

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE)
APPLICATION OF RATON NATURAL)
GAS COMPANY FOR APPROVAL OF) Case No. 18-00312-UT
ITS 2018-2019 ENERGY EFFICIENCY)
PROGRAM PLAN AND FOR)
APPROVAL OF A PROGRAM COST)
RATE RIDER PURSUANT TO THE)
EFFICIENT USE OF ENERGY ACT)
AND 17.7.2 NMAC)**

PROCEDURAL ORDER

THIS MATTER comes before Frances I. Sundheim, Hearing Examiner in this case, upon the Initial Order of the New Mexico Public Regulation Commission (Commission”) issued on October 10, 2018.

On October 1, 2018, Raton Natural Gas Company (“RNG”) filed with the Commission an Application requesting approvals and authorizations necessary to implement its 2016-2017 Energy Efficiency Plan (“Plan”) pursuant to the New Mexico Public Utility Act (“PUA”); the New Mexico Efficient Use of Energy Act (“EUEA”); the Commission's Energy Efficiency Rule 17.7.2 NMAC (“Rule”); the Commission's Final Order Adopting Recommended Decision issued March 29, 2017 (“Final Order”) in RNG’s last energy efficiency program plan application in Case 16-00270-UT; and the Commission’s Order Granting Variance in Part issued on November 15, 2017 in Case No. 16-00270-UT (“Variance Order”).

RNG requests the necessary approvals and authorizations to continue its current residential EE programs and to add the following three new residential measures:

- 1) a water heating program which will provide incentives and rebates for the installation of high efficiency rated natural gas water heaters;
- 2) a space heating program that will

provide incentives and rebates for the installation of high efficiency natural gas space heating appliances and energy conservation devices; and 3) an income qualified program that includes a package of energy efficiency offerings for low income customers.

RNG is proposing to offer a suite of new commercial measures which include: a water heating program that will provide incentives and rebates for the installation of high efficiency rated commercial natural gas water heaters and installation of low flow pre-rinse spray valves for restaurants; 2) a space heating program to provide incentives and rebates for the installation of high efficiency commercial natural gas furnaces; and 3) free commercial energy efficiency assessments.

RNG filed contemporaneously with the Application a proposed revision to its energy efficiency rate rider in the form of the Second Revised Rate No. 6, which provides for the recovery of costs associated with the proposed 2018-2019 energy efficiency plan. Full details are provided in RNG's Advice Notice No. 54.

Being fully advised of the premises, the Hearing Examiner **FINDS** and **CONCLUDES:**

1. The New Mexico Efficient Use of Energy Act allows RNG to recover its prudent and reasonable costs incurred as a result of implementing, funding, and administering energy efficiency programs through a tariff rider.

2. RNG proposed to recover its program costs through its Energy Efficiency Rate Rider as a per ccf rate. RNG is requesting that the proposed programs and overall portfolio annual budget of \$13,075 be approved for the Program Year.

3. The proposed Energy Efficiency Rate Rider will be applicable to all customer classes eligible to participate in RNG's energy efficiency programs, including all residential and commercial customers. RNG's estimated total program budget for its 2018-

2019 Energy Efficiency Program is \$21,432. The proposed Energy Efficiency Rate Rider rate is \$0.0055 per ccf.

4. In support of its Application, Raton presented the testimony of witness David N. Link.

5. A Prehearing Conference was held on November 5, 2018, where scheduling for this matter was agreed upon and should be adopted for this proceeding. Attending the conference was Staff of the New Mexico Public Regulation Commission ("Staff) and counsel for, and representatives of RNG.

6. A copy of the Notice for this matter has been reviewed by the parties and is attached hereto.

The Hearing Examiner **ORDERS** that:

A. A public hearing will be held on March 25, 2019 at 9:30 A.M. and continue thereafter through March 29, 2019, if necessary, in the Ground Floor Hearing Room of the Commission in the PERA Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, to hear and receive testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding.

B. Any interested person should contact the Commission at (505) 827-6956 for confirmation of the hearing dates, time and place because hearings are occasionally rescheduled. The hearing date and other relevant information will be posted on the Commission's website calendar at www.nmprc.state.us.

C. Any interested person may appear at the time and place of hearing and make an oral or written comment, pursuant to Rule 1.2.2.23(F) NMAC, without becoming an intervenor. Such comments will not be considered as evidence in this case.

D. Any person with a disability requiring special assistance in order to

participate in this proceeding should contact the Commission at 1-888-427-5772 at least 24 hours prior to the commencement of the hearing.

E. RNG shall cause, at its sole expense, the Notice of Proceeding and Hearing attached to this Order to be published once in a newspaper of general circulation in the geographic area where RNG provides service, post on its website, and mail to all customers in its newsletter by not later than November 23, 2018.

