

**Zia Natural Gas Company**  
**Summary of Overall Cost of Service and**  
**The Claimed Revenue Deficiency**

[illegible]

**Zia Natural Gas Company**  
**Summary of Revenue Increase or Decrease of**  
**the Proposed Rates by Rate Class**

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[L]	[M]	[N]	[O]
Line No.	Description	Per Books Annual Revenue	Reference	Synch. Adjustment	Reference	Synch. Revenues	Weather Adjustment	Base/Test Year - August 31, 2017	Annual Revenue	Increase (Decrease)	Proposed Annual Revenue	Reference	Increase (Decrease)
		\$		\$			\$	Reference	\$	\$	\$		%
1	<b>Rate Class</b>												
2	Residential (1)												
3	Base Charge	4,564,489	Schedule K	(31,378)	Schedule K	4,533,111	-	Schedule K	4,533,111	2,084,569	6,617,680	Sch. P-2	46.0%
4	Cost of Distribution Service	3,745,283	Schedule K	148	Schedule K	3,745,430	571,645	Schedule K	4,317,076	(44,305)	4,272,771	Sch. P-2	-1.0%
5	Cost of Transmission Service	971,543	Schedule K	178	Schedule K	971,721	148,309	Schedule K	1,120,030	-	1,120,030	Sch. P-2	0.0%
6	Cost of Gas	6,003,334	Schedule K	74,670	Schedule K	6,078,004	927,654	Schedule K	7,005,658	-	7,005,658	Sch. P-2	0.0%
7	Total Residential	15,284,650		43,617		15,328,266	1,647,608		16,975,874	2,040,264	19,016,139		12.0%
8	Small Commercial												
9	Base Charge	404,866	Schedule K	(1,694)	Schedule K	403,172	-	Schedule K	403,172	195,598	598,770	Sch. P-2	48.5%
10	Cost of Distribution Service	650,379	Schedule K	103	Schedule K	650,483	90,454	Schedule K	740,937	(7,604)	733,333	Sch. P-2	-1.0%
11	Cost of Transmission Service	168,709	Schedule K	53	Schedule K	168,762	23,468	Schedule K	192,230	-	192,230	Sch. P-2	0.0%
12	Cost of Gas	1,046,279	Schedule K	9,311	Schedule K	1,055,589	146,787	Schedule K	1,202,376	-	1,202,376	Sch. P-2	0.0%
13	Total Small Commercial	2,270,233		7,773		2,278,006	260,708		2,538,714	187,994	2,726,709		7.4%
14	Large Commercial												
15	Base Charge	288,150	Schedule K	(549)	Schedule K	287,601	-	Schedule K	287,601	138,159	425,760	Sch. P-2	48.0%
16	Cost of Distribution Service	1,165,053	Schedule K	173	Schedule K	1,165,226	137,737	Schedule K	1,302,963	(13,372)	1,289,591	Sch. P-2	-1.0%
17	Cost of Transmission Service	302,237	Schedule K	71	Schedule K	302,308	35,735	Schedule K	338,043	-	338,043	Sch. P-2	0.0%
18	Cost of Gas	1,870,759	Schedule K	20,145	Schedule K	1,890,904	223,516	Schedule K	2,114,420	-	2,114,420	Sch. P-2	0.0%
19	Total Large Commercial	3,626,199		19,841		3,646,039	396,987		4,043,027	124,787	4,167,814		3.1%
20	Irrigation												
21	Base Charge	90,601	Schedule K	(369)	Schedule K	90,232			90,232	143,448	233,680	Sch. P-2	159.0%
22	Cost of Distribution Service	239,692	Schedule K	(26)	Schedule K	239,666			239,666	(141,281)	98,385	Sch. P-2	-58.9%
23	Cost of Transmission Service	62,206	Schedule K	(27)	Schedule K	62,179			62,179	-	62,179	Sch. P-2	0.0%
24	Cost of Gas	379,293	Schedule K	9,631	Schedule K	388,925			388,925	-	388,925	Sch. P-2	0.0%
25	Total Irrigation	771,792		9,210		781,002			781,002	2,167	783,169		0.3%
26	Industrial												
27	Base Charge	4,399	Schedule K	(41)	Schedule K	4,358			4,358	18,862	23,220	Sch. P-2	432.8%
28	Cost of Distribution Service	477,916	Schedule K	14	Schedule K	477,930			477,930	(93,671)	384,259	Sch. P-2	-19.6%
29	Cost of Transmission Service	77,080	Schedule K	(11)	Schedule K	77,069			77,069	74,713	151,782	Sch. P-2	96.9%
30	Cost of Gas	934,330	Schedule K	15,052	Schedule K	949,382			949,382	-	949,382	Sch. P-2	0.0%
31	Total Industrial	1,493,726		15,014		1,508,740			1,508,740	(96)	1,508,644		0.0%

**Zia Natural Gas Company**  
**Summary of Revenue Increase or Decrease of**  
**the Proposed Rates by Rate Class**

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[L]	[M]	[N]	[O]
Line No.	Description	Per Books Annual Revenue	Reference	Synch. Adjustment	Reference	Synch. Revenues	Weather Adjustment	Base/Test Year - August 31, 2017	Annual Revenue	Increase (Decrease)	Proposed Annual Revenue	Reference	Increase (Decrease)
		\$		\$			\$		\$	\$	\$		%
32	Total Direct Sales Revenues (1)												
33	Base Charge	5,352,505		(34,031)		5,318,474	-		5,318,474	2,580,636	7,899,110		48.5%
34	Cost of Distribution Service	6,278,324		412		6,278,735	799,836		7,078,572	(300,233)	6,778,339		-4.2%
35	Cost of Transmission Service	1,581,775		265		1,582,040	207,511		1,789,551	74,713	1,864,264		4.2%
36	Cost of Gas	10,233,995		128,809		10,362,804	1,297,957		11,660,761	-	11,660,761		0.0%
37	Total Direct Sales Revenues (1)	23,446,599		95,455		23,542,054	2,305,304		25,847,357	2,355,117	28,202,474		9.1%
38	Texas Residential												
39	Base Charge					3,661			3,661	1,683	5,344	Sch. P-2	46.0%
40	Cost of Distribution Service					2,662	472		3,134	(32)	3,102	Sch. P-2	-1.0%
41	Cost of Transmission Service					691	123		813	-	813	Sch. P-2	0.0%
42	Cost of Gas					4,320	767		5,086	-	5,086	Sch. P-2	0.0%
43	Total Texas Residential					11,333	1,361		12,694	1,651	14,345		13.0%
44	Total New Mexico Direct Sales Revenue												
45	Base Charge					5,314,813	-		5,314,813	2,578,953	7,893,766		48.5%
46	Cost of Distribution Service					6,276,074	799,364		7,075,437	(300,201)	6,775,237		-4.2%
47	Cost of Transmission Service					1,581,350	207,388		1,788,738	74,713	1,863,451		4.2%
48	Cost of Gas					10,358,485	1,297,190		11,655,675	-	11,655,675		0.0%
49	Total New Mexico Direct Sales Revenue					23,530,721	2,303,942		25,834,663	2,353,465	28,188,129		9.1%
50	Sales for Resale												
51	Base Charge	3,600	Schedule K	-	Schedule K	3,600	-	Schedule K	3,600	55,020	58,620	Sch. P-2	1528.3%
52	Cost of Distribution Service	-	Schedule K	-	Schedule K	-	-	Schedule K	-	-	-	Sch. P-2	
53	Cost of Transmission Service	162,132	Schedule K	(14)	Schedule K	162,119	17,082	Schedule K	179,201	186,137	365,338	Sch. P-2	103.9%
54	Cost of Gas	2,196,128	Schedule K	(128,809)	Schedule K	2,067,319	217,829	Schedule K	2,285,148	-	2,285,148	Sch. P-2	0.0%
55	Total Sales for Resale	2,361,861		(128,823)		2,233,038	234,911		2,467,949	241,157	2,709,106		9.8%
56	Total Zia Natural Gas Company (1)	25,808,459		(33,368)		25,775,091	2,540,215		28,315,306	2,596,274	30,911,580		9.2%
57	(1) Includes Texas Residential customers.					11,333	1,361		12,694	1,651	14,345		13.0%

