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 NOS. 70 AND 71	))))))	**Case No. 18-__________-UT**
NEW MEXICO GAS COMPANY, INC.	))	
Applicant.	)	

DIRECT TESTIMONY AND EXHIBIT

OF

RYAN A. SHELL

February 26, 2018

DIRECT TESTIMONY OF
RYAN A. SHELL
NMPRC CASE NO. 18-_________-UT

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Ryan A. Shell. I am President of New Mexico Gas Company, Inc. ("NMGC" or the "Company") and have held this position since January 2015. My business address is 7120 Wyoming Blvd NE, Albuquerque, NM 87109.

Q. PLEASE BRIEFLY DESCRIBE YOUR BUSINESS EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. From 1989 to 1997, I worked as a Certified Public Accountant at BDO Seidman LLP, a national accounting and consulting firm. From 1997 to 2009, I worked in various financial roles at SEMCO Energy, Inc., a natural gas local distribution company with operations in Michigan and Alaska. In 2009, I joined NMGC and served as Vice President of Finance, Controller and Treasurer prior to becoming President in January 2015.

I have a Master's of Business Administration from the University of New Mexico and a Bachelor's Degree in Accounting from Oakland University. My professional experience and education are described in more detail in NMGC Exhibit RAS-1.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION ("NMPRC" OR THE "COMMISSION")?

A. Yes, please refer to NMGC Exhibit RAS-1.

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

A. I am the chief policy witness for the Company. The primary purpose of my testimony is to describe the current business conditions faced by the Company and introduce key elements of this case. Specifically:

- In Section I of my testimony I provide a brief description of the Company and the business environment in which it operates;
- In Section II, I identify the Company's revenue request and describe the primary causes or "drivers" for this rate case;
- In Section III, I introduce the Company's rate design proposals;
- In Section IV, I provide an update on the status of the economic development initiatives undertaken with NMGC's shareholder money as provided for in the Emera Stipulation in NMPRC Case No. 15-00327-UT; and
- In Section V, I introduce the other Company witnesses in this case. Those witnesses are subject-matter experts in various areas and will discuss the details of the Company's proposed base rate increase and other proposals.

I. DESCRIPTION OF NMGC AND ITS CURRENT BUSINESS ENVIRONMENT

Q. UNDER WHAT BASE RATES DOES NMGC CURRENTLY PROVIDE GAS UTILITY SERVICE TO ITS CUSTOMERS?

A. NMGC provides gas utility service under base rates established by the Commission in NMPRC Case No. 11-00042-UT (the "2011 Rate Case"). The rates approved in the 2011 Rate Case went into effect on February 1, 2012.

Q. PLEASE BRIEFLY DISCUSS NMGC'S CURRENT OPERATIONS.

A. NMGC provides gas utility service to customers in New Mexico. The Company currently has approximately 715 employees and serves approximately 524,000 customers throughout New Mexico. Approximately 92% of the Company's customer base is comprised of residential customers and approximately 7% are commercial and industrial gas sales service customers. Less than 1% of NMGC's customers are on-system transportation service customers.

Because its business involves only the delivery and sale of natural gas, and gas is commonly used by customers to heat their homes and businesses, the Company's business is seasonal, with the bulk of its revenues and earnings realized during the winter heating season which typically runs from October through April each year ("heating season"). The Company typically incurs losses during the non-heating season of each year.

Q. PLEASE BRIEFLY DESCRIBE THE CHANGES IN NMGC OWNERSHIP THAT HAVE OCCURRED SINCE NMGC'S LAST RATE CASE CONCLUDED.

A. In July 2013, in NMPRC Case No. 13-00231-UT, NMGC, Continental Energy Systems, LLC ("Continental"), and TECO Energy, Inc. ("TECO") filed an Application for, among other things, approval of the sale of all New Mexico Gas Intermediate, Inc.'s ("NMGI") stock, to TECO. NMGI is the sole shareholder of NMGC's stock, so a sale of NMGI's stock to TECO was effectively a sale of NMGC to TECO. In May 2014, TECO, Continental, NMGC and several intervenors entered into an Acquisition Stipulation (the "TECO Stipulation") for approval of the sale of NMGI's stock to TECO. The TECO Stipulation was certified by the hearing examiner and approved by the Commission. On September 4, 2014, TECO closed on the purchase of NMGI's stock. A few of the key provisions of the TECO Stipulation, as certified, include:

- NMGC agreed that there would be no future rate impact due to the acquisition premium arising from or recognized in the transaction;
- NMGC would not seek a rate increase to be effective prior to December 2017, at the earliest;
- NMGC agreed to engage in economic development opportunities for the state including exploration of an economic development rate;
- NMGC agreed to various post-closing and financing provisions, including maintenance of a post-closing equity ratio, restrictions on dividend payments, and a requirement that NMGC would not seek an equity ratio in its next rate case in excess of 54%, among other provisions;

- NMGC would become an operating company of TECO and would be integrated into TECO's group of companies through use of a joint services company called TECO Services, Inc. ("TSI");
- NMGC agreed to maintain at least 650 full-time positions over the first three years of operations, and maintain substantially comparable wages, benefits and other terms and conditions of employment;
- NMGC agreed to return a portion of the cost savings resulting from adoption of the shared services model to customers through bill reduction credits; and
- NMGC would collaborate with Staff and interested parties to develop a Cost Allocation Manual ("CAM") to simplify review of cost allocations in rate cases.

In October 2015, in NMPRC Case No. 15-00327-UT, NMGC, TECO, Emera Inc. ("Emera"), Emera US Holdings Inc., and Emera US Inc. ("Emera US") filed an Application for approval of the merger between Emera US and TECO. In April 2016, the parties in the case entered into an Unopposed Acquisition Stipulation (the "Emera Stipulation") for approval of Emera US's merger with TECO. The Emera Stipulation superseded the TECO Stipulation. In June 2016, the Emera Stipulation was approved by the Commission, and on July 1, 2016, the merger between Emera US and TECO was consummated. Key provisions of the Emera Stipulation included but are not limited to the following:

- Continuation of most of the provisions of the TECO Stipulation including:
    - Continuation of the limitation on pass through of any acquisition premium;

  - Continuation of the restriction on rate increases;
  - Continuation of bill reduction credits of $4 million annually through June 2018; and
  - Continuation of the post-closing and financing commitments in the TECO Stipulation;
- A commitment that in its next rate case (this case), NMGC would use a historic test year for the purpose of determining rates;
- A commitment to at least 675 full-time positions for three years after closing as well as continuation of the other employment protection provisions of the TECO Stipulation;
- Emera's commitment to make contributions for economic development initiatives in New Mexico including $5 million for economic development, $10 million for infrastructure expansion, $5 million for an expanded pipeline to Mexico, and increase community contributions for three years;
- Agreement to continue to operate under the CAM and collaborate on changes to the CAM;
- Agreement to control and review intercompany services and related charges, show a preference for local services, if consistent with good governance practices, and to the extent possible, use direct charges for intercompany services; and
- Agreement to establish an NMGC board of directors with local representation and diversity.

Q. PLEASE BRIEFLY DISCUSS MANAGEMENT AND GOVERNANCE UNDER EMERA'S OWNERSHIP.

A. The Emera transaction closed on July 1, 2016, and NMGC has been operating under Emera since then. I can report that NMGC is operating well under Emera's business model. Let me update you on a few things:

- First, as promised in the Emera Stipulation, a local Board of Directors has been appointed and has been meeting quarterly since mid-2017. The NMGC Board has six New Mexico members – a majority of the Board – and is very engaged in business governance.
- Emera's well-established business model places great emphasis on local management, and the management team that was in place at the time of the transaction essentially remains in place with a few additions. Ed Kacer has moved from Vice President of Operations and Engineering to Vice President of Strategy and Special Projects, Tom Bullard has moved from Director of Engineering to Vice President of Engineering, Gas Management and Technical Services, Ray Sanchez has moved from North Central Regional Manager to Vice President of Operations, and Scott Hastings has joined us from Emera as Vice President of Finance. Several other changes have taken place at the business director and manager level and I think our local management team is as strong as ever.
- NMGC's commitment to its employees and customers, and to customer service has been reinforced by Emera's business model. All the provisions of the Emera

stipulation relating to employees and customers have been complied with and the Company continues to focus on all aspects of operations and customer service.