F. Any person who desires to intervene in this case must file a Motion for Leave to Intervene, pursuant to 1.2.2.23 NMAC, by December 7, 2018. Commission rules are available at <http://164.64.110.134/nmac/nmac-titles>. Any such filing shall include Case Number 18-00312-UT, and original and five copies be sent to:

New Mexico Public Regulation Commission
ATTN: Records and Docketing Department
PERA Building, Room 406
PO Box 1269
1120 Paseo de Peralta
Santa Fe, New Mexico 87501-1269

G. The Commission Utility Staff shall, and Interveners may, file Direct Testimony not later than February 8, 2019.

H. Any rebuttal testimony must be filed by March 1, 2019.

I. The Commission's Utility Division Procedures, 1.2.2 NMAC, will apply to this proceeding except as modified by order of the Commission or the Hearing Examiner.

J. Any person may examine RNG's Application, together with any exhibits and related papers that may be filed in this case, in person during regular business hours, at RNG's office at 1360 South Second Street in Raton, NM (telephone 575-445-3613); at the Commission's address above; or online at the Commission's Case Lookup E-Docket at <http://www.nmprc.state.nm.us>.

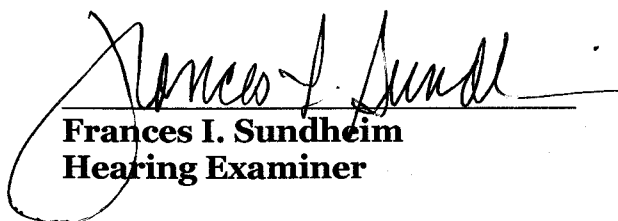
K. Any person filing pleadings or testimony shall serve copies by e-mail on all parties listed in the Certificate of Service for this case and the Hearing Examiner on the day of filing. The Hearing Examiner's e-mail is frances.sundheim@state.nm.us. All pleadings shall be sent to the Hearing Examiner in Word format.

L. Any person whose testimony has been pre-filed shall attend the hearing and submit to examination under oath.

M. No motion regarding discovery disputes shall be considered unless accompanied by a statement that the participants have made a good faith effort to resolve the dispute and were unable to do so.

I S S U E D at Santa Fe, New Mexico, this 8th day of November 2018.

NEW MEXICO PUBLIC REGULATION COMMISSION


Frances I. Sundheim
Hearing Examiner

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE)
APPLICATION OF RATON NATURAL)
GAS COMPANY FOR APPROVAL OF) Case No. 18-00312-UT
ITS 2018-2019 ENERGY EFFICIENCY)
PROGRAM PLAN AND FOR)
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RATE RIDER PURSUANT TO THE)
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AND 17.7.2 NMAC)**

NOTICE TO RATON NATURAL GAS COMPANY CUSTOMERS

Notice is hereby given to all Raton Natural Gas Company Customers of the following:

1. On October 1, 2018, Raton Natural Gas Company ("RNG") filed with the Commission an Application requesting approvals and authorizations necessary to implement its 2018-2019 Energy Efficiency ("EE") Program Plan. The Application requests approval to add three new Residential EE measures to its existing Residential programs and three new Commercial EE programs.

Specifically, RNG requests to continue its current Residential EE programs and add the following three new Residential measures: 1) a Water Heating program which will provide incentives and rebates for the installation of high efficiency rated natural gas water heaters; 2) a Space Heating program that will provide incentives and rebates for the installation of high efficiency natural gas space heating appliances and energy conservation devices; and 3) an Income Qualified program that includes a package of residential weatherization and other energy efficiency offerings for RNG's low-income customers.

The three new Commercial programs for which the Application seeks approval

include: 1) a Water Heating program which will provide incentives and rebates for the installation of high efficiency rated commercial natural gas water heaters; 2) a Space Heating program that will provide incentives and rebates for the installation of high efficiency commercial natural gas furnaces; and 3) free energy efficiency assessments that will include free commercial grade programmable thermostats and low-flow pre-rinse spray valves.

2. The New Mexico Efficient Use of Energy Act allows RNG to recover its prudent and reasonable costs incurred as a result of implementing, funding, and administering energy efficiency programs through a tariff rider. RNG proposed to recover its program costs through its Second Revised Rate No. 6, its Energy Efficiency Rate Rider as a per ccf rate. RNG is requesting that the proposed programs and overall portfolio annual budget of \$21,432 be approved for the 2018-2019 Program Years. RNG estimates that the proposed programs and the proposed annual budget of \$21,432 will be approved by the NMPRC in the Second Quarter of 2019.

3. The proposed Energy Efficiency Rate Rider will be applicable to all customer classes eligible to participate in RNG's energy efficiency programs, including all residential and commercial customers. The proposed Energy Efficiency Rate Rider rate is \$0.0055 per ccf.

