

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RATON NATURAL GAS COMPANY
FOR REVISIONS TO ITS RATES AND
RULES PURSUANT TO ADVICE NOTICE
NOS. 47 AND 48,

Case No. 15-00038-UT

RATON NATURAL GAS COMPANY,
Applicant.

NOTICE OF PROCEEDING AND HEARING

NOTICE is hereby given of the following matters pertaining to the above captioned case pending before the New Mexico Public Regulation Commission ("NMPRC" or "Commission"):

1. On March 31, 2015, Raton Natural Gas Company (RNG) filed an Application with the New Mexico Public Regulation Commission (NMPRC or Commission) seeking approval to increase its rates for utility service and to make changes and additions to its rates and rules. This is RNG's first request for a rate increase to its cost of service rates since 2003.
2. RNG is requesting total additional annual revenues of \$647,416. This represents an increase of 23.1% over current revenue levels, including cost of gas. The average residential customer now pays approximately \$63.92 per month for gas service and would pay an additional \$11.86 per month under the proposed rates, an increase of 18.6%. The average commercial customer now pays approximately \$235.58 per month for gas service and would pay an additional \$47.28 per month, an increase of 20.1%.
3. The proposed changes in rates affect every class of customers.
4. RNG is proposing to change its billing units for natural gas from 1000 cubic feet (MCF) to those expressed in 100 cubic feet (CCF) in order to more closely track billing principles in use within the industry.
5. Under current rates, all customers, whether residential or commercial, pay a monthly Customer Charge of \$6.70 plus a Volume Service Charge of \$0.932 per MCF of gas consumed. Additionally, all customers (other than Transportation Service customers) pay a Cost of Gas Component for each MCF consumed at a rate that varies monthly in accordance with the actual cost of gas supplies obtained by the Company. Under the proposed rates, residential customers will pay a monthly Customer Service Charge of \$9.75, plus a Distribution Cost of Service Charge of \$0.1989 per CCF (or \$1.989 per MCF), plus a Cost of Gas Component for each CCF consumed that will continue to vary monthly in accordance with the Company's actual cost of gas. Under the proposed rates, commercial customers will pay a monthly Customer Service Charge of \$18.75, plus a Distribution Cost of Service Charge of \$0.1989 per CCF (or \$1.989 per MCF), plus a Cost of Gas Component per CCF that varies each month.
6. Utility bills vary with the amount of gas consumed in each month. Below is a comparison of the present bill and the anticipated monthly bill for residential customers at various levels of consumption, including the Cost of Gas Component and excluding applicable taxes and fees*:

USAGE	CURRENT RATES	PROPOSED RATES
0 MCF (0 CCF)	\$ 6.70	\$ 9.75
5 MCF (50 CCF)	\$ 41.03	\$ 49.37
10 MCF (100 CCF)	\$ 75.36	\$ 88.98
20 MCF (200 CCF)	\$ 144.03	\$ 168.22
30 MCF (300 CCF)	\$ 212.69	\$ 247.45

*For illustration purposes, this table reflects the current Cost of Gas in the February 2015 bill.

7. The foregoing rate changes and bill comparisons are for informational purposes only. The impact of the proposed changes will vary according to individual customer usage. In addition, the Commission has not decided if RNG's Application should be approved. The Commission has commenced this case to test RNG's evidence and analyses to determine if RNG's Application should be approved as presented, modified or denied in whole or in part. The final rate design approved by the Commission may vary the rates ultimately charged to each customer class and for each consumption level.

8. RNG's Application has been docketed as NMPRC Case No. 15-00038- UT.
9. The procedural schedule established by the Commission for this proceeding is as follows:
 - a. Any person desiring to become a party to this case must file the original and five copies of a Motion for Leave to Intervene in conformity with 1.2.2.23.A NMAC on or before June 3, 2015.
 - b. Direct testimony by Staff and Intervenor shall be filed on or before June 5, 2015.
 - c. Rebuttal testimony shall be filed on or before June 19, 2015.
 - d. A public hearing will be held beginning June 30, 2015 at 9:30 a.m. and continuing through July 1, 2015 (if necessary) to hear and receive testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding. The hearing will be held at the offices of the Commission, P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico 87501.

10. The procedural dates and requirements currently set in this case 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, since hearings are occasionally rescheduled without further published notice.

11. Any interested person may examine the Application, including the proposed rates and all supporting exhibits, as well as related papers that may be filed, at RNG's office, located at 1360 South Second Street, Raton, New Mexico 87740, during regular business hours (telephone 575-445-3613) or at the offices of the NMPRC, located at 1120 Paseo de Peralta, Santa Fe, New Mexico 87501 (telephone 505-827-6941). Further information can also be obtained at "Case Lookup EdoCKET" on the Commission's website at www.nmprc.state.nm.us.

12. 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. Interested persons may also send written comments, which shall reference NMPRC Case No. 15-00038-UT, to the Commission at the address set out in Paragraph 15 below. Such comments, however, are not considered as evidence in this proceeding.

13. Any person filing prepared testimony under 1.2.2.35.1 NMAC on behalf of a party shall attend the hearing and submit to examination under oath.

14. The Commission's Procedural Rules found at 1.2.2 NMAC shall apply to this proceeding except as modified by Order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission or at <http://164.64.110.239/nmac/parts/title01/01.002.0002.htm>.

15. All documents filed with the Commission by mail shall be sent to: Records Bureau, New Mexico Public Regulation Commission, P.E.R.A. Building, P.O. Box 1269, Santa Fe, New Mexico, 87504-1269. The following physical address of the Commission shall be used only for special or hand deliveries: 1120 Paseo de Peralta, Santa Fe, NM 87501.

16. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's April 27, 2015 Procedural Order.

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT LEAST 24 HOURS PRIOR TO THE COMMENCEMENT OF THE HEARING.

ISSUED at Santa Fe, New Mexico, this April 27, 2015.

NEW MEXICO PUBLIC REGULATION COMMISSION

Ashley C. Schannauer
Hearing Examiner