- Finally, NMGC's commitment to safety has been reinforced by Emera's focus on safety and the companies are working together to enhance and complement NMGC's record of customer and employee safety.

II. REQUESTED REVENUE INCREASE AND RATE CASE DRIVERS

Q. WHAT IS THE REVENUE INCREASE THAT NMGC IS REQUESTING IN THIS CASE?

A. NMGC is requesting a revenue increase of approximately $8 million based on a proposed overall weighted average rate of return of 7.65%, including a requested return on equity ("ROE") of 10.20%. This proposed annual revenue increase is based on a historical year ending September 30, 2017 (the "Base Period"), adjusted as necessary to make these historical costs appropriate for use in revising NMGC's base rates. NMGC Witness Hastings discusses those adjustments in detail in his testimony. NMGC Witness McKenzie discusses the proposed ROE in his testimony.

Q. PLEASE EXPLAIN WHAT IS DRIVING THIS RATE CASE.

A. As explained below and by other NMGC witnesses, the primary factor creating the need for this base rate increase is capital investments made by the Company since the 2011 Rate Case to maintain and improve its transmission and distribution systems and related assets. These capital investments along with the associated depreciation and property taxes have increased the Company's revenue requirement. In contrast, as NMGC Witness Hastings explains, the Company's operating expenses are relatively flat since the last rate case.

We are also addressing federal tax reform in this rate case. The recently enacted federal tax reform has positively impacted this case by reducing the Company's revenue requirement by approximately $9.6 million. In other words, a $9.6 million benefit to customers due to tax reform is reflected in the Company's $8 million revenue request. Absent the benefit of tax reform, the Company's revenue request in this case would have been $17.6 million rather than the $8 million the Company is seeking. The Company's revenue request is discussed in this Section and then in greater detail by NMGC Witness Hastings in his testimony.

Equally as important, NMGC is proposing changes to its rate design to better recover its revenue requirement and help ensure customers are not overpaying or underpaying for gas utility service. As discussed in Section III below and further by NMGC Witnesses Hastings, Kacer, and Yardley, NMGC's current rate design is leaving the Company under-earning against a reasonable ROE, subject to inconsistent and uncontrollable revenue and earnings swings, and unable to reasonably budget and prepare for and control costs and expenses.

Q. PLEASE DISCUSS SOME OF THE SIGNIFICANT CAPITAL INVESTMENTS NMGC MADE SINCE THE 2011 RATE CASE.

A. NMGC regularly invests in plant and equipment to maintain and improve service to customers. It makes these investments on its own initiative and in response, in whole or in part, to regulation and/or legislation or some combination of all three.

Between the 2011 Rate Case and this rate case, investments totaling approximately $250 million were made to maintain and improve the Company's gas transmission and distribution system and related assets. The investments include projects such as continued work on the Santa Fe Mainline, the Rio Puerco Looping Project, the Pilar Reroute Project, right-of-way renewals, and transmission and distribution pipeline integrity management programs. Many of the pipeline integrity management-related investments are related to federal mandates. NMGC Witness Kacer discusses the technical aspect of these projects in more detail.

Q. PLEASE BRIEFLY DESCRIBE CHANGES IN NMGC'S OPERATING EXPENSES SINCE THE LAST RATE CASE.

A. As detailed in NMGC Witness Hastings' testimony, the Company's operating expenses include: operating & maintenance ("O&M") expenses, depreciation and amortization, taxes other than income taxes, and corporate income taxes. As he discusses, some of these expenses have increased while others have decreased since the 2011 Rate Case. On a combined basis, the Company's operating expenses have declined slightly since the 2011 Rate Case.

The Company's O&M expense has decreased since the Company's 2011 Rate Case. Significantly, these O&M expenses include all inter-company allocations. The Company is proud of its cost control measures over the last 7 years, and believes that the shared-services model, and becoming part of a larger family of companies, with shared expertise, has contributed to this. While the details for these O&M numbers are provided by NMGC Witness Hastings in his testimony and exhibits, let me state that the Company is ever mindful that O&M expenses directly impact the bills of our customers. We know that for many New Mexicans, utility bills make up a large portion of their monthly expenses. The Company continually strives to contain, and where possible reduce, O&M expenses and economically utilize shared services from affiliates.

