

NEW MEXICO GAS COMPANY

REGULATORY  
COMMISSION

2012 JAN 31 PM 2:05

FIRST REVISED RATE NO. 114  
CANCELING ORIGINAL RATE NO. 114

DISTRICT ENERGY SYSTEM SERVICE

AVAILABILITY

Service under this Rate is available to the integrated end-use facilities of any natural gas Customer which uses natural gas to satisfy large scale and diverse energy requirements (including, but not limited to, a combination of heating, cooling, and/or electricity generation). The minimum total annual usage for Customer facilities served under this Rate shall be greater than 5,000,000 therms.

TERRITORY

All of the Company's service areas.

RATES

Basic Cost of Service Functional Rates: During each monthly billing period, the rates for all gas delivered shall be:

- a. \$0.0328 per therm for transmission service; and x
- b. \$0.0326 per therm for distribution service. x

The above rates shall be charged based on the functional services utilized by each Customer.

Cost of Gas Component: The basic charges for cost of service shall be increased or reduced, as appropriate by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Rider No. 4.

Access Fee: In addition to rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$1,200.00 per monthly billing period.

Special Rate Adjustment: The charges shall be increased or reduced by the amounts indicated as applicable to each particular area of service in the Special Rate Riders approved by the New Mexico Public Regulation Commission.

Tax Adjustment Clause: The charges may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and Federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or any object or event incidental to the rendition of that service.

Terms of Payment: All bills under this Rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter. Any amount left unpaid thirty (30) days after the bill date is subject to a six hundred sixty seven one thousandths percent (0.667%) late payment charge.

**EFFECTIVE**

JAN 31 2012

REPLACED BY NMPRC

BY Final Order Case No. 11-00042-UT

Advice Notice No. 27



John M. Fernald  
Director, Regulatory Affairs

NMGCO#2451279

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INTERRUPTION, CURTAILMENT AND CAPACITY ALLOCATION OF SERVICES

Service under this Rate may be interrupted, curtailed or capacity allocated to protect service to higher priority Customers in accordance with the Company's Rule No. 21.

OTHER CONDITIONS

1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rule and Regulations on file with the New Mexico Public Regulation Commission.
2. District Energy System (DES) facilities served under this Rate shall be required to maintain a monthly load factor variation of not more than plus or minus thirty-five percent (35%) and an annual peak load factor of not greater than one hundred fifteen percent (115%) or less than eighty-five percent (85%). Except as otherwise expressly provided in this Rate, failure to maintain a plus or minus thirty-five percent (+/- 35%) variation in monthly load factor and an annual peak load factor of at least eighty-five percent (85%) and not greater than one hundred fifteen percent (115%) will result in the Customer's facilities being served under other applicable Rate(s) based on its end-use characteristics at the delivery point(s). After first qualifying for service under this Rate, a Customer's DES facilities shall not be served under other applicable rate(s) by operation of this section without thirty (30) days prior notice by the Company to the Customer and confirmation by the Company that the failure to maintain the load factor variation described in this section is not attributable solely to the Customer's modification to its existing DES facilities, DES facility additions, or any scheduled change in operation of its existing DES facilities.
3. After first qualifying for service under this Rate, a Customer served under this Rate shall notify the Company of any modification(s) to its existing DES facilities which may significantly impact the gas demand or load factor characteristics of its DES usage prior to making such adjustments or operating such new facilities. A Customer served under this Rate shall also provide prior notice to the Company of any scheduled change in the operation of existing DES facilities (e.g., down-time for scheduled maintenance) which may significantly impact the gas demand or load factor characteristics of those facilities. The calculation of the Customer's monthly load factor and annual peak load factor under Other Conditions 2. of this Rate shall not reflect any short-term variations in monthly load factor or annual peak load factor attributable solely to such modification to its existing DES facilities, or scheduling changes in operation of its DES facilities when prior notice of such modification, or scheduling change has been provided to the Company in accordance with this paragraph.
4. After first qualifying for service under this Rate, a Customer served under this Rate shall notify the Company of any DES facility addition(s) which may significantly impact the gas demand or annual peak load factor characteristics of its DES usage prior to operating such new facilities. The calculation of the Customer's monthly load factor and annual peak load factor under Other Conditions 2. of this Rate shall not reflect any variations attributable solely to DES facility addition(s) for a minimum of one year after the DES facility addition(s) is placed in operation, when prior notice of such addition(s) has been provided to the Company in accordance with this paragraph.

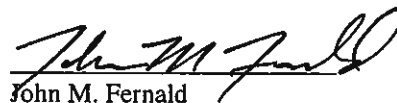
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5. For purposes of this Rate, monthly load factor variation is defined as the change in metered therm usage in any month from the metered therm usage in the immediate preceding month. Annual peak load factor is defined as the average daily therm usage for a consecutive twelve (12) month period divided by the average daily therm usage of the coincident peak month during the twelve (12) month period.
6. Any Customer served under this Rate shall be required to demonstrate its capability to control, manage, and be responsible for the seasonal, monthly, daily, and hourly swings in the demand in its DES facilities, both those which are predictable and those which are not. The Customer must be able and willing to monitor, record, and communicate daily DES usage in order that it control and manage its load requirements. Accordingly, each Customer served under this Rate shall be required to furnish, at its expense, daily metering equipment for the purpose of monitoring its DES load characteristics in order to ensure continuing compliance with the Rate qualifications.

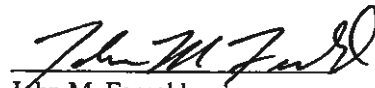
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