**Zia Natural Gas Company**  
**Summary of Cost of Service Adjustments**  
**by Functional Classification**

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
Line No.	Description	Base Year - August 31, 2017			Adjustments			Test Year - August 31, 2017		
		Home Office	Zia	Total	Home Office	Zia	Total	Home Office	Zia	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Labor and Benefits (Includes Payroll Taxes)	1,544,450	2,688,284	4,232,735	134,673	318,982	453,655	1,679,123	3,007,266	4,686,390
2	Vehicle and Equipment	8,903	242,192	251,094	0	0	0	8,903	242,192	251,094
3	Billing and IT Expense		593,089	593,089		0	0		593,089	593,089
4	Office Supplies	29,054	79,134	108,189	0	0	0	29,054	79,134	108,189
5	Materials and Supplies	7,364	305,641	313,005	0	0	0	7,364	305,641	313,005
6	Utilities	9,921	204,831	214,752	0	0	0	9,921	204,831	214,752
7	Outside Services	119,665	190,904	310,569	0	0	0	119,665	190,904	310,569
8	Regulatory Commission Expenses		7,880	7,880		100,000	100,000		107,880	107,880
9	Legal Services	2,746	60,504	63,250	0	16,125	16,125	2,746	76,629	79,375
10	Travel and Entertainment	17,985	25,371	43,356	0	0	0	17,985	25,371	43,356
11	Rents and Leases	90,184	113,986	204,170	0	0	0	90,184	113,986	204,170
12	Public Relations and Business Development	0	164,530	164,530	0	(71,852)	(71,852)	0	92,678	92,678
13	Permits and Fees	595	64,353	64,948	0	0	0	595	64,353	64,948
14	Outside Operating, Maintenance, and Repairs		129,039	129,039		0	0		129,039	129,039
15	Miscellaneous Charges	31,900	124,068	155,967	0	0	0	31,900	124,068	155,967
16	Property and Auto Liability Insurance	65,336	516,417	581,752	0	37,550	37,550	65,336	553,967	619,302
17	Interest on Customer Deposits		12,112	12,112		2,709	2,709		14,821	14,821
18	Bad Debt		73,510	73,510		0	0		73,510	73,510
19	Depreciation and Amortization	95,200	2,066,044	2,161,244	2,852	63,120	65,972	98,052	2,129,164	2,227,216
20	Taxes Other Than Income Taxes (Excl. Payroll Taxes)	5,110	469,525	474,635	0	5,250	5,250	5,110	474,775	479,885
21	Other Operating Revenue		(271,819)	(271,819)		(246,954)	(246,954)		(518,772)	(518,772)
22	Revenue Credit		(9,825)	(9,825)		0	0		(9,825)	(9,825)
23	Return on Rate Base	72,032	4,250,518	4,322,550	(272)	78,243	77,971	71,761	4,328,760	4,400,521
24	Income Taxes	37,941	2,238,822	2,276,763	(143)	41,212	41,069	37,798	2,280,034	2,317,832
25	Total Cost of Service	2,138,385	14,339,111	16,477,497	137,110	344,385	481,495	2,275,495	14,683,497	16,958,992

**Zia Natural Gas Company**  
**Summary of Rate Base**

Line No.	[A] Description	[B] Base Year August 31, 2017	[C] Reference	[D] Adjustment	[E] Reference	[F] Test Year August 31, 2017	[G] Reference
		\$		\$		\$	
1	<u>Total Plant in Service</u>						
2	Zia Operations	85,872,052	Schedule L-1	700,666	Schedule L-1	86,572,719	Schedule L-1
3	Home Office Allocated to Zia Operations	1,360,617	Schedule L-1	-	Schedule L-1	1,360,617	Schedule L-1
4	Total Plant in Service	87,232,669		700,666		87,933,336	
5	<u>Accumulated Depreciation</u>						
6	Zia Operations	35,791,159	Schedule L-1	63,120	Schedule L-1	35,854,280	Schedule L-1
7	Home Office Allocated to Zia Operations	592,680	Schedule L-1	2,897	Schedule L-1	595,577	Schedule L-1
8	Total Accumulated Depreciation	36,383,839		66,017		36,449,857	
9	<u>Net Plant in Service</u>						
10	Zia Operations	50,080,893	Line 2 - Line 7	637,546	Line 2 - Line 7	50,718,439	Line 2 - Line 7
11	Home Office Allocated to Zia Operations	767,937	Line 3 - Line 8	(2,897)	Line 3 - Line 8	765,040	Line 3 - Line 8
12	Net Plant in Service	50,848,830		634,649		51,483,479	
13	Less:						
14	Customer Deposits	(658,716)	Schedule L-1	-	Schedule L-1	(658,716)	Schedule L-1
15	Deferred Income Tax	(4,383,270)	Schedule L-1	(3,404)	Schedule L-1	(4,386,674)	Schedule L-1
16	Total Deductions	(5,041,986)		(3,404)		(5,045,390)	
17	Plus:						
18	Materials and Supplies	264,717	Schedule L-1	-	Schedule L-1	264,717	Schedule L-1
19	Prepayments	11,066	Schedule L-1	-	Schedule L-1	11,066	Schedule L-1
20	Unamortized Rate Case Expenses	-	Schedule L-1	200,000	Schedule L-1	200,000	Schedule L-1
21	Total Additions	275,783		200,000		475,783	
22	Total Rate Base	46,082,627	Line 15 - 19 + 24	831,245	Line 15 - 19 + 24	46,913,872	Line 15 - 19 + 24

**Zia Natural Gas Company**  
**Summary of Total Capitalization and**  
**the Weighted Average Cost of Capital**

[A]		[C]	[D]	[E]	[F]
Line No.	Description	Reference	Ratio	Effective Rate	Weighted Return
			%	%	%
	Base Year				
1	Short Term Debt	Schedule G-1	0.00%	0.00%	0.00%
2	Long Term Debt	Schedule G-1	45.40%	6.17%	2.80%
3	Preferred Stock	Schedule G-1	0.00%	0.00%	0.00%
4	Common Equity	Schedule G-1	54.60%	12.05%	6.58%
5	Total		100.00%		9.38%
	Test Year				
6	Short Term Debt	Schedule G-1	0.00%	0.00%	0.00%
7	Long Term Debt	Schedule G-1	45.40%	6.17%	2.80%
8	Preferred Stock	Schedule G-1	0.00%	0.00%	0.00%
9	Common Equity	Schedule G-1	54.60%	12.05%	6.58%
10	Total		100.00%		9.38%

**Zia Natural Gas Company**  
**Original Cost of Plant in Service by Primary Account**

**Schedule B-1**  
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	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
Line No.	FERC No.	Description	Balance at Beginning of Year 09/01/2016	Additions	Retirements	Transfers	Balance at End of Year 08/31/2017	Test Year Adjustments	Test Year Total	Reference
1	101	Plant in Service	84,798,067	1,536,373	(462,387)	-	85,872,052	700,666	86,572,719	B-2
2	106	Completed Construction Not Classified	-	-	-	-	-	-	-	
3		<b>Total Plant in Service</b>	<b>\$ 84,798,067</b>	<b>\$ 1,536,373</b>	<b>\$ (462,387)</b>	<b>\$ -</b>	<b>\$ 85,872,052</b>	<b>\$ 700,666</b>	<b>\$ 86,572,719</b>	

**Zia Natural Gas Company**  
**Original Cost of Plant in Service by Detail Account**

**Schedule B-2**  
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[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
GAS PLANT IN SERVICE		PER BOOKS/BASE YEAR							
Line No.	Account	Balance at Beginning of Year 09/01/2016	Additions	Retirements	Transfers	Balance at End of Year 08/31/2017	Test Year Adjustments	Test Year Total	Reference
1	INTANGIBLE PLANT	\$	\$	\$	\$	\$	\$	\$	
2	301 Organization	492,480				492,480	-	492,480	
3	302 Franchise and Consents						-		
4	303 Miscellaneous Intangible Plant	-				-	-	-	
5	TOTAL Intangible Plant	492,480	-	-	-	492,480	-	492,480	
6	TRANSMISSION PLANT								
7	365.1 Land and Land Rights					\$ -	\$ -	\$ -	
8	365.2 Rights-of-Way	815,506	-	-	-	815,506	-	815,506	
9	366 Structures and Improvements					-	-	-	
10	367 Mains	7,460,366	-	-	-	7,460,366	9,834	7,470,200	
11	368 Compressor Station Equipment					-	-	-	
12	369 Measuring and Regulating Station Equipment	813,030	4,292	-	-	817,321	-	817,321	
13	370 Communication Equipment					-	-	-	
14	371 Other Equipment	256,488	-	-	-	256,488	-	256,488	
15	TOTAL Transmission Plant	9,345,389	4,292	-	-	9,349,681	9,834	9,359,514	
16	DISTRIBUTION PLANT								
17	374 Land and Land Rights	211,951	4,486	-	-	216,436	-	216,436	
18	375 Structures and Improvements					-	-	-	
19	376 Mains	39,829,180	670,005	(48,109)	-	40,451,076	249,690	40,700,766	
20	377 Compressor Station Equipment					-	-	-	
21	378 Measuring and Regulating Station Equipment-General	1,565,855	24,624			1,590,480	9,905	1,600,384	
22	379 Measuring and Regulating Station Equipment-City Gate	80,367	-	-	-	80,367	-	80,367	
23	380 Services	15,580,147	560,837	(22,728)	-	16,118,256	131,381	16,249,637	
24	381 Meters	4,701,712	55,013	(58)		4,756,667	41,300	4,797,967	
25	381.1 Meters - AMR	2,722,030	37,058			2,759,089	-	2,759,089	
26	382 Meter Installations					-	-	-	
27	383 House Regulators	1,694,447	57,237			1,751,685	4,032	1,755,717	
28	384 House Regulator Installations					-	-	-	
29	385 Industrial Measuring and Regulating Station Equipment	172,706	27,021			199,728	19,998	219,726	
30	386 Other Property on Customer's Premises					-	-	-	
31	387 Other Equipment					-	-	-	
32	TOTAL Distribution Plant	66,558,395	1,436,281	(70,895)	-	67,923,782	456,307	68,380,089	
33	GENERAL PLANT								
34	389 Land and Land Rights	420,680	-	-	-	420,680	-	420,680	
35	390 Structures and Improvements	3,227,998	20,924	-	-	3,248,921	31,765	3,280,686	
36	390.1 Building Improvements	21,207	5,338			26,546	-	26,546	
37	391 Office Furniture and Equipment	248,563	20,177	(28,745)	-	239,995	-	239,995	
38	392 Transportation Equipment	2,520,295	25,355	(362,748)		2,182,902	157,617	2,340,518	
39	393 Stores Equipment	-				-	-	-	
40	394 Tools, Shop, and Garage Equipment	165,908	2,454			168,363	-	168,363	
41	395 Laboratory Equipment	551,193	16,568			567,761	9,544	577,305	
42	396 Power Operated Equipment	1,110,990	4,983	-	-	1,115,973	25,291	1,141,265	
43	397 Communication Equipment	106,966	-	-	-	106,966	10,309	117,275	
44	398 Miscellaneous Equipment	28,003				28,003	-	28,003	
45	Subtotal	8,401,803	95,799	(391,493)	-	8,106,110	234,526	8,340,636	
46	399 Other Tangible Property								
47	TOTAL General Plant	8,401,803	95,799	(391,493)	-	8,106,110	234,526	8,340,636	
48	TOTAL	84,798,067	1,536,373	(462,387)	-	85,872,052	700,666	86,572,719	
49	Gas Plant Purchased								
50	(Less) Gas Plant Sold								
51	Experimental Gas Plant Unclassified								
52	TOTAL Gas Plant in Service	84,798,067	1,536,373	(462,387)	-	85,872,052	700,666	86,572,719	