Q. PLEASE BRIEFLY DESCRIBE THE COMPANY'S EFFORTS TO MINIMIZE EXPENSES AND CONTROL INTER-COMPANY CHARGES FROM AFFILIATES.

A. Inter-company charges and allocations are in O&M expenses. NMGC is very aware of its obligation to comply with the provisions of the CAM and the provisions in the Emera Stipulation dealing with inter-company allocations from TSI. NMGC believes that these provisions and the shared services model are prudent, effective, and beneficial to NMGC customers. In this context, NMGC continuously evaluates ways to control and minimize the amount of inter-company allocations while at the same time, attempting to control local O&M costs while showing a preference for work to be performed in New Mexico. A proper balance is beneficial to NMGC's customers. NMGC meets with TSI to ensure that services provided and charges for the services are prudent and reasonable.

Q. PLEASE PROVIDE SOME EXAMPLES OF THE SERVICES PROVIDED BY TSI TO NMGC.

A. The services that TSI provides are primarily services that TSI is uniquely, or practically, best situated to provide to NMGC. Let me give two examples that I think are illustrative:

- Cybersecurity: TSI has a first-rate cybersecurity department and they have been providing advice and support to NMGC in this area. As we all know, cybersecurity is a very specialized field and one that benefits from high expertise of employees in the area. By relying on TSI's expertise in this field I am confident that we are receiving high-quality services that could not be economically replicated in New Mexico. Additionally, the hardware and facilities in Florida are excellent, and could not be economically replicated in New Mexico. TSI provides these same services to other Emera affiliates, and this is a prime example where shared services benefit all Emera companies.

- Procurement: Being part of a shared services organization allows us to procure materials and services in larger quantities and this allows us and all other Emera affiliates to be more efficient. For example, in 2016 NMGC utilized TSI's economies of scale for the purchase and delivery of the pipe and related materials to be used in the Rio Puerco Looping Project. By leveraging the purchasing power of Peoples Gas (a division of TECO) and NMGC, NMGC was able to save approximately $4.3 million. Obviously, this lower capital cost reduces the impacts on the rate base, related depreciation, and property taxes, all of which lowers the overall cost of service revenue requirement in this rate case. We have seen additional benefit in other areas, such as purchasing business insurance, employee benefits, and Information Technology.

NMGC Witness Hastings discusses details of other examples of savings from the shared services model in his testimony.

Q. IN LIGHT OF THE COMPANY'S COST SAVINGS MEASURES, HAS NMGC BEEN SUCCESSFUL IN MAINTAINING HIGH LEVELS OF CUSTOMER SERVICE?

A. Yes. NMGC is proud of the excellent service it provides its customers. While it is always difficult to measure service standards, there are many activities and actions that we can point to demonstrate that NMGC's customer service levels are not only appropriate but are excellent.

- NMGC attempts to minimize consumer complaints to the NMPRC by working with customers and attempting to address complaints quickly and informally. As a result, customer complaints to the NMPRC have decreased.
- NMGC has fully complied with the customer metrics filing requirements established in NMPRC Case No. 09-00163-UT.
- NMGC Customer Satisfaction Survey – The NMGC customer satisfaction survey completed by Brian Sanderoff's firm, Research and Polling Inc., in 2017 reflected an overall customer satisfaction rating of 90%.
- NMGC Call Center Statistics – During 2017, NMGC answered 93% of customer calls within 60 seconds, with an average time to answer of 59 seconds.

Each of these measures are indicative of NMGC's commitment to maintaining excellent and cost-effective services to our customers.

III. THE COMPANY'S RATE DESIGN PROPOSALS

Q. PLEASE IDENTIFY THE COMPANY'S PROPOSED RATE DESIGN CHANGES.

A. As detailed by NMGC Witness Yardley, the Company's rate design is currently not effective at recovering its approved revenue requirement. Deviations from normal weather during the winter heating season and a continued decline in per-customer gas usage have adversely affected the Company's ability to effectively recover its revenue requirement.

The Company is proposing three important changes to its rate design to address its revenue recovery. These are (i) adoption of a Weather Normalization Adjustment Mechanism ("Weather Mechanism"); (ii) an increase to the fixed charge portion of the Company's bills; and (iii) adoption of an Integrity Management Program Cost Recovery Mechanism ("IMP Mechanism"). Additionally, in an effort to help support economic growth, the Company is proposing approval of an economic development rate. I will briefly summarize the rationale for each of these requests and then leave the detailed discussion to our other witnesses – both inside and outside the Company.

