

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF NEW MEXICO GAS )  
COMPANY INC.'S APPLICATION FOR THE )  
ISSUANCE OF A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
CONSTRUCT A LIQUIFIED NATURAL GAS )  
FACILITY. )**

**NEW MEXICO GAS COMPANY, INC., )**

**APPLICANT. )**

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**Case No. 22-00309-UT**

**NOTICE TO CUSTOMERS**

To customers of New Mexico Gas Company, Inc. (NMGC or “Company”): this document is required by the New Mexico Public Regulation Commission (PRC or “Commission”). The purpose of this document is to provide you with notice of NMGC’s request that the PRC allow NMGC to build and operate a liquified natural gas storage facility. This notice:

- Describes the PRC process for considering NMGC’s request; and
- Describes how you can participate in this process if you wish to do so.

If you would like to participate in this process, the information below details how you may participate. **IF YOU DO NOT WANT TO PARTICIPATE IN THIS PROCESS, NO ACTION IS REQUIRED ON YOUR PART.**

**NOTICE** is hereby given by the PRC of the following:

On December 16, 2022, NMGC filed an Application with the PRC requesting that the Commission issue NMGC a Certificate of Public Convenience and Necessity (CCN). NMGC is providing the following information concerning the Application:

1. NMGC is requesting approval to construct and operate a liquefied natural gas (LNG) storage facility (the “LNG Facility”).

2. The LNG Facility, if approved, will be built within the city limits of the City of Rio Rancho, on the west side of Bernalillo County.

3. In support of this Application, NMGC states as follows:

a. In February 2021, New Mexico and surrounding areas experienced a severe winter storm (“Storm Uri”). During Storm Uri, natural gas utilities were forced to pay extraordinarily high prices for natural gas for their customers. For example, as a result of this one storm, NMGC paid over \$107 million for gas in one week in February – equivalent to what it paid for natural gas in all of 2020. These costs were passed on to NMGC’s customers, in the form of monthly charges in place through December 2023, by an Order of the Commission. In that same Order, the PRC requested NMGC “evaluate and assess potential measures, and specifically, increased access to stored gas, including possible NMGC owned or controlled storage facilities, which may be adopted to prevent a reoccurrence of the effects of Storm Uri, and the potential for extraordinary gas expenses and curtailments to customers.”

b. In response, NMGC is proposing to build an LNG production and storage facility in New Mexico. NMGC has finalized preliminary engineering for such an LNG Facility and has prepared this request for a CCN, seeking authorization to proceed with construction of the LNG Facility. The Company contends that the proposed LNG Facility offers significant operational advantages to NMGC and its customers that will enhance two critical reasons for having storage gas: (1) helping ensure a reliable gas supply to customers of NMGC; and (2) helping control the impacts of price volatility on the Company’s customers.

4. As proposed, the LNG Facility will utilize approximately 25 acres of a 160 acre parcel the outskirts of Rio Rancho and be connected directly to NMGC’s system. It will have an LNG storage tank, the ability to liquefy natural gas directly into LNG from the Company’s system for storage, and the ability to vaporize LNG back into natural gas for use on NMGC’s system when

needed. In contrast to natural gas, LNG is an odorless, colorless, cryogenic liquid stored at minus 260° Fahrenheit. In this form, LNG takes up about 1/600th of its volume in the gaseous state which makes it an ideal method for storing large amounts of natural gas. The storage tank will also be able to be filled from and deliver natural gas to tanker trucks for delivery as needed throughout the state for NMGC's normal and emergency operational needs.

5. NMGC anticipates constructing the LNG Facility to become operational prior to or during the 2026-2027 winter heating season.

6. The total cost for constructing the liquefaction system, storage tank, vaporizer system, and piping to connect the LNG Facility to the current NMGC system is estimated to be approximately \$181 million. The cost of the LNG Facility may affect all customer classes.

7. In this case, NMGC is not asking to change the rates customers pay for gas utility service. NMGC anticipates seeking recovery of the costs of the LNG Facility, and change the rates for gas utility service, in a future rate case filing when the LNG Facility becomes operational.

8. The Commission has assigned Case No. 22-00309-UT to this proceeding and all inquiries or written comments concerning this proceeding should refer to that case number.

9. The PRC has assigned a Hearing Examiner to consider this proceeding, and the Hearing Examiner has established the following schedule for this case:

a. Any person desiring to intervene in the proceeding must file a motion to intervene by April 17, 2023 pursuant to 1.2.2.23 NMAC. All motions for leave to intervene shall be served on all existing parties and prospective intervenors of record.

b. Any party who wishes to file a dispositive motion – a motion to dismiss, any other motion that would result in dismissal, any motion that would (as a matter of law) resolve some portion of this case or require the applicant to retract and refile the application, or any motion

that would result in summary rejection of any portion of the application – must do so on or before April 24, 2023. The parties are advised that, to the extent they intend to file motions that will require the applicant to file supplemental testimony, any such motion must be filed as soon as is practicable. Waiting to file such a motion until a time when it is not practicable for the applicant to file supplemental testimony is impermissible. Any motion deemed by the Hearing Examiner to have been filed under such circumstances will be rejected as a late-filed motion.

c. The parties shall participate in a settlement conference on May 15, 2023, at a time and place to be determined. The purpose of this required meeting is to facilitate settlement at an early point in the procedural schedule of this case when there is sufficient time in the procedural schedule to allow for a hearing on a stipulation.