**Zia Natural Gas Company**  
**Home Office Plant in Service and Accumulated Depreciation**  
**As of 8/31/2017**

Line No.	[A] FERC No.	[B]  Property Description	[C]  Ref	[D] Book Cost	[E] Book Current Depreciation	[F] Book Prior Depreciation	[G] Accumulated Depr.	[H] Book Net Book Value
				\$	\$	\$	\$	\$
1	390	Structures and Improvements		188,092	5,532.95	144,796	150,329	37,762
2	391	Office Furniture and Equipment		1,222,191	125,459	186,072	311,532	910,659
3	392	Transportation Equipment		270,113	-	270,113	270,113	-
4		<b>Total Per Books/Base Year</b>		1,680,396	130,992	600,982	731,975	948,421
5		Test Year Adjustment		0	3,579	0	3,579	(3,579)
6		<b>Test Year Total</b>		1,680,396	134,571	600,982	735,553	944,843
7		Allocation Factor	WP Sch. H-6	80.97%	80.97%	80.97%	80.97%	80.97%
8		Plant Allocated to Zia - Base Year		1,360,617	106,064	486,615	592,680	767,937
9		<b>Plant Allocated to Zia - Test Year Total</b>		<b>1,360,617</b>	<b>108,962</b>	<b>486,615</b>	<b>595,577</b>	<b>765,039</b>

**Zia Natural Gas Company**  
**Original Cost of Plant in Service by Monthly Balances**

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]
GAS PLANT IN SERVICE		PER BOOKS/BASE YEAR															
Line No.	Account	Beginning Balance 09/01/2016	Balance at 09/30/2016	Balance at 10/31/2016	Balance at 11/30/2016	Balance at 12/31/2016	Balance at 01/31/2017	Balance at 02/28/2017	Balance at 03/31/2017	Balance at 04/30/2017	Balance at 05/31/2017	Balance at 06/30/2017	Balance at 07/31/2017	Ending Balance 08/31/2017	Test Year Adjustments	Test Year Total	Reference
1	INTANGIBLE PLANT	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2	301 Organization	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	-	492,480	
3	302 Franchise and Consents															-	
4	303 Miscellaneous Intangible Plant	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
5	TOTAL Intangible Plant	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	492,480	-	492,480	
6	TRANSMISSION PLANT																
7	365.1 Land and Land Rights															-	
8	365.2 Rights-of-Way	815,506	815,506	815,506	815,506	815,506	815,506	815,506	815,506	815,506	815,506	815,506	815,506	815,506		815,506	
9	366 Structures and Improvements															-	
10	367 Mains	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	7,460,366	9,834	7,470,200	
11	368 Compressor Station Equipment															-	
12	369 Measuring and Regulating Station Equipment	813,030	813,030	813,030	813,030	813,030	813,030	813,030	813,030	813,030	813,030	813,030	817,321	817,321		817,321	
13	370 Communication Equipment															-	
14	371 Other Equipment	256,488	256,488	256,488	256,488	256,488	256,488	256,488	256,488	256,488	256,488	256,488	256,488	256,488		256,488	
15	TOTAL Transmission Plant	9,345,389	9,345,389	9,345,389	9,345,389	9,345,389	9,345,389	9,345,389	9,345,389	9,345,389	9,345,389	9,345,389	9,349,680	9,349,680	9,834	9,359,514	
16	DISTRIBUTION PLANT																
17	374 Land and Land Rights	211,951	211,951	211,951	211,951	211,951	216,436	216,436	216,436	216,436	216,436	216,436	216,436	216,436		216,436	
18	375 Structures and Improvements															-	
19	376 Mains	39,829,180	39,853,628	39,976,711	40,033,670	40,091,832	40,106,270	40,213,946	40,281,055	40,353,345	40,374,635	40,406,340	40,431,613	40,451,076	249,690	40,700,766	
20	377 Compressor Station Equipment														-	-	
21	378 Measuring and Regulating Station Equipment-General	1,565,855	1,565,855	1,573,938	1,575,371	1,575,371	1,576,570	1,577,769	1,578,968	1,578,968	1,582,409	1,586,815	1,590,480	1,590,480	9,905	1,600,384	
22	379 Measuring and Regulating Station Equipment-City Gate	80,367	80,367	80,367	80,367	80,367	80,367	80,367	80,367	80,367	80,367	80,367	80,367	80,367	-	80,367	
23	380 Services	15,580,147	15,621,481	15,671,080	15,748,651	15,806,772	15,832,909	15,883,931	15,953,336	16,003,058	16,019,231	16,075,327	16,111,314	16,118,256	131,381	16,249,637	
24	381 Meters	4,701,712	4,701,712	4,701,712	4,701,712	4,702,231	4,702,273	4,702,956	4,703,176	4,703,176	4,703,176	4,756,667	4,756,667	4,756,667	41,300	4,797,967	
25	381.1 Meters - AMR	2,722,030	2,722,030	2,722,030	2,722,030	2,722,030	2,722,030	2,722,030	2,722,030	2,722,030	2,737,869	2,759,089	2,759,089	2,759,089	-	2,759,089	
26	382 Meter Installations														-	-	
27	383 House Regulators	1,694,447	1,700,579	1,700,579	1,700,579	1,702,231	1,708,278	1,712,653	1,723,345	1,723,345	1,728,536	1,751,354	1,751,685	1,751,685	4,032	1,755,717	
28	384 House Regulator Installations														-	-	
29	385 Industrial Measuring and Regulating Station Equipment	172,706	173,884	174,692	174,692	198,775	199,093	199,093	199,093	199,410	199,410	199,410	199,728	199,728	19,998	219,726	
30	386 Other Property on Customer's Premises															-	
31	387 Other Equipment															-	
32	TOTAL Distribution Plant	66,558,395	66,631,487	66,813,060	66,949,022	67,091,560	67,144,227	67,309,183	67,457,807	67,580,136	67,642,068	67,831,804	67,897,377	67,923,782	456,307	68,380,089	

**Zia Natural Gas Company**  
**Original Cost of Plant in Service by Monthly Balances**

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]
GAS PLANT IN SERVICE		PER BOOKS/BASE YEAR															
Line No.	Account	Beginning Balance 09/01/2016	Balance at 09/30/2016	Balance at 10/31/2016	Balance at 11/30/2016	Balance at 12/31/2016	Balance at 01/31/2017	Balance at 02/28/2017	Balance at 03/31/2017	Balance at 04/30/2017	Balance at 05/31/2017	Balance at 06/30/2017	Balance at 07/31/2017	Ending Balance 08/31/2017	Test Year Adjustments	Test Year Total	Reference
33	GENERAL PLANT																
34	389 Land and Land Rights	420,680	420,680	420,680	420,680	420,680	420,680	420,680	420,680	420,680	420,680	420,680	420,680	420,680		420,680	
35	390 Structures and Improvements	3,227,998	3,227,998	3,227,998	3,227,998	3,248,921	3,248,921	3,248,921	3,248,921	3,248,921	3,248,921	3,248,921	3,248,921	3,248,921	31,765	3,280,686	
36	390.1 Building Improvements	21,207	21,207	21,207	21,207	21,207	26,546	26,546	26,546	26,546	26,546	26,546	26,546	26,546	-	26,546	
37	391 Office Furniture and Equipment	248,563	248,563	248,563	248,563	248,563	248,563	248,563	219,818	239,995	239,995	239,995	239,995	239,995	-	239,995	
38	392 Transportation Equipment	2,520,295	2,520,295	2,520,295	2,545,650	2,545,650	2,545,650	2,545,650	2,483,705	2,479,460	2,479,460	2,479,460	2,349,154	2,182,902	157,617	2,340,518	
39	393 Stores Equipment	-													-	-	
40	394 Tools, Shop, and Garage Equipment	165,908	165,908	168,363	168,363	168,363	168,363	168,363	168,363	168,363	168,363	168,363	168,363	168,363	-	168,363	
41	395 Laboratory Equipment	551,193	557,194	557,194	557,194	557,194	557,194	567,761	567,761	567,761	567,761	567,761	567,761	567,761	9,544	577,305	
42	396 Power Operated Equipment	1,110,990	1,110,990	1,110,990	1,110,990	1,110,990	1,110,990	1,110,990	1,115,973	1,115,973	1,115,973	1,115,973	1,115,973	1,115,973	25,291	1,141,265	
43	397 Communication Equipment	106,966	106,966	106,966	106,966	106,966	106,966	106,966	106,966	106,966	106,966	106,966	106,966	106,966	10,309	117,275	
44	398 Miscellaneous Equipment	28,003	28,003	28,003	28,003	28,003	28,003	28,003	28,003	28,003	28,003	28,003	28,003	28,003	-	28,003	
45	Subtotal	8,401,803	8,407,804	8,410,258	8,435,613	8,456,537	8,461,875	8,472,442	8,386,736	8,402,668	8,402,668	8,402,668	8,272,362	8,106,110	234,526	8,340,636	
46	399 Other Tangible Property															-	
47	TOTAL General Plant	8,401,803	8,407,804	8,410,258	8,435,613	8,456,537	8,461,875	8,472,442	8,386,736	8,402,668	8,402,668	8,402,668	8,272,362	8,106,110	234,526	8,340,636	
48	TOTAL	84,798,067	84,877,160	85,061,187	85,222,504	85,385,966	85,443,971	85,619,494	85,682,412	85,820,673	85,882,605	86,072,341	86,011,899	85,872,052	700,666	86,572,719	
49	Gas Plant Purchased															-	
50	(Less) Gas Plant Sold															-	
51	Experimental Gas Plant Unclassified															-	
52	TOTAL Gas Plant In Service	84,798,067	84,877,160	85,061,187	85,222,504	85,385,966	85,443,971	85,619,494	85,682,412	85,820,673	85,882,605	86,072,341	86,011,899	85,872,052	700,666	86,572,719	

