

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF NEW MEXICO GAS COMPANY, INC.)	
FOR APPROVAL OF ITS 2023-2025 ENERGY)	
EFFICIENCY PROGRAM PURSUANT TO)	
THE NEW MEXICO PUBLIC UTILITY AND)	Case No. 22-00232-UT
ENERGY EFFICIENCY ACTS)	
)	
NEW MEXICO GAS COMPANY, INC.)	
)	
Applicant)	

NOTICE TO CUSTOMERS

To New Mexico Gas Company, Inc. ("NMGC") Customers: This document is required by the New Mexico Public Regulation Commission ("NMPRC" or the "Commission"). The purpose of this document is to provide you with notice of NMGC's proposed energy efficiency plan for 2023 through 2025. 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

NOTICE is hereby given by the NMPRC of the following:

On August 31, 2022, NMGC filed with the Commission its Application requesting approvals and authorizations necessary to implement its Energy Efficiency Program Plan for the years 2023 through 2025 ("2023 EE Plan"). The Application requests approval of (i) the continuation of its current energy efficiency program plan offerings as developed and approved in NMPRC Case No. 19-00248-UT, with some modifications to three of the existing programs, an additional offering under another existing program, and the addition of one new program; (ii) approval of an annual budget of \$14,993,203; and approval of a 6.65% incentive, in the amount of approximately \$997,048.

NMGC proposes the following modifications and additions:

A. NMGC proposes to expand the midstream component of the Residential Water Heating program. It is currently only offered in rural communities and NMGC is proposing to expand the midstream component throughout its service territory.

B. NMGC proposes to make modifications to its Residential Space Heating program. First, like the Water Heating program, NMGC proposes to expand the midstream component and offer incentives for residential and commercial customers for ENERGY STAR furnaces and boilers. Second, NMGC proposes to offer a furnace tune-up with rebates of \$85 for market rate customers and \$110 for low to moderate income customers. Finally, NMGC proposes new measures that offer \$200 incentives each for crawl space insulation, duct sealing and air sealing.

C. NMGC proposes to make modifications to its Efficient Buildings program. Starting in 2023, NMGC proposes to add a new Strategic Energy Management offering.

D. NMGC is proposing to add a Manufactured Home Communities program to its Income Qualified program to target high energy consumption manufactured housing.

E. NMGC is proposing to add a Home Energy Reports program to its portfolio to communicate with a large group of NMGC customers about their energy costs.

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 2023 through 2025 program years.

NMGC proposes to recover costs of its 2023 EE Plan 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 No. 10 - Residential Customers; (2) Rate No. 54 - Small Volume Service; (3) Rate 56 - Medium Volume Service and (4) Rate No. 70 - Transportation Service. NMGC estimates that the future revisions to NMGC Rate Rider No. 15 will result in the following changes to NMGC's customers:

<u>Rate Class</u>	<u>Current Rate Per Therm</u>	<u>Proposed Rate Per Therm</u>
Residential Customers (Rate No. 10)	\$0.0185	\$0.0358
Small Volume-General Service Customers (Rate No. 54)	\$0.0185	\$0.0358
Medium Volume-General Service Customers (Rate No. 56)	\$0.0185	\$0.0358
Transportation Service (Rate No. 70) for A. Rate No. 10 B. Rate No. 54 C. Rate No. 56	\$0.0185	\$0.0358

For Residential Customers, 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	\$0.93	\$1.79
100 therms	\$1.85	\$3.58
200 therms	\$3.70	\$7.16
300 therms	\$5.55	\$10.74

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. 22- 00232-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 (A) and (B) NMAC, by November 11, 2022.

B. The Commission Utility Division Staff shall, and Interveners may, file Direct Testimony by November 30, 2022.

C. Rebuttal Testimony may be filed by December 16, 2022.

D. A public hearing will begin at 10:00 A.M. on Monday, January 9, 2023, and shall continue as necessary through Tuesday, January 10, 2023. Due to the COVID-19 pandemic, the evidentiary hearing shall be conducted via the Zoom videoconference platform. Access to and participation in the evidentiary hearing shall be limited to party-participants (i.e. counsel and witnesses), the Commissioners and other essential Commission personnel. Interested persons may view the evidentiary hearing via a live stream on YouTube provided on the Commission's website at <https://www.nm-prc.org>.

E. 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 at (505) 690-4191 or Ana.Kippenbrock@state.nm.us for confirmation of the hearing date, time and place, since hearings are occasionally rescheduled.

F. The Commission's procedures, 1.2.2 NMAC, shall apply to this case except as modified by Order of the Commission or Hearing Examiner.

G. Interested persons, who are not affiliated with a party may make oral or written comment pursuant to Rule 1.2.2.23(F) NMAC. Oral comment shall be taken at the beginning of the public hearing in this matter on January 9, 2023 and shall be limited to 3 minutes per commenter. As part of the public hearing, public comment will be taken via the Zoom platform. Therefore, persons

wishing to make an oral comment must register in advance, not later than 8:30 a.m. MT on January 9, 2023, by emailing Ana Kippenbrock at Ana.Kippenbrock@state.nm.us. Written Comments may be submitted before the Commission takes final action by sending the comment, which shall reference NMPRC Case No. 22-00232-UT, to prc.records@state.nm.us. Public comments, whether oral or written, shall not be considered as evidence in this proceeding.

H. Any person with a disability requiring special assistance to participate in this proceeding should contact Ana Kippenbrock at either Ana.Kippenbrock@state.nm.us or (505) 690-4191 as soon as possible before the start of the public hearing. Requests for summaries or other types of accessible forms also should be addressed to the Utility Division at (888) 427-5772.

I. 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 website <https://www.nm-prc.org>, Case Lookup E-Docket. You can obtain further information regarding this case at NMGC's website, www.nmgco.com/regulatory_filings.

J. Any person filing pleadings or testimony shall serve copies via e-mail on all parties, Commission Staff and the Hearing Examiner. Any person whose testimony has been pre-filed shall attend the hearing and submit to examination under oath. Anyone filing pleadings, testimony, and other documents must follow the Commission's filing policy. Pleadings, testimony, and other documents must be served on all parties of record and Staff in the way or ways specified in the most recent certificate of service issued by the hearing examiner. Copies of all filings shall also be emailed on the date of filing and service to the hearing examiner at Angelica.Allen@state.nm.us. All documents emailed to the hearing examiner shall also include versions created in Microsoft Word.

I S S U E D at Santa Fe, New Mexico on September 29, 2022.

NEW MEXICO PUBLIC REGULATION COMMISSION



[Electronically signed]

**Angelica Anaya Allen
Hearing Examiner**