish to do so.

If you wish to participate in this process, the information below provides details on how you may participate. If you do not wish to participate in this process, no action is required on your part]

CORRECTED NOTICE OF PROCEEDING AND HEARING

THIS NOTICE CORRECTS AN ERROR IN THE COMPARISON OF RATES INCLUDED IN THE NOTICE PREVIOUSLY PUBLISHED IN THIS PROCEEDING

The October 18, 2019 Notice of Proceeding and Hearing issued in this case (which many customers may have already received) contains a table that compares New Mexico Gas Company’s current per therm rate with the per therm rate likely to result if the Company’s Application in this case is approved. The current rate was incorrectly specified as \$0.0016 per therm while the correct rate is actually \$0.0116. The proposed rate was correctly stated as \$0.0178 per therm. The likely bill impacts were also correctly stated. Also, in view of the mistake in the initial notice, the intervention deadline is being extended. A corrected table and the extension of the intervention deadline are included below:

On August 30, 2019, New Mexico Gas Company, Inc. (“NMGC”) filed with the Commission an Application requesting approvals and authorizations necessary to implement its Energy Efficiency

Program Plan for the years 2020 through 2022. The Application requests approval of: (i) the continuation of its current energy efficiency program plan offerings as developed and approved in NMPRC Case No. 16-00100-UT, with some modifications to the measures offered under the Income Qualified program and the Residential Water Heating program; (ii) approval of an annual budget of \$7,739,729 (an increase of 29.44% over the current approved budget of \$5,979,422 for Program Year 2019); and approval of a 6.96% incentive, in the amount of approximately \$538,685.

NMGC proposes to add a measure to its Income Qualified program that would allocate funds to be targeted at providing energy efficiency service to income qualified customers living in Native American communities.

NMGC also proposes to modify its Residential Water Heating Program. First, NMGC proposes to eliminate the Condensing Storage Tank Water Heater measure, as the measure failed to attract participation from customers. Second, NMGC proposes to add an ENERGY STAR Storage Tank Water Heater measure. Third, NMGC proposes to add a new mid-stream incentive measure as a small-scale pilot program in the cities of Farmington, Roswell, Clovis, and Alamogordo, which will seek to incentivize wholesalers, contractors, and plumbers to sell energy efficient water heaters to residential customers.

The New Mexico Efficient Use of Energy Act allows NMGC to recover costs incurred as a result of implementing, funding and administering energy efficiency programs through a tariff rider. NMGC proposes to recover its program costs through its Rate Rider No. 15 as a per therm rate. NMGC is requesting that the proposed programs and overall portfolio annual budgets be approved for the 2020 through 2022 Program Years.

NMGC Proposes to recover costs of its 2020 Program in the future by applying for a revision to its current NMGC Rate Rider No. 15. Customers in the following rate classes will be affected by this change: (1) Rate 10 – Residential Customers; (2) Rate 54 – Small Volume Service; and (3) Rate

56 – Medium Volume Service. NMGC estimates that the future revisions to NMGC Rate Rider No. 15 will result in the following changes to NMGC’s customers:

CUSTOMER CLASS	CURRENT RATE	PROPOSED RATE
Residential Customers (Rate Class No. 10)	\$0.0116/therm	\$0.0178/therm
Small Volume—General Service Customers (Rate Class No. 54)	\$0.0116/therm	\$0.0178/therm
Medium Volume—General Service Customers (Rate Class No. 56)	\$0.0116/therm	\$0.0178/therm
Non-NMGC End Use (Rate No. 70) for A. Rate No. 10 B. Rate No. 54 C. Rate No. 56	\$0.0116/therm	\$0.0178/therm

For Residential Customers without demand meters, the proposed future revisions to Rate Rider No. 15 will result in the following anticipated changes to customers’ monthly bills for each level of consumption:

CONSUMPTION LEVEL	CURRENT COST	PROPOSED COST
0 therms	\$0.00	\$0.00
50 therms	\$0.58	\$0.89
100 therms	\$1.16	\$1.78
200 therms	\$2.32	\$3.56
300 therms	\$3.48	\$5.34

The anticipated changes to NMGC Rate Rider No. 15, and the resulting change in customer rates by class, and for residential customers, by consumption levels, are for informational purposes only. The final rate design may vary the rates ultimately charged to each class for each consumption level.

The Commission has assigned Case No. 19-00248-UT to this proceeding and all inquiries or written comments concerning this proceeding should refer to that case number.

The Hearing Examiner has established the following schedule for this case:

A. Any person who desires to become a party to this case must file a Motion for Leave to Intervene, pursuant to 1.2.2.23 NMAC, by January 10, 2020.

B. The Commission Utility Division Staff shall, and Interveners may, file Direct Testimony by January 17, 2020.

C. Rebuttal Testimony may be filed by January 31, 2020.

D. A public hearing will begin at 9:00 A.M. on February 13, 2020, and continuing thereafter through February 14, 2020, as necessary, in the Ground Floor Hearing Room of the Commission in the P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico.

The procedural dates and requirements provided herein are subject to further Order of the Commission or the Hearing Examiner. Interested persons should contact the Commission for confirmation of the hearing date, time and place, since hearings are occasionally rescheduled.

The Commission's Procedural Rules found at 1.2.2 NMAC shall apply to this proceeding except as modified by Order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission or at <http://nmcpr.state.nm.us/parts/title01/01.002.0002.html>.

Any interested person may appear at the time and place of hearing and make an oral or written comment pursuant to Rule 1.2.2.23(F) NMAC without becoming an Intervenor. Interested persons may also send written comments, which shall reference NMPRC Case No. 19-00248-UT, to the Records Bureau of the Commission at the address set out below. Pursuant to Rule 1.2.2.23(F) NMAC, however, such comments are not considered as evidence in this proceeding.

Any person may examine NMGC's filing in this case together with any exhibits and related papers that may be filed in this case at NMGC's office, 7120 Wyoming Blvd. NE, Suite 20, Albuquerque, New Mexico 87109, telephone: (505) 697-3559, or at the Commission's offices, 1120 Paseo de Peralta, Santa Fe, New Mexico 87501, telephone: (888) 427-5772. You can obtain further

information regarding this case at the Commission's website, <http://www.nmprc.state.nm.us/> or at NMGC's website, www.nmgco.com/en/regulatory_filings.

Any person filing prepared testimony under 1.2.2.35.I NMAC on behalf of a party shall attend the hearing and submit to examination under oath.

All documents filed with the Commission by mail shall be sent to: Records Bureau, New Mexico Public Regulation Commission, P.E.R.A. Building, P.O. Box 1269, Santa Fe, New Mexico, 87504-1269. The following physical address of the Commission shall be used only for special or hand deliveries: 1120 Paseo de Peralta, Santa Fe, NM 87501.

Copies of documents filed with the Commission must be served on all parties of record and the Commission's Utility Division Staff ("Staff") in the manner indicated on the Certificate of Service for this case. All filings shall be e-mailed to Staff and the parties on the date they are filed with the Commission. All filings shall be e-mailed to the Hearing Examiner at Ashley.Schannauer@state.nm.us.

Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's November 14, 2020 Second Procedural Order.

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT LEAST 24 HOURS PRIOR TO THE COMMENCEMENT OF THE HEARING.

I S S U E D at Santa Fe, New Mexico this November 14, 2019.

NEW MEXICO PUBLIC REGULATION COMMISSION

Ashley C. Schannauer
Hearing Examiner