**Zia Natural Gas Company**  
**Natural Gas Production and Gathering Plant**

**Schedule B-4**  
**Page 1 of 1**

Zia Natural Gas Company has no Natural Gas Production and Gathering Plant

**Zia Natural Gas Company**  
**Products Extraction and Purification Plant**

**Schedule B-5**  
**Page 1 of 1**

Zia Natural Gas Company has no Products Extraction and Purification Plant.

**Zia Natural Gas Company  
Gas Storage Projects Owned**

**Schedule B-6  
Page 1 of 1**

Zia Natural Gas does not own Gas Storage Projects.

**Zia Natural Gas Company  
Gas Plant Leased to Others**

**Schedule B-7  
Page 1 of 1**

Zia Natural Gas does not lease Gas Plant to others.

**Zia Natural Gas Company  
Plant Held for Future Use**

**Schedule B-8  
Page 1 of 1**

Zia Natural Gas has no Plant Held for Future Use.



**Zia Natural Gas Company  
Construction Work In Progress**

**Schedule B-9  
Page 1 of 1**

Line No.	[A]		[B]		[C]		[D]		[E]		[F]	
	Account	Plant Description	Project Description		Expenditures as of 08/31/2017		Total Book Balance for CWIP as of 08/31/2017 (1)		Reference			
1	367	Transmission Main	4" Transmission Maintenance		9,834		9,834					
2	376	Distribution Main	Distribution Main Suerte Land Group		40,660		40,660					
3	376	Distribution Main	Numerous Distribution Mains under \$25,000 individual value		5,203		5,203					
4	378	Measuring & Regulating Station	Reg Station Replacement & Maintenance		1,494		1,494					
5	380	Distribution Services	Numerous Service line installations under \$25,000 individual value		20,517		20,517					
6	395	Laboratory Equipment	Locators		6,322		6,322					
7	397	Communication Equipment	GIS Plotter/Scanner		10,309		10,309					
8		TOTAL BASE YEAR/ TEST YEAR			\$ 94,339		\$ 94,339					

Notes: (1) - All Amounts in CWIP are captured in the Test Year Adjustment to Plant as shown on Schedule J-1.

**Zia Natural Gas Company**  
**Allowance for Funds Used During Construction**  
**Generated and Transferred to Plant in Service**

**Schedule B-10**  
**Page 1 of 1**

Zia Natural Gas has no Allowance for Funds Used During Construction Generated and Transferred to Plant in Service.

**Zia Natural Gas Company**  
**Accumulated Provision for Depreciation, Depletion, Amortization, and Abandonment**  
**by Functional Classification and Detailed Plant Account**

**Schedule C-1**  
**Page 1 of 2**

Line No.	Description	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
			PER BOOKS / BASE YEAR							
		Balance at Beginning of Year 09/01/2016	Additions	Retirements	Abandonments	Transfers	Balance at End of Year 08/31/2017	Test Year Adjustments	Test Year Total	
1	INTANGIBLE PLANT	\$	\$	\$	\$	\$	\$	\$	\$	
2	301 Organization	63,381	12,312				75,693		75,693	
3	302 Franchise and Consents						-		-	
4	303 Miscellaneous Intangible Plant	-	-				-		-	
5	TOTAL Intangible Plant	63,381	12,312	-	-	-	75,693	-	75,693	
6	TRANSMISSION PLANT									
7	365.1 Land and Land Rights						-		-	
8	365.2 Rights-of-Way	-	-	-	-	-	-		-	
9	366 Structures and Improvements						-		-	
10	367 Mains	3,911,188	148,288				4,059,476	1,116	4,060,592	
11	368 Compressor Station Equipment						-		-	
12	369 Measuring and Regulating Station Equipment	247,728	16,530				264,258	(183)	264,075	
13	370 Communication Equipment						-		-	
14	371 Other Equipment	256,488	-	-			256,488		256,488	
15	TOTAL Transmission Plant	4,415,404	164,818	-	-	-	4,580,222	932	4,581,154	
16	DISTRIBUTION PLANT									
17	374 Land and Land Rights	-	-	-	-	-	-		-	
18	375 Structures and Improvements						-		-	
19	376 Mains	15,486,242	805,542	(48,109)			16,243,676	8,473	16,252,149	
20	377 Compressor Station Equipment	-					-		-	
21	378 Measuring and Regulating Station Equipment-General	640,380	29,962				670,342	2,046	672,388	
22	379 Measuring and Regulating Station Equipment-City Gate	39,624	1,607				41,231		41,231	
23	380 Services	5,188,777	322,693	(22,728)			5,488,742	2,300	5,491,042	
24	381 Meters	1,891,269	134,242	(58)			2,025,453	2,843	2,028,296	
25	381.1 Meters - AMR	845,990	136,830				982,820	1,124	983,944	
26	382 Meter Installations	-					-		-	
27	383 House Regulators	672,367	49,478				721,845	685	722,531	
28	384 House Regulator Installations						-		-	
29	385 Industrial Measuring and Regulating Station Equipment	35,147	5,536				40,683	742	41,425	
30	386 Other Property on Customer's Premises						-		-	
31	387 Other Equipment						-		-	
32	TOTAL Distribution Plant	24,799,797	1,485,890	(70,895)	-	-	26,214,792	18,214	26,233,006	

**Zia Natural Gas Company**  
**Accumulated Provision for Depreciation, Depletion, Amortization, and Abandonment**  
**by Functional Classification and Detailed Plant Account**

**Schedule C-1**  
**Page 2 of 2**

Line No.	[A] Description	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		PER BOOKS / BASE YEAR						Test Year Adjustments	Test Year Total
		Balance at Beginning of Year 09/01/2016	Additions	Retirements	Abandonments	Transfers	Balance at End of Year 08/31/2017		
33	GENERAL PLANT								-
34	389 Land and Land Rights	-	-	-	-	-	-		-
35	390 Structures and Improvements	1,136,581	64,371				1,200,952	775	1,201,727
36	390.1 Building Improvements	4,217	1,621				5,839	148	5,987
37	391 Office Furniture and Equipment	210,740	14,950	(28,745)			196,946	1,922	198,867
38	392 Transportation Equipment	1,866,138	237,077	(362,748)			1,740,468	32,791	1,773,259
39	393 Stores Equipment	-					-		-
40	394 Tools, Shop, and Garage Equipment	149,520	4,601				154,122	58	154,180
41	395 Laboratory Equipment	414,024	40,165				454,189	2,190	456,379
42	396 Power Operated Equipment	1,020,220	28,755				1,048,976	4,028	1,053,004
43	397 Communication Equipment	95,878	8,031				103,909	2,062	105,970
44	398 Miscellaneous Equipment	11,602	3,451				15,053		15,053
45	Subtotal	4,908,921	403,024	(391,493)	-	-	4,920,453	43,974	4,964,427
46	399 Other Tangible Property						-		-
47	TOTAL General Plant	4,908,921	403,024	(391,493)	-	-	4,920,453	43,974	4,964,427
48	TOTAL	34,187,503	2,066,044	(462,387)	-	-	35,791,159	63,120	35,854,280
49	Gas Plant Purchased						-		-
50	(Less) Gas Plant Sold						-		-
51	Experimental Gas Plant Unclassified						-		-
52	TOTAL Gas Plant In Service	34,187,503	2,066,044	(462,387)	-	-	35,791,159	63,120	35,854,280