d. Any stipulation filed in this case must be filed by July 17, 2023. This date is selected to ensure that there is adequate time in the procedural schedule to hold a hearing on a stipulation.

e. Staff shall and any intervenor may file direct testimony on or before September 11, 2023. Alternatively, if a stipulation is filed as provided above, the stipulating parties shall file direct testimony in support of the stipulation by September 11, 2023. If NMGC and Staff are stipulating parties, each shall file separate testimonies in support of the stipulation. Other parties may file testimony in support of the stipulation.

f. Rebuttal testimony shall be filed on or before October 9, 2023. Alternatively, if testimony in support of a stipulation is filed as provided above, response testimony shall be filed by October 9, 2023. If Staff is not a party to the stipulation, Staff shall file response testimony. Other parties may file response testimony.

g. Assuming the alternative stipulation procedure is in effect, any rebuttal testimony to the response testimony submitted as provided above shall be filed by October 16, 2023.

h. Motions in limine, motions to strike testimony (excepting rebuttal testimony filed under the alternative stipulation process provided above) and other prehearing motions shall be filed on or before October 11, 2023. Responses to such motions shall be filed on or before October 16, 2023. However, solely with regard to rebuttal testimony filed under the alternative stipulation provided above, motions in limine, motions to strike and other prehearing motions shall be filed by October 18, 2023 and responses to such motions shall be filed by October 20, 2023.

i. A prehearing conference is tentatively scheduled for October 19, 2023, commencing at 2:00 p.m. on the Zoom videoconference platform. The purpose of that conference is to address, among other things, the following matters:

- a) The order of presentation of the parties and their respective witnesses.
- b) Designation by each party of the witnesses they intend to cross-examine and for what length of time.
- c) Pending motions in limine, motions to strike, and other prehearing motions.
- d) Any other matters that may expedite orderly conduct and disposition of this proceeding.

j. The October 19, 2023 prehearing conference may be vacated by the Hearing Examiner if he determines that the conference is not necessary.

k. Interested persons who are not affiliated with a party may make oral or written comment as allowed by Rule 1.2.2.23(F) NMAC. Oral comment shall be taken at a special public comment hearing in this matter on October 23, 2023 beginning at 10:00 Mountain Time (MT) and

commenters shall be limited to 3 minutes per comment. As part of the public hearing, public comment will be taken via the Zoom platform; therefore, persons wishing to make an oral public comment must register in advance, not later than 8:30 a.m. MT on October 23, 2023, by emailing Ana Kippenbrock at [ana.kippenbrock@prc.nm.gov](mailto:ana.kippenbrock@prc.nm.gov). Written public comments may be submitted before the Commission takes final action by sending the comment, which shall reference PRC Case No. 22-00309-UT, to [prc.records@state.nm.us](mailto:prc.records@state.nm.us). Public comments, whether oral or written, shall not be considered as evidence in this proceeding.

1. The public hearing in this matter will be held beginning on October 24, 2023 and will continue through each succeeding business day until November 2, 2023, as determined to be necessary by the Hearing Examiner. Each hearing session shall commence at 9:00 a.m. MT unless otherwise ordered.

m. Based on present conditions and logistical issues, the Hearing Examiner has concluded that it will be necessary to conduct evidentiary hearings 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. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission's website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as an attorney or witness may view the hearing on the Commission's website and shall not join the hearing via Zoom except to provide oral comment as allowed above.

n. 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@prc.nm.gov](mailto:ana.kippenbrock@prc.nm.gov) for confirmation of the hearing

date, time, and place, since hearings are occasionally rescheduled or canceled if deemed not required in the discretion of the Hearing Examiner or the Commission.

o. The Commission's procedures, 1.2.2 NMAC, shall apply to this case except as modified by Order of the Commission or Hearing Examiner. The Rules of Procedure and other PRC rules are available online at the New Mexico Compilation Commission at <https://nmonesource.com/nmos/en/nav.do>.

p. 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) 697-3832, or at the Commission's website under Case Lookup – eDocket at <https://edocket.nmprc.state.nm.us>. Interested persons also can obtain further information regarding this case at NMGC's website, [www.nmgco.com/regulatory\\_filings](http://www.nmgco.com/regulatory_filings).

q. Any person filing pleadings or testimony shall serve copies via email 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 [anthony.medeiros@prc.nm.gov](mailto:anthony.medeiros@prc.nm.gov) by no later than 5:00 p.m. MT. Any filing emailed to the Hearing Examiner shall include the Word or other native version of the filing (e.g., Excel or Power Point) if created in such format. Any filings not emailed to the Hearing Examiner in compliance with the

requirements of this order and Commission rules are subject to being summarily rejected and stricken from the record at the Hearing Examiner's discretion.

**PERSONS WITH DISABILITIES**

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT (505) 467-9116 OR (505) 690-4191 TO REQUEST SUCH ASSISTANCE AS SOON AS POSSIBLE, PREFERABLY AS SOON AS THE PERSON RECEIVES NOTICE OF THIS PROCEEDING TO ALLOW CONSIDERATION OF THE REQUEST AND TO ARRANGE FOR A POTENTIAL REASONABLE ACCOMMODATION.

**ISSUED** under the Seal of the Commission at Santa Fe, New Mexico this **2<sup>nd</sup>** day of **February 2023**.



**NEW MEXICO PUBLIC REGULATION COMMISSION**

**/s/ Anthony Medeiros**

**Anthony F. Medeiros**  
**Chief Hearing Examiner**