

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF A PROTEST** )  
**TO THE 2012 NEW MEXICO GAS** )  
**COMPANY INTEGRATED** )  
**RESOURCE PLAN** )  
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Case No. 12-00145-UT

**FINAL ORDER**

**THIS MATTER** comes before the New Mexico Public Regulation Commission (Commission or NMPRC) upon the Protest filed on May 2, 2012, by the United States Department of Energy's (DOE's) National Nuclear Security Administration (NNSA) against New Mexico Gas Company's (NMGC's) 2012 Integrated Resource Plan (IRP). Whereupon, being duly advised,

**THE COMMISSION FINDS AND CONCLUDES:**

1. On May 12, 2012, the New Mexico Attorney General (AG) filed a Motion for Leave to Intervene, Request for Discovery, and Statement of Position, in which the AG stated his support of the objections raised in NNSA's Protest and requested that the Commission set the IRP for hearing.

2. On May 14, 2012, NMGC filed its Response to NNSA's Protest, stating that the concerns raised in the Protest were addressed in other proceedings before the Commission and that NMGC had complied with all of the Commission's IRP mandates.

3. On May 15, 2012, the Commission issued its Initial Order, which required: (1) interested parties, particularly NNSA and NMGC, to discuss the disputed issues between NMGC and NNSA involving the IRP; and (2) NMGC and NNSA to file jointly a report (Joint Report) within 30 days of the date of the Initial Order detailing the results of

the discussions. It also required that NMGC file a new IRP if the issues were resolved.

4. According to the Joint Report filed on June 28, 2012, NMGC and NNSA held meetings on May 24 and May 31, 2012 to discuss the disputed issues. The Commission's Utility Division Staff (Staff) and the AG were invited to participate in the discussions, and Staff participated by telephone.

5. In response to an unopposed motion requesting more time, the Commission on June 20, 2012, entered its Order Granting Extension of Time to File Joint Report, extending the date by which NMGC and NNSA had to file the Joint Report to June 28, 2012.

6. The Joint Report states that the issues raised in the Protest have been resolved and that NNSA, NMGC, Staff, and the AG agree that NNSA will withdraw the Protest, that NMGC does not need to file a new IRP, and that a hearing on the IRP is not necessary. Staff and the AG support the resolution of the Protest. (Joint Report at ¶¶ 11, 20, and 21)

7. On July 10, 2012, DOE on behalf of NNSA filed a motion to withdraw the Protest.

8. NMGC and NNSA request that the Commission accept the Joint Report as a complete resolution of this matter and issue an order approving the current IRP without a hearing. (Joint Report p.4, final paragraph)

9. The Commission should accept the current IRP without a hearing as requested and include the Joint Report's Resolution in the decretal portions of this Final Order.

**IT IS THEREFORE ORDERED:**

A. The Commission accepts the Joint Report as a complete resolution of

this matter.

B. NNSA's motion to withdraw the Protest is GRANTED.

C. NMGC is not required to file another 2012 IRP.

D. Pursuant to Rule 17.7.4.15 (A) NMAC, NMGC's IRP filed on April 2, 2012, is hereby approved and accepted with the addition of the following requirements:

(i) NMGC and NNSA shall meet twice a year, at six month intervals, starting in August, 2012, to discuss NMGC's natural gas utility service, including any disruptions such as the disruption that occurred in February, 2011, or other issues related thereto. A primary purpose of these meetings shall be to discuss NMGC's planning to ensure the reliability of NMGC's distribution and transmission system in order to avoid and to mitigate future curtailments of gas transportation service in New Mexico. NNSA representatives shall be free to suggest different approaches to reliability at these meetings;

(ii) NMGC shall provide NNSA with reasonable planning documents prior to each meeting;

(iii) If after any meeting NNSA requests further documentation or follow-up meetings, NMGC shall make a reasonable effort to provide the requested documentation and participate in follow-up meetings;

(iv) NNSA shall provide NMGC with a list of persons, with relevant contact information, whom NMGC shall contact in the event of an anticipated severe weather occurrence or other situation which could cause a gas service outage to NNSA;

(v) NMGC shall work with NNSA on a curtailment protocol for all Kirtland Air Force Base (KAFB) located agencies and contractors (the U.S. Air Force, Sandia National Laboratories, the U.S. Department of Energy, NNSA, and Chugach) that is consistent with NMGC's Rule 21, which shall be used by NMGC in the event of future KAFB-required gas delivery curtailments;

(vi) NNSA shall work with KAFB located agencies and contractors to make reasonable efforts to simplify curtailment of facilities on KAFB;

(vii) NMGC shall continue to evaluate the local storage options presented in its IRP, as recommended by a study conducted by Los Alamos National Labs and a report issued by the Federal Energy Regulatory Commission; and

(viii) NMGC shall meet with the AG to discuss the issue of compression as a lower cost alternative to local storage; within 120 days of this Final Order, NMGC and the AG shall file a report with the Commission detailing the results of those discussions.

E. This Final Order is effective immediately.

F. A copy of this Final Order shall be served on all persons listed on the attached certificate of service by email, if their e-mail addresses are known, or by regular mail if their e-mail addresses are not known.

G. This Docket shall be closed following the filing of the report noted in subparagraph (D)(viii) of this Final Order.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 12th day of July, 2012.

NEW MEXICO PUBLIC REGULATION COMMISSION



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CERTIFICATE OF SERVICE

I Certify that a true and correct copy of the **Final Order** adopted July 12, 2012, was sent on July 16, 2012, either by electronic mail or by first class mail to the individuals listed below.

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July 16, 2012

  
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