**Zia Natural Gas Company  
Depreciation Rate Study**

**Schedule C-2  
Page 1 of 1**

Line No.	Description	Current Life (Yrs)	Current Depreciation Rate (%)	Recommended Life (Yrs)	Recommended Depreciation Rate (%)	Rate Increase/ (Decrease) (%)
1	INTANGIBLE PLANT					
2	301 Organization	New Account		40	2.50%	2.50%
3	302 Franchise and Consents	N/A	N/A	N/A	N/A	N/A
4	303 Miscellaneous Intangible Plant	3	33.33%	3	33.33%	0.00%
5	TOTAL Intangible Plant					
6	TRANSMISSION PLANT					
7	365.1 Land and Land Rights	Not Depreciable		Not Depreciable		
8	365.2 Rights-of-Way	Not Depreciable		Not Depreciable		
9	366 Structures and Improvements	N/A	N/A	N/A	N/A	N/A
10	367 Mains	50	2.00%	50	2.00%	0.00%
11	368 Compressor Station Equipment	N/A	N/A	N/A	N/A	N/A
12	369 Measuring and Regulating Station Equipment	50	2.00%	50	2.00%	0.00%
13	370 Communication Equipment	N/A	N/A	N/A	N/A	N/A
14	371 Other Equipment	10	10.00%	10	10.00%	0.00%
15	TOTAL Transmission Plant					
16	DISTRIBUTION PLANT					
17	374 Land and Land Rights	Not Depreciable		Not Depreciable		
18	375 Structures and Improvements	N/A	N/A	N/A	N/A	N/A
19	376 Mains	50	2.00%	50	2.00%	0.00%
20	377 Compressor Station Equipment	N/A	N/A	N/A	N/A	N/A
21	378 Measuring and Regulating Station Equipment-General	50	2.00%	50	2.00%	0.00%
22	379 Measuring and Regulating Station Equipment-City Gate	50	2.00%	50	2.00%	0.00%
23	380 Services	50	2.00%	50	2.00%	0.00%
24	381 Meters	35	2.86%	35	2.86%	0.00%
25	381.1 Meters - AMR	20	5.00%	20	5.00%	N/A
26	382 Meter Installations	N/A	N/A	N/A	N/A	N/A
27	383 House Regulators	35	2.86%	35	2.86%	0.00%
28	384 House Regulator Installations	N/A	N/A	N/A	N/A	N/A
29	385 Industrial Measuring and Regulating Station Equipment	35	2.86%	35	2.86%	0.00%
30	386 Other Property on Customer's Premises	N/A	N/A	N/A	N/A	N/A
31	387 Other Equipment	N/A	N/A	N/A	N/A	N/A
32	TOTAL Distribution Plant					
33	GENERAL PLANT					
34	389 Land and Land Rights	Not Depreciable		Not Depreciable		
35	390 Structures and Improvements	50	2.00%	50	2.00%	0.00%
36	390.1 Building Improvements	New Account		15	6.66%	6.66%
37	391 Office Furniture and Equipment	7	14.29%	7	14.29%	0.00%
38	392 Transportation Equipment	5	20.00%	5	20.00%	0.00%
39	393 Stores Equipment	N/A	N/A	N/A	N/A	N/A
40	394 Tools, Shop, and Garage Equipment	7	14.29%	7	14.29%	0.00%
41	395 Laboratory Equipment	7	14.29%	7	14.29%	0.00%
42	396 Power Operated Equipment	7	14.29%	7	14.29%	0.00%
43	397 Communication Equipment	5	20.00%	5	20.00%	0.00%
44	398 Miscellaneous Equipment	7	14.29%	7	14.29%	0.00%
45	Subtotal					
46	399 Other Tangible Property	N/A	N/A	N/A	N/A	N/A
47	TOTAL General Plant					
48	TOTAL					
49	Gas Plant Purchased					
50	(Less) Gas Plant Sold					
51	Experimental Gas Plant Unclassified					
52	TOTAL Gas Plant In Service					

NOTE: Items marked as Not Applicable indicate that Zia Natural Gas Company does not have plant in these categories and has not set up a depreciable life for these items.

PLEASE REFER TO EXHIBIT GEM-2 FOR DEPRECIATION RATE ANALYSIS.

**Zia Natural Gas Company**  
**Depreciation and Amortization Methods**

**Schedule C-3**  
**Page 1 of 1**

For methods, formulas, and procedures, please refer to Depreciation Rate Analysis in  
Prepared Testimony of Gregory Macias.

**D Series: Original Cost of Plant in Service Adjusted to the  
Cost of Reproduction as a Going Concern and  
Other Elements of Value.**

**D Series: D-1, D-2**

Zia Natural Gas does not adjust plant for the Cost of Reproduction as a going concern; therefore, none of the D Series Schedules are applicable.

**Zia Natural Gas Company**  
**Cash Working Capital Allowance**

**Schedule E-1**  
**Page 1 of 1**

Zia Natural Gas Company is not requesting Cash Working Capital.



**Zia Natural Gas Company**  
**Material and Supplies, Prepayments, and Deferred Charges**

**Schedule E-2**  
**Page 1 of 1**

Line No.	[A] Period	[B] Material and Supplies - Inventory \$	[C] Prepayments \$	[D] Unamortized Rate Case Expenses \$
<b>Per Books</b>				
1	Balance on 09/01/2016	258,951	9,661	-
2	Balance on 10/01/2016	237,883	8,051	-
3	Balance on 11/01/2016	215,221	6,441	-
4	Balance on 12/01/2016	216,060	4,831	-
5	Balance on 01/01/2017	201,917	3,220	-
6	Balance on 02/01/2017	236,872	1,610	-
7	Balance on 03/01/2017	241,193	20,960	-
8	Balance on 04/01/2017	237,501	19,213	-
9	Balance on 05/01/2017	308,851	17,466	-
10	Balance on 06/01/2017	341,231	15,720	-
11	Balance on 07/01/2017	300,166	13,973	-
12	Balance on 08/01/2017	314,949	12,226	-
13	Ending Balance Base Year	<u>330,522</u>	<u>10,480</u>	<u>44,250</u>
14	Total Base Year	3,441,318	143,853	44,250
15	Average Balance Base Year	264,717	11,066	3,404
<b>Summary</b>				
	Description	Base Year \$	Test Year Adjustments \$	Test Year Total \$
16	Materials and Supplies - Inv (Avg)	264,717	-	264,717
17	Prepayments (Avg)	11,066	-	11,066
18	Deferred Charges	<u>44,250</u>	<u>155,750</u>	<u>200,000</u>
19	Total	320,032	155,750	475,782

**Zia Natural Gas Company**  
**Purchased Gas Cost Account**

**Schedule E-3**  
**Page 1 of 1**

Month	Purchased Gas Cost					
	Hobbs/Jal	Lincoln Co.	Maxwell	Dona Ana	Total	Ref
Sep-16	105,904	119,330	112,663	129,731	467,628	H-2.1
Oct-16	133,429	168,911	180,224	290,288	772,853	H-2.1
Nov-16	296,968	462,386	314,863	388,699	1,462,916	H-2.1
Dec-16	594,701	639,642	463,390	582,502	2,280,236	H-2.1
Jan-17	589,970	681,645	467,062	544,531	2,283,208	H-2.1
Feb-17	390,551	486,612	349,329	332,751	1,559,243	H-2.1
Mar-17	259,418	383,718	282,399	255,934	1,181,469	H-2.1
Apr-17	190,890	224,329	223,395	209,458	848,072	H-2.1
May-17	172,310	189,802	166,826	196,512	725,450	H-2.1
Jun-17	117,792	115,199	91,127	129,559	453,677	H-2.1
Jul-17	116,079	115,348	94,015	129,757	455,199	H-2.1
Aug-17	121,336	119,046	91,143	167,764	499,288	H-2.1
<b>Base Year</b>	<b>3,089,348</b>	<b>3,705,969</b>	<b>2,836,435</b>	<b>3,357,486</b>	<b>12,989,238</b>	<b>H-2.1</b>

