

Exhibit 1

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION OF ZIA)
NATURAL GAS COMPANY, A DIVISION OF NATURAL)
GAS PROCESSING CO., FOR AN EXPEDITED) Case No. 21-00096-UT
ADJUSTMENT TO ITS PURCHASED GAS ADJUSTMENT)
CLAUSE)**

FORM OF NOTICE

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

On April 19, 2021, Zia Natural Gas Company, a division of Natural Gas Processing Company (“Zia”) filed an Application pursuant to 17.10.640.14 and 17.10.640.15 NMAC for expedited adjustment of its Purchased Gas Adjustment Clause (“PGAC”) in Zia’s Eighth Revised Rate No. 5. Zia utilizes a PGAC approved by the Commission to pass along levelized natural gas costs to its customers over a set period of time – for Zia, 12 months. The Commission last approved Zia’s continued use of its PGAC by the Final Order issued on March 24, 2021 in Case No. 20-00201-UT. Zia’s most recent annual compliance filing was submitted to the Commission on September 29, 2020, and included updated gas cost factor statements for Zia’s three PGAC regions: Maxwell System, Dona Ana System, and Lincoln County/Hobbs/Jal System.

From February 13 to 17, 2021, a major winter storm affected most of the central part of the United States of America including New Mexico and Texas. The extreme cold weather caused power outages and natural gas shortages in Texas and other areas. During the time of the extreme cold weather, the natural gas markets rose to extraordinarily high prices, forcing natural gas utilities to accrue very large charges to continue to provide natural gas to customers. Zia’s systems did not experience an interruption in natural gas supply, and Zia was able to supply its customers

without interruption during the extreme cold weather event. However, the extraordinary price spike in natural gas costs in February 2021 resulted in Zia's paying extraordinarily high prices for some of the natural gas it uses to serve its customers. As a result, Zia obtained financing of \$18,000,000 in order to pay its gas supply costs. Zia intends to prepay the loan in order to reduce interest payments.

Zia's Application requests the Commission approve a temporary adjustment, through September 2022, to its PGAC in order to spread out recovery of the extraordinary costs it has paid due to the extraordinary gas pricing in February 2021. Instead of recovering its purchased gas costs within 12 months through its approved PGAC, Zia proposes to adjust its PGAC gas cost factors and spread out the recovery over 17 months to mitigate bill impacts to customers and clear the debt Zia had to assume to pay the February 2021 gas supply costs.

Any interested person may inspect the Application filed in this case on Zia's website at <http://www.zngc.com/>, or access the Commission's website at <https://edocket.nmprc.state.nm.us>. Any inquiries should refer to the Case No. 21-00096-UT docket for this case.

The procedural schedule for this case is as follows:

- A. Applicants shall immediately post the approved Notice on its website, and shall publish as soon as possible the approved Notice once in the *Albuquerque Journal*, which is a newspaper of general circulation in all areas in which Zia provides service in New Mexico.
- B. Applicants shall promptly file affidavits of publication and website posting.
- C. Any person desiring to become a party ("intervenor") in this case shall file a motion for leave to intervene in conformity with Rule 1.2.2.23 NMAC on or before May 12, 2021.

D. The Commission's Utility Division Staff ("Staff") shall, and any intervenor may, file direct testimony or a verified statement of position on the Application on or before May 13, 2021.

E. Any rebuttal testimony or response to verified statement of position shall be filed on or before May 19, 2021.

F. A Proposed Final Order shall be filed by Zia on or before May 21, 2021.

G. A public hearing shall be held at the Commission's open meeting on May 26, 2021, by the Commission or a presiding officer designated by the Commission by subsequent single signature order. The Commission may determine, by the Commission or by subsequent single signature order of one Commissioner, that a public hearing is not necessary and vacate the presently scheduled May 26, 2021 public hearing.

H. The procedural dates and requirements provided herein are subject to further order of the Commission or the Hearing Examiner is one is assigned. Interested persons should contact the Commission for confirmation of the dates contained herein since deadlines are occasionally rescheduled.

I. Due to the ongoing COVID-19 pandemic, a public hearing, if deemed necessary by the Commission, shall be conducted via the Zoom videoconference platform. Participation in the public hearing, if deemed necessary by the Commission, shall be limited to party-participants (i.e., counsel, witnesses, and other representatives of the parties), the Commissioners, and other Commission personnel. Other interested persons may view the hearing via a livestream on YouTube provided on the Commission's website at www.nmprc.state.nm.us.

J. Regardless of whether or not the Commission determines a public hearing is required, a public comment period shall occur at the beginning of the Commission's open meeting

on May 26, 2021 for members of the public who are not protestors or intervenors to comment on the proposed Application. Public comment shall be taken orally at the commencement of the of the Commission's regular open meeting on May 26, 2021. Persons interested in providing public comment must request a Zoom invitation by emailing at Isaac.Sullivan-Leshin@state.nm.us by no later than 5:00 p.m. MT on May 25, 2021. Public comments shall be limited to 3 minutes per speaker unless extended by the Commission. Pursuant to 1.2.2.23(F) NMAC, public comment shall not be considered as evidence in this case. Interested persons may also submit written comments, which shall reference NMPRC Case No. 21-00084-UT, to the Commission via its Records Bureau's email address at: prc.records@state.nm.us. However, as noted above, pursuant to 1.2.2.23(F) NMAC, such comments will not be considered as evidence in this proceeding.

K. The Commission has assigned Case No. 21-00096-UT to this proceeding and all inquiries or written comments concerning this proceeding should refer to that case number.

L. Anyone filing pleadings, documents or testimony in this case shall, comply with the Commission's rules of procedure 1.2.2 NMAC. This includes filings in pdf format, with electronic signatures, sent to the Records Bureau's email address at: prc.records@state.nm.us within regular business hours of the due date, in order to be considered timely filed. Documents received after regular business hours, will be considered as being filed the next business day. Parties shall serve a copy on all parties of record and Staff. All filings shall be emailed on the date they are filed with the Commission.

M. Any person with a disability requiring special assistance in order to participate in the public hearing should contact the director of Administrative Services Jim Williamson at Jim.Williamson@state.nm.us or (505) 467-9116 at least 24 hours prior to the commencement of the public hearing.

N. The Commission's Rules of Procedure, 1.2.2 NMAC, shall apply in this case except as modified or varied by order of the Commission. The Rules of Procedure and other NMPRC rules are available online at the New Mexico Commission of Public Records, State Records Center and Archives website at <http://www.srca.nm.gov/nmac-home/nmac-titles>.