

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF NEW MEXICO GAS COMPANY, INC.)
FOR APPROVAL OF REVISIONS TO ITS)
RATES, RULES, AND CHARGES PURSUANT)
TO ADVICE NOTICE NO. 87)
NEW MEXICO GAS COMPANY, INC.)
Applicant.)**

Case No. 21-00267-UT

**DIRECT TESTIMONY AND EXHIBIT
OF
RAYMOND G. SANCHEZ**

December 13, 2021

**DIRECT TESTIMONY OF
RAYMOND G. SANCHEZ
NMPRC CASE NO. 21-00267-UT**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Raymond G. Sanchez. My business address is 7120 Wyoming, Suite 20,
3 Albuquerque, New Mexico 87109.

4
5 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

6 **A.** I am the Vice President of Operations for New Mexico Gas Company, Inc. (“NMGC” or
7 the “Company”).

8
9 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND WORK
10 EXPERIENCE.**

11 **A.** My educational background and work experience are described in NMGC Exhibit RGS-1.
12

13 **Q. PLEASE DESCRIBE YOUR DUTIES AND RESPONSIBILITIES AS VICE
14 PRESIDENT OF OPERATIONS FOR NMGC.**

15 **A.** I am responsible for providing leadership, strategy, and vision for the Company’s
16 operations functions. This includes:

- 17 • leading the safe and reliable operation of systems and programs for statewide
18 natural gas transmission and distribution;
- 19 • overseeing Company-wide construction/maintenance, cathodic protection,
20 dispatching, leak survey, line locating, measurement and regulator activities,
21 service, and regional customer payment centers; and
- 22 • developing and communicating goals, standards and initiatives to balance the
23 workforce and resources with the tasks and work required.

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1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NEW MEXICO PUBLIC**
2 **REGULATION COMMISSION (“NMPRC” OR THE “COMMISSION”)?**

3 **A.** No.
4

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

6 **A.** The purpose of my testimony is to describe and support the additional operations
7 employees in the context of continuing to provide safe and reliable service to customers.
8 NMGC will be adding these employees by 2023 and therefore, they fall within the period
9 covered by this rate case.
10

11 **Q. HOW DID THE COMPANY CONCLUDE IT WAS APPROPRIATE TO ADD THE**
12 **EMPLOYEES DESCRIBED BELOW?**

13 **A.** NMGC is always anticipating its operational needs, including the need for additional
14 employees. We use our available resources to operate the Company safely and efficiently
15 and have been able to fully operate the system with limited resource increases. Increasing
16 regulatory and operational demands, along with anticipated state-wide growth coming out
17 of the COVID-19 pandemic, have led us to conclude that we should expand our operations
18 team. This puts these new employees into the period covered by the rate case, and
19 therefore, in this testimony I am explaining the business need for these additional
20 employees.
21

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1 **Q. PLEASE IDENTIFY THE EMPLOYEES THAT YOU ARE ADDING IN YOUR**
2 **AREA OF RESPONSIBILITY.**

3 **A.** By 2023, NMGC intends to add the following seven employees in my area:

- 4 • two Line Locators;
- 5 • an Inspection Supervisor;
- 6 • a Gas System Technician;
- 7 • a Customer Service Representative;
- 8 • a Construction Foreman; and
- 9 • an Operations Representative.

10

11 **Q. PLEASE DESCRIBE THE LINE LOCATORS AND WHY THEY ARE BEING**
12 **ADDED.**

13 **A.** Line Locators are responsible for locating and marking NMGC’s underground facilities at
14 the request of third parties, generally for construction purposes. This work is required by
15 statute, and is critical for damage prevention of NMGC’s facilities and for the safety of
16 NMGC team members, excavators, and the general public. When NMGC receives a line
17 locate request, by law it has 48 hours to respond so that it does not hold up construction
18 work. For more urgent line requests, known as emergency line spots, which have the
19 potential to affect public health or safety, NMGC has two hours to respond.
20 Additionally, the United States Department of Transportation (“DOT”) implemented rules
21 requiring that when a third party is digging within 10 feet of utility facilities, a utility
22 employee must be present.

23

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1 NMGC is currently able to locate as required, but is adding two additional Line Locators,
2 one in the Albuquerque metro area and one in the northwest service area. These additional
3 employees will help ensure that NMGC can comply with the DOT rule and still meet the
4 short timeframe it has to respond to line locate requests. Looking forward, we anticipate
5 the need for two additional Line Locators in order to continue to comply with 811 and DOT
6 requirements.

7
8 **Q. PLEASE DESCRIBE THE INSPECTION SUPERVISOR AND WHY IT IS BEING**
9 **ADDED.**

10 **A.** This employee will be responsible for supervising both third-party and Company inspectors
11 in the Albuquerque metro area. These inspectors are responsible for ensuring that NMGC
12 contractors execute facility installations in a timely and satisfactory manner. NMGC hires
13 contractors to work on its facilities, including replacing and extending its pipelines.
14 Although these contractors perform the work, NMGC is ultimately responsible for the
15 condition of its facilities and supervises the contractors' work closely in order to ensure
16 compliance with federal regulation, state law, and NMGC policies and procedures. The
17 supervisor will oversee the inspectors to help ensure consistency of inspections and to
18 coordinate inspections.