**Schedule E-4**  
**Page 1 of 1**

### Storage Volumes and Charges Maxwell System

Month	Gas Into Storage				Gas Out of Storage			Month Cost \$	Storage Interest 8.29%APR	Cumulative			Net Cost Change
	Volume MMBTU	Shrinkage \$	Cost		Volume MMBTU	Cost				Volume MMBTU	Cost		
			\$/MMBTU	\$		\$/MMBTU	\$				\$/MMBTU	\$	
										118,442	3.09131	366,140.17	
Sep-15	27,071	484.61	2.99140	80,980.19	0	3.09131	0.00	81,464.80	2,529.42	145,513	3.07606	447,604.97	81,464.80
Oct-15	2,433	39.24	2.80309	6,819.93	0	3.07606	0.00	6,859.17	3,092.20	147,946	3.07183	454,464.14	6,859.17
Nov-15	0	0.00	#DIV/0!	0.00	22,813	3.07183	70,077.66	(70,077.66)	3,139.59	125,133	3.07183	384,386.48	(70,077.66)
Dec-15	0	0.00	#DIV/0!	0.00	26,780	3.07183	82,263.61	(82,263.61)	2,655.47	98,353	3.07183	302,122.87	(82,263.61)
Jan-16	0	0.00	#DIV/0!	0.00	32,573	3.07183	100,058.72	(100,058.72)	2,087.17	65,780	3.07184	202,064.15	(100,058.72)
Feb-16	0	0.00	#DIV/0!	0.00	20,008	3.07184	61,461.37	(61,461.37)	1,395.93	45,772	3.07183	140,602.78	(61,461.37)
Mar-16	0	0.00	#DIV/0!	0.00	32,236	3.07183	99,023.51	(99,023.51)	971.33	13,536	3.07184	41,579.27	(99,023.51)
Apr-16	0	0.00	#DIV/0!	0.00	3,453	3.07184	10,607.06	(10,607.06)	287.24	10,083	3.07184	30,972.21	(10,607.06)
May-16	2,377	47.82	2.27735	5,413.27	0	3.07184	0.00	5,461.09	213.97	12,460	2.92411	36,433.30	5,461.09
Jun-16	31,340	690.77	2.47588	77,594.15	0	2.92411	0.00	78,284.92	251.69	43,800	2.61916	114,718.22	78,284.92
Jul-16	35,499	737.33	2.65227	94,152.85	0	2.61916	0.00	94,890.18	792.51	79,299	2.64328	209,608.40	94,890.18
Aug-16	32,921	667.83	2.67132	87,942.42	0	2.64328	0.00	88,610.25	1,448.04	112,220	2.65746	298,218.65	88,610.25
Sep-16	29,119	606.55	2.75703	80,281.99	0	2.65746	0.00	80,888.54	2,060.19	141,339	2.68226	379,107.19	80,888.54
Oct-16	11,302	327.04	3.14461	35,540.37	0	2.68226	0.00	35,867.41	2,619.00	152,641	2.71864	414,974.60	35,867.41
Nov-16	0	0.00	#DIV/0!	0.00	14,549	2.71864	39,553.49	(39,553.49)	2,866.78	138,092	2.71864	375,421.11	(39,553.49)
Dec-16	0	0.00	#DIV/0!	0.00	26,072	2.71864	70,880.38	(70,880.38)	2,593.53	112,020	2.71864	304,540.73	(70,880.38)
Jan-17	0	0.00	#DIV/0!	0.00	29,344	2.71864	79,775.77	(79,775.77)	2,103.87	82,676	2.71864	224,764.96	(79,775.77)
Feb-17	0	0.00	#DIV/0!	0.00	25,664	2.71864	69,771.18	(69,771.18)	1,552.75	57,012	2.71864	154,993.78	(69,771.18)
Mar-17	0	0.00	#DIV/0!	0.00	24,054	2.71864	65,394.17	(65,394.17)	1,070.75	32,958	2.71863	89,599.61	(65,394.17)
Apr-17	0	0.00	#DIV/0!	0.00	13,887	2.71863	37,753.61	(37,753.61)	618.98	19,071	2.71863	51,846.00	(37,753.61)
May-17	4,919	119.04	2.97612	14,639.51	0	2.71863	0.00	14,758.55	358.17	23,990	2.77639	66,604.55	14,758.55
Jun-17	28,540	702.96	2.78951	79,612.63	0	2.77639	0.00	80,315.59	460.13	52,530	2.79690	146,920.14	80,315.59
Jul-17	25,035	538.22	2.83274	70,917.59	0	2.79690	0.00	71,455.81	1,014.97	77,565	2.81541	218,375.95	71,455.81
Aug-17	28,823	594.25	2.78990	80,413.37	0	2.81541	0.00	81,007.62	1,508.61	106,388	2.81408	299,383.57	81,007.62

**Zia Natural Gas Company**  
**Amount of Working Capital Items**  
**Charged to Operating and Maintenance Expenses**

**Schedule E-5**  
**Page 1 of 1**

Zia has no working capital items charged to O&M.

Zia Natural Gas Does not have Other Property and Investments.

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Base Period and Test Period**

	[A]	[B]	[C]	[D]
Line No.	Description	Capitalization Percent	Cost	Weighted Cost
		%	%	%

## (a) - Base Period - August 31, 2017

1	Long Term Debt	45.40%	6.17%	2.80%
2	Preferred Stock	0.00%	0.00%	0.00%
3	Common Equity	<u>54.60%</u>	12.05%	6.58%
4	Total	100.00%		9.38%

## (b) - Test Period - August 31, 2017

5	Long Term Debt	45.40%	6.17%	2.80%
6	Preferred Stock	0.00%	0.00%	0.00%
7	Common Equity	<u>54.60%</u>	12.05%	6.58%
8	Total	100.00%		9.38%

## (c) - Reference

Column B - Schedule G-10B

Zia Natural Gas Company claims a cost of capital based on a hypothetical capital structure.

Column C

Lines 3 and 7 - Schedule G-10E

Lines 2 and 5 - Schedule G-10F

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Cost of Capital Applicable to Reproduction Cost Rate Base**

Zia Natural Gas Company does not propose to rely on fair value rate base in this filing.

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Cost of Long Term Debt**

- (a) - Base Period - August 31, 2017  
Zia Natural Gas Company had no outstanding debt during the base period.
- (b) - Adjusted Base Period - August 31, 2017  
See Schedule G-10E
- (c) - Test Period - August 31, 2017  
See Schedule G-10E
- (d) - See (c)



**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Cost of Short Term Debt**

Zia Natural Gas Company had no outstanding short term debt during the base period and does not propose to rely on any during the test period.

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Cost of Preferred Stock**

Zia Natural Gas Company had no outstanding preferred stock during the base period and does not propose to rely on any during the test period.

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Ratio of Earnings to Fixed Charges**

(a) - Base Period

Zia Natural Gas Company had no fixed charges as defined by the Securities and Exchange Commission.

(b) - Fixed Charges as Defined by the SEC

See (a)

(c) - Earnings as Defined by the SEC

See (a)

(d) - Earnings Available for Fixed Charges (After Tax)

See (a)

(e) - Earnings Available for Fixed Charges (Before Tax)

See (a)

(f) - Ratio of Earnings to Fixed Charges (After Tax)

See (a)

(g) - Ratio of Earnings to Fixed Charges (Before Tax)

See (a)

(h) - Test Period

Zia Natural Gas Company has no fixed charges as defined by the Securities and Exchange Commission.

(i) - Explanation of Adjustments

No Adjustments

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Issuance Restrictions on Borrowed and Preferred Stock Capital**

Zia Natural Gas Company is unaware of any restrictions.

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Common Stock Equity Capital**

(a) - Base Period - August 31, 2017

Zia Natural Gas Company is a division of Natural Gas Processing Co., a Wyoming Corporation

(b) - Test Period - August 31, 2017

With the exception of earnings (or losses) flowing through to retained earnings, Zia Natural Gas Company does not forecast any activity associated with equity capital.

(c) - Adjustments

Zia Natural Gas Company is not proposing any adjustments beyond substituting a hypothetical capital structure for Zia Natural Gas Company's actual capital structure of 100% equity capital.

**Zia Natural Gas Company**  
**Capitalization, Cost of Capital, and Overall Rate of Return**  
**Historical Common Stock Activity**

	[A]	[B]	[C]	[D]	[E]
Line No.	Description	Common Stock	Paid In Capital	Retained Earnings	Total Equity Capital
		\$	\$	\$	\$
1	(a) Base Period				
2	Total at 12/31/02			22,803,691	22,803,691
3	Net Change	-	-	694,705	694,705
4	Total at 12/31/03			23,498,396	23,498,396
5	Net Change	-	-	(1,026,298)	(1,026,298)
6	Total at 12/31/04			22,472,098	22,472,098
7	Net Change	-	-	(1,757,696)	(1,757,696)
8	Total at 12/31/05			20,714,402	20,714,402
9	Net Change	-	-	(21,094)	(21,094)
10	Total at 12/31/06			20,693,308	20,693,308
11	Net Change	-	-	726,046	726,046
12	Total at 12/31/07			21,419,354	21,419,354
13	Net Change	-	-	1,012,276	1,012,276
14	Total at 12/31/08			22,431,630	22,431,630
15	Net Change	-	-	1,620,740	1,620,740
16	Total at 12/31/09			24,052,370	24,052,370
17	Net Change	-	-	2,386,752	2,386,752
18	Total at 12/31/10			26,439,122	26,439,122
19	Net Change	-	-	3,075,405	3,075,405
20	Total at 12/31/11			29,514,527	29,514,527
21	Net Change	-	-	3,174,747	3,174,747
22	Total at 12/31/12			32,689,274	32,689,274
23	Net Change	-	-	3,383,271	3,383,271
24	Total at 12/31/13			36,072,545	36,072,545
25	Net Change	-	-	2,819,609	2,819,609
26	Total at 12/31/14			38,892,154	38,892,154
27	Net Change	-	-	2,972,240	2,972,240
28	Total at 12/31/15			41,864,394	41,864,394
29	Net Change	-	-	2,534,550	2,534,550
30	Total at 12/31/16			44,398,944	44,398,944
31	Net Change	-	-	(440,671)	(440,671)
32	Total at 08/31/17			43,958,273	43,958,273
33	Net Change	-	-	(336,085)	(336,085)
34	Total Base Period			43,622,188	43,622,188
35	Net Change	-	-	911,339	911,339
36	Total Test Period			44,533,526	44,533,526
37	(a) Test Period				
38	Zia Natural Gas Company proposes substituting a hypothetical capital structure				
39	for Zia Natural Gas Company's actual capital structure of 100% equity capital.				