Q. PLEASE START BY EXPLAINING WHY THE COMPANY IS ASKING FOR A WEATHER MECHANISM.

A. As NMGC Witness Kann testifies, in the seven years since the 2011 Rate Case, actual annual heating degree days in NMGC's service territory have ranged from 15 percent below normal to 7 percent above normal. This high level of weather variability coupled with NMGC's current rate design and the fact that NMGC is a heating load utility causes NMGC to experience significant volatility in revenues.

This is true whether the weather is warmer or colder than normal. Warmer than normal weather typically results in the Company not recovering its approved revenue requirement. Colder than normal weather typically results in the Company recovering more than its approved revenue requirement. This does not have to be the case, and as explained by NMGC Witness Yardley, most jurisdictions in the United States with high degrees of weather volatility have authorized weather normalization mechanisms to address this issue. NMGC is seeking similar treatment.

As NMGC Witness Yardley explains, recognized rate design principles provide that revenue stability is one of the key tenants of good rate design, and a company such as ours, subject to such volatility in revenues resulting from the increasing variability in weather, is unusual and unnecessary, and can be ameliorated through effective rate design.

Q. PLEASE EXPLAIN WHAT THE COMPANY IS PROPOSING WITH REGARD TO AN INCREASE TO THE CUSTOMER ACCESS FEE.

A. A significant portion of the cost of service charges in an average residential customer bill are derived from volumetric rates, meaning they are applied to customer usage and therefore vary. To reduce the revenue instability caused by this variability, in addition to the Weather Mechanism, NMGC is also seeking a $3.00 increase in the monthly access fee for residential customers and comparable increases for other customer classes. Any increase in the access fee on a customer's bill reduces the portion of the bill subject to usage. An increased access fee therefore minimizes, but does not eliminate, the variability in revenues.

Q. PLEASE EXPLAIN WHAT THE COMPANY IS PROPOSING WITH REGARD TO AN IMP MECHANISM.

A. NMGC has had an integrity management program for years. Additionally, the amount of state and federal requirements is continually expanding. NMGC actively supports these initiatives and has expanded its integrity management program as a result. In turn, NMGC is proposing an IMP Mechanism as a better way to more quickly and effectively recoup the investments and expenses incurred for these initiatives, and as a better way to allow for NMPRC knowledge and oversight of these initiatives. NMGC Witness Kacer details the regulatory and Company initiatives related to integrity management, and NMGC Witness Yardley details the Company's proposed mechanism and the benefits to be derived therefrom.

Q. PLEASE EXPLAIN WHAT THE COMPANY IS PROPOSING WITH REGARD TO AN ECONOMIC DEVELOPMENT RATE FOR CUSTOMERS IN NEW MEXICO.

A. New Mexico statutes allow for the creation and use of an economic development rate "to encourage customers to expand present facilities and operations in New Mexico and to attract new customers where necessary or appropriate to promote economic development in New Mexico. Any such special rates or tariffs shall be designed so as to recover at least the incremental cost of providing service to such customers."

Consistent with this statute, and with the TECO and Emera Stipulations, the Company is proposing the creation of an economic development rate to be used to promote economic development in New Mexico. NMGC Witness Yardley discusses this proposed rate in greater detail.

IV. ECONOMIC DEVELOPMENT INITIATIVES UNDERTAKEN AS PART OF THE EMERA ACQUISITION

Q. PLEASE DESCRIBE THE ECONOMIC DEVELOPMENT INITIATIVES CONTAINED IN THE EMERA STIPULATION.

A. In the Emera Stipulation, Emera and NMGC agreed to three economic development initiatives to be funded solely with shareholder money. These three initiatives included funding of $5 million for a larger and higher capacity pipeline to Mexico, $5 million for economic development initiatives throughout the state of New Mexico, and $10 million for an infrastructure expansion matching fund.

