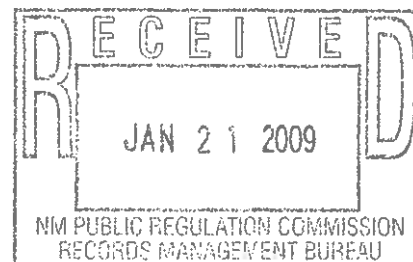


NEW MEXICO GAS COMPANY

ORIGINAL RULE NO. 20

RATES AND UNITS OF MEASUREMENT



Page 1 of 3

- (A) The rates and charges to be charged by and paid to the Company for gas service shall be the rates of the Company legally in effect and on file with the New Mexico Public Regulation Commission.
- (B) All rates set forth in the Company's rates are stated in terms or dekatherms (10 therms). The term "therm" means one hundred thousand (100,000) British Thermal Units (Btu) and the term "dekatherm" means one million (1,000,000) Btu's. Unless otherwise provided by special contract, the number of therms delivered to any Customer shall be determined by measuring the volume of gas passing through that Customer's meter during the month to the nearest one hundred (100) cubic feet and multiplying that volume by an appropriate conversion factor. For the purposes of determining volumes delivered, a cubic foot shall be defined as that quantity of gas which occupies one (1) cubic foot of space either at the pressure existing in such Customer's meter from time to time, or if the pressure existing in such Customer's meter exceeds fourteen (14) inches of water pressure, at a pressure of four (4) ounces per square inch gauge, and either at the temperature existing in such customer's meter from time to time, or, if temperature recording or compensating equipment has been installed as provided in Subsection (D) below, at a temperature of sixty degrees Fahrenheit (60°F). The standard cubic foot of gas for testing the gas for heating value shall be that quantity of gas saturated with water vapor, which at a temperature of sixty degrees Fahrenheit (60°F), and a pressure of thirty (30) inches of mercury occupies one (1) cubic foot. (Temperature of mercury = 60°F, acceleration due to gravity = 32.17 feet per second; density = 13.595 grams per cubic centimeter).
- (C) Altitude pressure factors and Btu values are individually calculated for each area served by the specific Company office as listed in the following table.
- i) The individual altitude pressure factor is determined by dividing the standard metering pressure, as shown in the table below, by the standard for atmospheric pressure at sea level (14.73). For example, the standard metering pressure for Alamogordo is 12.75, this is divided by 14.73 resulting in an altitude factor of 0.86558.
 - ii) The Btu value is determined on a monthly basis and shall be the arithmetic average of the heating values of the gas delivered from the indicated supply system or section thereof.

EFFECTIVE

JAN 30 2009

REPLACED BY NMPRC

BY F10 08-00078-JT

Advice Notice No. 1

Ryan Shell

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

NEW MEXICO GAS COMPANY

ORIGINAL RULE NO. 20

RATES AND UNITS OF MEASUREMENT

The following table indicates the values to be used in pressure conversion.

<u>Company Office</u>	<u>Standard Metering Pressure</u>	<u>Altitude Pressure Factor</u>	<u>Supply System</u>
Alamogordo	12.75	0.86558	EPNG Southern Division System - South Line
Albuquerque	12.45	0.84521	Northwest System
Anthony	13.05	0.88595	EPNG Southern Division System - South Line Western System
Artesia	13.35	0.90631	Southeast System - Northern Eddy County
Belen	12.65	0.85879	Northwest System
Carlsbad	13.35	0.90631	Southeast System - Southern Eddy County
Chama	11.25	0.76375	Brazos System
Clayton	12.55	0.85200	Union County System
Clovis	12.85	0.87237	Eastern System
Cuba*	11.65	0.79090	Northwest System
Espanola	12.25	0.83164	Northwest System
Farmington	12.25	0.83164	Northwest System
Gallup	11.95	0.81127	Northwest System - EPNG Southern - North Line
Grants	11.95	0.81127	Northwest System - EPNG Southern - North Line
Lovington	12.95	0.87916	Southeast System - Lea County
Portales	12.85	0.87237	Eastern System
Roswell	13.15	0.89274	Southeast System - Chaves County
Santa Fe	11.65	0.79090	Northwest System

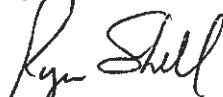
EFFECTIVE

JAN 30 2009

REPLACED BY NMPRC

BY FIO 08-0007841

Advice Notice No. 1



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

NEW MEXICO GAS COMPANY

ORIGINAL RULE NO. 20

RATES AND UNITS OF MEASUREMENT

Page 3 of 3

<u>Company Office</u>	<u>Standard Metering Pressure</u>	<u>Altitude Pressure Factor</u>	<u>Supply System</u>
Silver City	12.25	0.83164	EPNG Southern Division System - South Line
Taos	11.65	0.79090	Northwest System
Truth or Consequences	12.85	0.87237	EPNG Southern Division System - South Line
Tucumcari	12.85	0.87237	Eastern System

- (D) The therm conversion factor is calculated monthly for each specific Company office and is the result of the altitude factor multiplied by the Btu value.
- (E) The Company shall have the right, but shall not be obligated to install temperature recording or compensating equipment as part of the facilities used in measuring the gas delivered to any non-residential customer.

*Cuba does not support a local office, it is supported by the office located in Chama, New Mexico. Company is providing the Meter Pressure and Conversion Factor information for Cuba because of the difference in elevation between it and its local office.

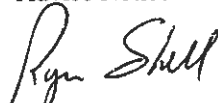
EFFECTIVE

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