Zia Natural Gas Company  
2018 Rate Case  
Comparable Companies

Schedule G-10a

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Line No.	Company	Ticker Symbol	Infrastructure Rider	Decoupling Mechanism	Bond Ratings		Value Line (5)						Yahoo (7)
					Moody's	S&P	Beta	Debt	Equity	Net Plant	Customers (6)	Market Cap.	Market Cap.
			(1)	(1), (2)	(3)	(4)				\$ mil		\$mil	\$mil
1	<u>Value Line Natural Gas Utility</u>												
2	Atmos Energy, Corp.	ATO	Yes	Yes	A2	A	0.70	44.00%	56.00%	9,260	3,000,000	9,500	9,530
3	Chesapeake Utilities	CPK	Yes	Yes	NA	NA	0.70	30.00%	70.00%	1,120	NA	1,300	1,280
4	New Jersey Resources Corp.	NJR	Yes	Yes	Aa2	A	0.80	46.50%	53.50%	2,455	521,200	3,800	3,490
5	NiSource Inc.	NI	Yes	No	Baa2	BBB+	0.60	61.00%	39.00%	13,590	3,400,000	9,100	8,650
6	Northwest Natural Gas Co.	NWN	Yes	Yes	A3	A+	0.70	44.50%	55.50%	2,350	704,000	1,900	1,710
7	One Gas, Inc.	OGS	Yes	Yes	A2	A	0.70	38.00%	62.00%	3,970	2,000,000	4,000	3,830
8	South Jersey Industries, Inc.	SJI	Yes	Yes	A2	BBB+	0.85	48.50%	51.50%	2,750	377,625	2,600	2,480
9	Southwest Gas Corp.	SWX	Yes	Yes	A3	BBB+	0.80	49.50%	50.50%	4,450	2,000,000	3,900	3,840
10	Spire Inc.	SR	Yes	Yes	Baa2	A-	0.70	50.00%	50.00%	3,665	1,700,000	3,800	3,630
11	UGI Corp.	UGI	Yes	No	A2	NA	0.90	57.50%	42.50%	5,495	626,000	8,300	8,130
12	WGL Holding, Inc.	WGL	Yes	Yes	A3	A	0.80	48.30%	50.70%	4,630	1,129,865	4,300	4,410

13 (1) American Gas Association - Innovative Rates, Non-volumetric Rates, and Tracking Mechanisms: Current List, December 2016

14 (2) Includes decoupling mechanisms, straight fixed variable (SFV) rate design, weather normalization adjustments (WNA) and rate stabilization tariffs.

15 (3) Moody's Investor Services, January 1, 2018.

16 (4) Standard and Poors Global Ratings, January 1, 2018.

17 (5) Value Line Investment Survey, December 1, 2017.

18 (6) Natural gas customers.

19 (7) December 29, 2017 market close

	[A]	[B]	[C]	[D]	[E]	[F]
Line No.	Company	Ticker Symbol	Current - 2017		Projected 2020-22	
			Debt	Equity	Debt	Equity
1	<u>Value Line Natural Gas Utility</u>					
2	Atmos Energy, Corp.	ATO	44.00%	56.00%	45.00%	55.00%
3	Chesapeake Utilities	CPK	30.00%	70.00%	30.00%	70.00%
4	New Jersey Resources Corp.	NJR	46.50%	53.50%	43.00%	57.00%
5	NiSource Inc.	NI	61.00%	39.00%	63.00%	37.00%
6	Northwest Natural Gas Co.	NWN	44.50%	55.50%	45.50%	54.50%
7	One Gas, Inc.	OGS	38.00%	62.00%	38.00%	62.00%
8	South Jersey Industries, Inc.	SJI	48.50%	51.50%	46.00%	54.00%
9	Southwest Gas Corp.	SWX	49.50%	50.50%	44.50%	55.50%
10	Spire Inc.	SR	50.00%	50.00%	49.00%	51.00%
11	UGI Corp.	UGI	57.50%	42.50%	51.00%	49.00%
12	WGL Holding, Inc. (1)	WGL	48.79%	51.21%	44.44%	55.56%
13	Average		47.12%	52.88%	45.40%	54.60%

14 Source:

15 Value Line Investment Survey, December 1, 2017

16 (1) Ratios restated to add to 100 percent.



Zia Natural Gas Company  
2018 Rate Case  
Actual Unadjusted Rates of Return  
Year Ended December 31

Schedule G-10c

	[A]	[B]	[C]	[D]	[E]	[F]	[G]
Line No.	Year	Return on Rate Base			Return on Equity		
		Actual	Authorized	Difference	Actual	Authorized	Difference
		(1)			(2)		
1	2009	6.71%	8.29%	-1.58%	7.26%	10.27%	-3.01%
2	2010	9.46%	8.29%	1.17%	12.50%	10.27%	2.23%
3	2011	7.86%	8.29%	-0.43%	9.45%	10.27%	-0.82%
4	2012	7.60%	8.29%	-0.69%	8.96%	10.27%	-1.31%
5	2013	7.67%	8.29%	-0.62%	9.09%	10.27%	-1.18%
6	2014	6.32%	8.29%	-1.97%	6.52%	10.27%	-3.75%
7	2015	6.50%	8.29%	-1.79%	6.86%	10.27%	-3.41%
8	2016	5.52%	8.29%	-2.77%	5.00%	10.27%	-5.27%
9	Average	7.21%	8.29%	-1.08%	8.20%	10.27%	-2.07%

10 Authorized Rate of Return and Capital Structure

	Component	Percentage	Cost	Weighted Cost
12	Debt	47.50%	6.10%	2.90%
13	Equity	52.50%	10.27%	5.39%
14	Weighted Average Cost of Capital			8.29%

15 (1) Zia Natural Gas Company rates of return on rate base.

16 (2) Return on Equity = (Return on Rate Base - Weighted Cost of Debt)/Equity Ratio

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
Line No.	Company	Ticker Symbol	Value Line Beta (1)	Risk Free	Duff and Phelps (2) Equity Premium	Base Cost of Equity	Adjusted Cost of Equity	Market Capitalization		Size Premia Adjusted Cost of Equity (2)		
						[D] + [E]	[D] + [C]x[E]	Value Line \$mil	Yahoo \$mil	CRSP Decile	Size Premia	CAPM [K] + [G]
1	<u>Value Line Natural Gas Utility</u>											
2	Atmos Energy, Corp.	ATO	0.70	3.75%	6.94%	10.69%	8.61%	9,500	9,530	3	0.89%	9.50%
3	Chesapeake Utilities	CPK	0.70	3.75%	6.94%	10.69%	8.61%	1,300	1,280	7	1.72%	10.33%
4	New Jersey Resources Corp.	NJR	0.80	3.75%	6.94%	10.69%	9.30%	3,800	3,490	4	0.98%	10.28%
5	NiSource Inc.	NI	0.60	3.75%	6.94%	10.69%	7.91%	9,100	8,650	3	0.89%	8.80%
6	Northwest Natural Gas Co.	NWN	0.70	3.75%	6.94%	10.69%	8.61%	1,900	1,710	6	1.66%	10.27%
7	One Gas, Inc.	OGS	0.70	3.75%	6.94%	10.69%	8.61%	4,000	3,830	4	0.98%	9.59%
8	South Jersey Industries, Inc.	SJI	0.85	3.75%	6.94%	10.69%	9.65%	2,600	2,480	5	1.51%	11.16%
9	Southwest Gas Corp.	SWX	0.80	3.75%	6.94%	10.69%	9.30%	3,900	3,840	4	0.98%	10.28%
10	Spire Inc.	SR	0.70	3.75%	6.94%	10.69%	8.61%	3,800	3,630	4	0.98%	9.59%
11	UGI Corp.	UGI	0.90	3.75%	6.94%	10.69%	10.00%	8,300	8,130	3	0.89%	10.89%
12	WGL Holding, Inc.	WGL	0.80	3.75%	6.94%	10.69%	9.30%	4,300	4,410	4	0.98%	10.28%
13	Average						8.96%					10.09%
14	Standard Deviation						0.60%					0.67%
15	10th Percentile - Average + 1.28 SD						9.72%					10.94%
16	Zia Natural Gas		0.75	3.75%	6.94%	10.69%	8.96%		80	10	5.59%	14.55%
17	Build-up Method (3)		-5.73%	3.75%	6.94%						5.59%	10.55%

18 (1) Value Line Investment Survey, December 1, 2017.

