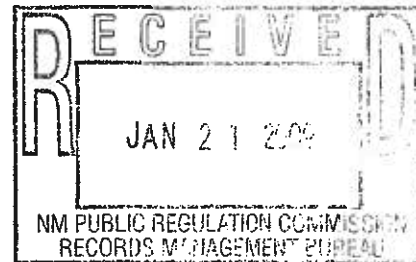


NEW MEXICO GAS COMPANY

ORIGINAL RATE NO. 37

GAS AIR CONDITIONING



Page 1 of 2

AVAILABILITY

Service under this Rate is available to any commercial, industrial, government or institutional Customer that uses natural gas to operate equipment utilized for the space cooling of a facility.

TERRITORY

All 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. \$0.0259 per therm for transmission service; and
- b. \$0.0325 per therm for distribution service.

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 the rates for gas delivered, each Customer served under this Rate shall pay an Access Fee of \$15.00 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 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 30 2009

REPLACED BY NMPRC
BY F10 08-00078-UT

Advice Notice No. 1

A handwritten signature in black ink that reads "Ryan Shell".

Ryan Shell
V.P. Controller & Treasurer
New Mexico Gas Company

NEW MEXICO GAS COMPANY

ORIGINAL RATE NO. 37

GAS AIR CONDITIONING

Page 2 of 2

CURTAILABILITY

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

OTHER CONDITIONS

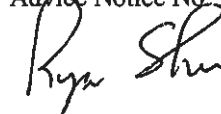
1. Service under this Rate is subject to applicable laws and orders, and to the Company's Rules and Regulations on file with the New Mexico Public Regulation Commission.
2. Except as provided in Other Conditions No. 3, service under this Rate shall be separately metered by a natural gas meter and separately billed. If an additional natural gas meter must be installed at the Customer's location for the purpose of metering the natural gas utilized by the Gas Air Conditioner, that meter shall be installed at the Customer's expense but shall be maintained and read by Company personnel.
3. Where not feasible to separately meter natural gas used to operate the gas cooling equipment because the cooling process is driven by steam produced by a boiler or boilers which serve loads other than the gas cooling equipment, an allocation will be made of an equivalent portion of the total gas used by the boiler or boilers which produced the steam required for the operation of the gas cooling equipment. This allocation will be established each billing period by using an approved measurement of steam flow to the gas cooling equipment. This steam flow will be multiplied times the ratio of total natural gas consumed by the boiler or boilers to the total steam generated by the boiler or boilers during the same period to produce the number of therms to be billed. The Customer is responsible for installing and maintaining steam meters with the Company reserving the right to witness calibrations and check meter readings.
4. A Customer served under this Rate that utilizes natural gas for purposes other than Gas Air Conditioning shall be issued additional invoices as necessary. Each separate use of natural gas shall be metered separately and billed under the applicable rate or rates for such gas use.
5. Certain Customers belonging in the "Gas Air Conditioning" classification have executed special contracts. These Customers are to be designated as special contract Customers for the purpose of this Rate and all rules of service.
6. Any minimum bill provisions of contracts under which special contract Customers are served shall continue in effect. In computing any amount due thereunder, the amount of the Access Fee shall not be included.

EFFECTIVE

JAN 30 2009

REPLACED BY NMPRC
BY FD 08-00078-UT

Advice Notice No. 1



Ryan Shell
V.P. Controller & Treasurer
New Mexico Gas Company