Q. PLEASE UPDATE THE STATUS OF THESE INITIATIVES.

A. Starting first with the $5 million economic development fund, NMGC has distributed approximately $2.5 million of the $5 million allocated. The funds have gone to economic development groups and organizations throughout the state of New Mexico, as well as to innovation labs and entrepreneurial start up programs located in Albuquerque and at New Mexico State University, the University of New Mexico and at the New Mexico Institute of Mining and Technology.

The focus of this initiative is to provide funds to groups to facilitate economic development throughout the state. We ask that they to inform us of what they intend to do with the funds and then report to us on what they did with the funds. Feedback to date from the groups who received the funds has been very positive and we think the program has been very beneficial to the State of New Mexico.

The $5 million to be used to build an expanded pipeline to Mexico has not been spent yet. Agreement with Mexican authorities and Mexican companies has been slower than we anticipated and design and location of the pipeline has not yet been determined. We continue to work with Mexican officials and Mexican companies and we hope to have the pipeline completed in the next couple of years. The money has been set aside and will be spent to develop a pipeline to Mexico.

Following consultation with Staff and the Attorney General's office, the $10 million infrastructure expansion fund was implemented in November 2016. NMGC has been reaching out to groups, communities and portions of communities to try to facilitate the distribution of these matching funds. Distribution under this program has proceeded slower than we anticipated and we are evaluating amendments to this program to increase or accelerate the distributions. It appears that some of the areas or communities that do not currently have gas infrastructure are not able to come up with the matching portion of the program to expand infrastructure to the community. Perhaps a modification of the match terms or conditions or some other modification will make the funds more accessible. To date, NMGC has spent less than $1 million of the funds in this program and is hoping to accelerate distributions. Nevertheless, Emera and NMGC are committed to spending these funds.

V. WITNESS INTRODUCTIONS

Q. PLEASE IDENTIFY THE COMPANY WITNESSES TESTIFYING IN THIS CASE AND BRIEFLY SUMMARIZE THE AREAS ADDRESSED BY EACH WITNESS.

A. The following witnesses will address the subjects outlined below:

- Edward Kacer is NMGC's Vice President of Strategy and Major Projects since mid-2017. Prior to that he was NMGC's Vice President of Operations and Engineering. His testimony discusses the Company's integrity management program, capital construction program, and discounted transportation rate arrangements.
- John Fernald was formerly NMGC's Director of Rates and Regulatory Affairs. He is now an independent consultant. He will testify about the Company's Fully Allocated Cost of Service study and certain Test Period revenue adjustments.
- Nicole Strauser is NMGC's Director of Legal and Regulatory. She testifies about litigation expenses, rate case expenses, rate schedules and compliance with final orders.
- Dr. Deirdre Kann is an expert in atmospheric and weather related sciences. Her testimony addresses weather trends and identifies the appropriate timeframe to be

used to determine the number of heating degree days to normalize the effects of weather on gas usage.

- Adrien McKenzie is an outside consultant with Financial Concepts and Applications, Inc. His testimony develops a recommended ROE. Mr. McKenzie makes the important point that giving NMGC a fair opportunity to earn an appropriate ROE is essential to its financial health and ability to attract capital on reasonable terms.
- Daniel Yardley is an expert in the field of utility rates and design. The purpose of his testimony is to propose modifications to NMGC's rate designs including the Weather Mechanism, IMP Mechanism and the economic development rate. His testimony addresses the allocation of the proposed base rate revenue increase to various customer classes.
- Scott Hastings is NMGC's Vice President Finance. His testimony addresses the Base and Test Period revenue requirement, Test Period adjustments, the impact of the Federal tax reform act; and various schedules.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

NMGCO #3632455

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 NOS. 70 AND 71	)	**Case No. 18-_________-UT**
NEW MEXICO GAS COMPANY, INC.	)	
Applicant.	)	

AFFIDAVIT OF RYAN A. SHELL

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

RYAN A. SHELL, President for New Mexico Gas Company, Inc., upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing Direct Testimony and Exhibit and they are true and accurate based on my own personal knowledge and belief.

SIGNED this 16th day of February, 2018.

Ryan Shell

RYAN A. SHELL

SUBSCRIBED AND SWORN to before me this 16th day of February, 2018.

Lisa A. Trujillo

Notary Public

My commission expires:

2/12/2019

OFFICIAL SEAL
Lisa A. Trujillo
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 2/12/2019