19
20 As discussed by NMGC Witness Tom C. Bullard, NMGC is increasing its Integrity
21 Management Program activities. This necessitated NMGC hiring more contractors, hiring
22 more inspectors, and requiring additional support for inspectors. The additional supervisor
23 will alleviate some of the load on our current supervisor and allow additional focus on

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1 contractor work and quality assurance given the anticipated increase in workload described
2 above.

3

4 **Q. PLEASE DESCRIBE THE GAS SYSTEM TECHNICIAN (“GS TECH”) AND WHY**
5 **IT IS BEING ADDED.**

6 **A.** The GS Tech will primarily: 1) conduct leak surveys allowing NMGC to detect and repair
7 leaks in its system, and 2) perform cathodic protection functions including testing the level
8 of corrosion of NMGC’s pipes and employing techniques to control the level of corrosion.
9 GS Techs physically patrol NMGC’s mainline to inspect for leaks and to read the corrosion
10 level of pipes.

11

12 NMGC is adding an additional GS Tech for its southeast system. The southeast system is
13 a large geographic area, with 360 miles of transmission lines, which is the second highest
14 of NMGC’s service areas. Currently, NMGC has two GS Techs to conduct leak surveys
15 and cathodic protection for the entire southeast system. An additional GS Tech is needed
16 given increased demand on Company resources and will allow the Company to efficiently
17 cover the large span of territory in the southeast area.

18

19 Having the additional resource to assist with leak protection will help ensure the continued
20 safety of NMGC’s customers. Additionally, cathodic protection allows NMGC’s facilities
21 to last longer, ensuring customers get the most benefit out of them possible.

22

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1 **Q. PLEASE DESCRIBE THE CUSTOMER SERVICE REPRESENTATIVE (“CSR”)**
2 **AND WHY IT IS BEING ADDED.**

3 **A.** Regional CSRs are in my area of responsibility. NMGC is adding an additional CSR to its
4 Clovis office. The CSR will assist walk-in customers with matters such as taking
5 payments, scheduling service orders, answering billing inquiries, providing payment plan
6 assistance, and responding to budget billing requests.

7
8 NMGC currently has five CSRs in the northeast service area: two in Clovis, one in
9 Tucumcari, one in Portales, and one in Clayton. While these five CSRs work mainly in
10 their assigned offices, they also float among the four offices in order to ensure that all of
11 the northeast locations are staffed. Covering the other offices can sometimes leave the
12 Clovis office understaffed. When the Clovis office is understaffed, other NMGC
13 employees in the area, such as Operations Representatives, have to cover for them or we
14 may occasionally need to close the service office. These staffing challenges are further
15 compounded by the distance between the northeast payment centers, which takes a lot of
16 time to travel between and can be impacted by weather. Having a third CSR in Clovis will
17 allow NMGC to more efficiently maintain coverage in all of the northeast offices.

18
19 **Q. PLEASE DESCRIBE THE CONSTRUCTION FOREMAN AND WHY IT IS**
20 **BEING ADDED.**

21 **A.** A Construction Foreman leads a crew in performing construction work on the system. The
22 foreman is responsible for oversight of the work and safety on the jobsite. NMGC’s
23 foremen are also qualified inspectors who inspect the work done by NMGC’s contractors.

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1 NMGC is adding an additional Construction Foreman in the north central service area
2 largely due to increased construction in that area. This area also has a large number of
3 customers converting from propane to natural gas, which requires a foreman for
4 construction or inspection. An additional Construction Foreman is necessary to meet
5 customer demands in this growing area, to provide assistance across the north central
6 region for additional construction crews, and to serve as an additional inspector.

7
8 **Q. PLEASE DESCRIBE THE OPERATIONS REPRESENTATIVE AND WHY IT IS**
9 **BEING ADDED.**

10 **A.** An Operations Representative performs many functions including meter reading,
11 collections, and providing support for construction activity. Once an Operations
12 Representative becomes a senior representative, they may also do service work in
13 customers' homes.

14
15 NMGC is adding an additional Operations Representative in its southwest service area,
16 specifically, in Anthony, New Mexico. NMGC is adding this employee because Anthony,
17 New Mexico is growing at a fast pace and additional resources are required to continue
18 providing safe reliable service to the customers there.

19
20 **Q. IS ADDING THE PROPOSED EMPLOYEES IN THE PUBLIC INTEREST?**

21 **A.** Yes. As described herein, NMGC is facing customer growth, increased regulations, and
22 an expansive service territory, placing an increased demand on our Operations Department.
23 The additional employees will help ensure that NMGC can respond timely to customer

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1 requests, maintain its system according to regulation, expand its service to a growing
2 customer base, and continue to provide safe and reliable service.

3

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A.** Yes.