4. The following table compares the monthly average bill for a Residential and a Commercial customers including the proposed new \$0.0055 per ccf Energy Efficiency Rate Rider surcharge. The Monthly Average Bill Comparison includes the Cost of Gas Component and excludes applicable taxes and fees¹:

¹ For illustration purposes, the Monthly Average Bill Comparison table reflects the current Cost of Gas in September 2018 bills.

Monthly Average Bill Comparison

Rate Class	Proposed EE Rate Rider \$/ccf	Average Bill Usage ccf	Current Average Bill	With Proposed EE Rate	Increase \$	Increase %
Residential	\$.0055	78	\$43.41	\$43.49	\$.08	.18%
Commercial	\$.0055	336	\$160.71	\$162.56	\$1.85	1.15%

The bill comparisons are for informational purposes only. The impact of the proposed new Energy Efficiency Rate Rider will vary according to individual customer usage. In addition, the tariff rider ultimately approved by the Commission may vary the rate rider charges to each eligible customer class approved in this case or in future applications of the tariff rider.

5. Any person may examine RNG's Application, together with any exhibits and related papers that may be filed, during regular business hours at RNG's office located at 1360 South Second Street, Raton, New Mexico 87740, telephone 575-445-3613; or at the Commission's offices, 1120 Paseo de Peralta, Santa Fe, New Mexico 87501. Further information can be obtained at the Commission's Case Look Up E-docket on the website at <http://www.nmprc.state.nm.us>.

6. The Commission has assigned Case No. 18-00312-UT to this proceeding, and all correspondence, pleadings, inquiries, written comments or other communications concerning this matter should refer to that case number.

7. 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 the original and five copies of a Motion for Leave to Intervene, pursuant to 1.2.2.23(A) and (B) NMAC, or before December 7, 2018. All motions for leave to intervene, pleadings

or testimony shall be served on all existing parties, other proposed intervenors of record and the Hearing Examiner by e-mail or U.S. mail. The Hearing Examiner's e-mail is Frances.Sundheim@state.nm.us. All filings shall be sent to:

New Mexico Public Regulation Commission
ATTN: Records and Docketing Department
PERA Building, Room 406
PO Box 1269
1120 Paseo de Peralta
Santa Fe, New Mexico 87501-1269

- B. The Commission Utility Staff shall, and Interveners may, file Direct Testimony on or before February 8, 2019.
- C. Any Rebuttal Testimony must be filed on or before March 1, 2019.
- D. A public hearing will be held on March 25, 2019 at 9:30 A.M. and continue thereafter through March 29, 2019, if necessary, in the Ground Floor Hearing Room of the Commission in the PERA Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, to hear and receive testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding.
8. 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 for confirmation of the hearing date, time, and place because hearings are occasionally rescheduled.
9. The Commission's Rules of Procedure found at 1.2.2 NMAC shall apply to this proceeding unless modified by order of the Commission or the Hearing Examiner. Such rules are available online at the official NMAC website <http://164.64.110.134/nmac/nmac-titles>.
10. Any interested person may appear at the time and place of hearing and


make an oral or written comment pursuant to Rule 1.2.2.23(F) NMAC without becoming an intervenor. Such comments will not be considered as evidence in this case.

11. Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission at 1-888-427-5772 at least 24 hours prior to the commencement of the hearing.

12. Any person whose testimony has been pre-filed shall attend the hearing and submit to examination under oath.

ISSUED at Santa Fe, New Mexico on November 8, 2018.

NEW MEXICO PUBLIC REGULATION COMMISSION



Frances I. Sundheim
Hearing Examiner

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
RATON NATURAL GAS COMPANY FOR)
APPROVAL OF ITS 2018-2019 ENERGY)
EFFICIENCY PROGRAM PLAN AND FOR)
APPROVAL OF A PROGRAM COST RATE)
RIDER PURSUANT TO THE EFFICIENT USE)
OF ENERGY ACT AND 17.7.2 NMAC,)
)
RATON NATURAL GAS COMPANY,)
APPLICANT.)
_____)

Case No. 18-00312-UT

CERTIFICATE OF SERVICE

I CERTIFY that on this day I sent, via email only, a true and correct copy of the
Procedural Order and Notice of Hearing to the parties indicated below:

Peter Gould
David N. Link
Patricia P. Link
Ken Hughes
Bradford Borman
Heidi Pitts
John Reynolds
David Black

pgouldlaw@gmail.com;
dlink@ratongas.com;
plink@ratongas.com;
ken.hughes@state.nm.us;
Bradford.borman@state.nm.us;
Heidi.pitts@state.nm.us;
John.reynolds@state.nm.us;
David.black@state.nm.us;

DATED this November 8, 2018.

NEW MEXICO PUBLIC REGULATION COMMISSION



Ana C. Kippenbrock, Law Clerk