19 (2) Duff and Phelps 2017 Valuation Handbook, Guide to Cost of Capital

20 Long Term Historical Equity Risk Premium (1926-2015) - 6.94% (Exhibit 3.13)

21 CRSP Decile and Size Premia - Based on Appendix 3

22 Natural Gas Distribution Industry Risk Premium - -5.73% (SIC 4924, Appendix 3a)

23 (3) Industry Risk Premium (-5.73) + Risk Free Rate + Equity Premium + Size Premia

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Line No.	Company	Ticker Symbol	Recent Share Price (1)	Projected Dividend (2)	Projected Growth		Dividend Yield	DCF		Projected ROE
			\$	\$/Share	DPS	EPS	[D]/[C]	[G] + [E]	[G] + [F]	2020-22
1	<u>Value Line Natural Gas Utility</u>									
2	Atmos Energy, Corp.	ATO	85.89	1.94	6.50%	6.00%	2.26%	8.76%	8.26%	11.50%
3	Chesapeake Utilities	CPK	78.55	1.33	5.50%	8.00%	1.69%	7.19%	9.69%	13.00%
4	New Jersey Resources Corp.	NJR	40.20	1.09	3.50%	2.00%	2.71%	6.21%	4.71%	11.50%
5	NiSource Inc.	NI	25.67	0.74	6.50%	5.50%	2.88%	9.38%	8.38%	11.50%
6	Northwest Natural Gas Co.	NWN	59.65	1.89	1.00%	7.00%	3.17%	4.17%	10.17%	10.00%
7	One Gas, Inc.	OGS	73.26	1.88	13.50%	9.50%	2.57%	16.07%	12.07%	9.50%
8	South Jersey Industries, Inc.	SJI	31.23	1.15	4.00%	5.50%	3.68%	7.68%	9.18%	9.50%
9	Southwest Gas Corp.	SWX	80.48	2.08	7.50%	8.00%	2.58%	10.08%	10.58%	10.00%
10	Spire Inc.	SR	75.15	2.25	5.00%	8.00%	2.99%	7.99%	10.99%	9.50%
11	UGI Corp.	UGI	46.95	1.02	4.00%	6.50%	2.17%	6.17%	8.67%	12.00%
12	WGL Holding, Inc.	WGL	85.84	2.08	3.00%	2.00%	2.42%	5.42%	4.42%	9.50%
13	Average							8.10%	8.83%	10.68%
14	Standard Deviation							3.17%	2.40%	1.25%
15	10th Percentile - Average + 1.28 SD							12.16%	11.91%	12.28%
16	Source:									
17	Value Line Investment Survey, December 1, 2017									
18	(1) Close December 29, 2017									
19	(2) Value Line projection for 2018									

Zia Natural Gas Company  
2018 Rate Case  
Estimated Cost of Debt

Schedule G-10f

	[A]	[B]	[C]	[D]
Line No.	Description	Risk Free/ Premium	Cost of Debt	Reference
1	<u>Order from 2009 Zia Rate Case</u>			
2	Cost of Debt		6.10	
3	20-year	3.85	(1)	
4	30-year	3.63	(1)	
5	Premium (20-year)	2.25	Line 2 - Line 3	
6	Premium (30-year)	2.47	Line 2 - Line 4	
7	<u>1926-2016 Corporate Bond Returns</u>		6.30 (2)	
8	<u>Risk Free Rate</u>	3.75		
9	Premium (20-year)	2.25	6.00 Line 8 + Line 9	
10	Premium (30-year)	2.47	6.22 Line 8 + Line 10	
11	Average		6.17 Avg Line 7, 9, and 10	
12	(1) Treasury yields on November 25, 2008.			
13	<a href="https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&amp;year=2008">https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&amp;year=2008</a>			
14	(2) Duff and Phelps 2017 Valuation Handbook, Guide to Cost of Capital, Exhibit 2.3			

**Zia Natural Gas Company**  
**Operation and Maintenance Expenses**

Schedule H-1  
Page 1 of 1

Line	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]	[R]
No.	Acct #	Description	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total	Test Year	Ref	Test Year
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$
1	100-149	Labor and Benefits	212,842	211,790	222,171	451,135	34,350	205,512	369,096	216,958	213,023	229,995	197,930	332,751	2,897,554	345,982	H-4	3,243,536
2		Inventory/Labor Clearing Accounts (1)	(22,570)	(14,980)	(9,970)	(15,800)	(5,070)	(18,040)	(15,100)	(10,610)	(10,700)	(9,900)	(15,090)	(7,440)	(155,270)	-		(155,270)
3		Energy Efficiency Labor Clearing Acct	-	-	-	-	(6,750)	(6,750)	(6,750)	(6,750)	(6,750)	(6,750)	(6,750)	(6,750)	(54,000)	(27,000)	H-16	(81,000)
4	150-199	Vehicle and Equipment	16,345	16,963	15,183	22,975	23,161	15,310	14,875	25,411	19,473	22,949	21,946	27,602	242,192	-		242,192
5		Billing and IT Expense	51,584	49,656	48,635	49,464	49,446	48,969	49,712	48,871	48,607	50,605	48,858	48,684	593,089	-		593,089
6	205	Office Supplies	3,887	3,847	4,014	3,977	5,853	3,394	5,238	4,848	23,304	5,200	7,074	8,498	79,134	-		79,134
7	206-249	Materials and Supplies	20,550	24,236	19,599	28,693	30,731	22,218	23,139	46,451	25,699	19,811	16,729	27,787	305,641	-		305,641
8	250-299	Utilities	17,001	16,767	16,462	17,721	18,000	17,671	16,224	16,103	16,087	17,430	17,778	17,587	204,831	-		204,831
9	300-349	Outside Services	9,709	27,441	10,088	8,049	10,459	7,595	8,785	10,954	42,492	33,588	10,198	11,548	190,904	-		190,904
10	351	Regulatory Commission Expenses	-	-	846	-	-	1,520	154	-	4,296	-	-	1,064	7,880	100,000	H-16	107,880
11		Litigation Expenses	-	12,928	-	13,774	-	-	-	-	-	10,522	5,910	824	43,959	-		43,959
12	352-399	Legal Services	-	-	-	-	-	-	-	-	2,879	8,217	2,761	2,688	16,545	16,125	H-16	32,670
13	400-449	Travel and Entertainment	2,091	1,829	2,389	4,814	1,194	502	1,211	1,142	506	3,413	5,663	617	25,371	-		25,371
14	450-499	Rents and Leases	10,737	8,218	8,394	10,256	9,206	8,190	10,229	9,217	8,360	14,545	8,537	8,096	113,986	-		113,986
15	500-549	Public Relations and Business Dvlpmn	12,239	8,682	13,831	3,994	21,508	7,078	27,909	8,105	19,933	7,831	8,033	25,387	164,530	(71,852)	H-5	92,678
16	550-559	Permits and Fees	937	1,851	2,579	3,648	3,495	2,141	20,631	1,643	1,088	21,521	3,772	1,047	64,353	-		64,353
17	600-649	Outside Operating, Maint., and Repair	3,078	8,176	12,872	2,876	23,215	8,109	1,946	19,503	14,026	7,845	16,167	11,227	129,039	-		129,039
18	900-999	Miscellaneous Charges	8,187	13,541	12,451	8,050	10,688	7,415	7,597	9,016	15,729	7,196	14,259	9,938	124,068	-		124,068
19	705	Property and Auto Liability Insurance	40,679	40,679	40,779	40,679	40,979	40,845	40,679	46,164	46,164	46,364	46,241	46,164	516,417	37,550	H-16	553,967
20	723	Interest on Customer Deposits	951	996	932	843	1,083	1,103	1,092	1,004	1,112	953	1,033	1,012	12,112	2,709	H-16	14,821
21		Bad Debt Write-Offs	3,785	2,773	251	3,530	745	1,793	2,191	6,459	15,227	10,952	11,667	14,137	73,510	-		73,510
22		Subtotal All Districts/Departments	392,031	435,392	421,504	658,678	272,296	374,574	578,859	454,488	500,556	502,285	422,717	582,466	5,595,846	403,514		5,999,360

**Cost of Purchased Gas**

District 210 (Hobbs/Jal)								
Per Books/Base Year								
Month	DCP Midstream \$	United Energy \$	Enterprise \$	EPNG \$	Others \$	Total \$	Volume MSCF	Average \$/MSCF
Sep-16	104,223.21	1,314.00	42.40	324.71	0.00	105,904.32	31,750	3.33557
Oct-16	130,954.55	2,101.80	47.09	326.04	0.00	133,429.48	37,830	3.52708
Nov-16	287,334.71	8,090.10	141.35	1,401.77	0.00	296,967.93	76,739	3.86984
Dec-16	571,979.56	20,886.00	390.38	1,445.35	0.00	594,701.29	161,264	3.68775
Jan-17	568,676.67	19,690.40	596.40	1,006.54	0.00	589,970.01	156,679	3.76547
Feb-17	377,238.59	11,964.35	301.44	1,046.53	0.00	390,550.91	96,397	4.05148
Mar-17	251,595.10	6,287.00	197.20	1,338.31	0.00	259,417.61	68,407	3.79227
Apr-17	187,063.46	3,175.10	66.00	585.46	0.00	190,890.02	55,168	3.46016
May-17	146,970.58	2,431.15	47.16	275.02	22,586.34	172,310.25	43,046	4.00293
Jun-17	115,653.00	1,803.95	42.60	292.19	0.00	117,791.74	34,028	3.46161
Jul-17	113,957.35	1,781.20	32.52	308.20	0.00	116,079.27	32,824	3.53641
Aug-17	119,188.97	1,780.40	39.00	327.19	0.00	121,335.56	34,394	3.52781
<b>Totals</b>	<b>2,974,835.75</b>	<b>81,305.45</b>	<b>1,943.54</b>	<b>8,677.31</b>	<b>22,586.34</b>	<b>3,089,348.39</b>	<b>828,526</b>	<b>3.72873</b>

District 220 (Lincoln County)							
Per Books/Base Year							
Month	United Energy \$	EPNG \$	Shell \$	Others \$	Total \$	Volume MSCF	Average \$/MSCF
Sep-16	93,056.75	26,273.44	0.00	0.00	119,330.19	29,083	4.10309
Oct-16	142,348.50	26,562.29	0.00	0.00	168,910.79	40,592	4.16118
Nov-16	357,578.50	104,807.41	0.00	0.00	462,385.91	105,404	4.38680
Dec-16	531,120.50	108,521.69	0.00	0.00	639,642.19	151,155	4.23170
Jan-17	566,735.68	111,862.78	3,046.66	0.00	681,645.12	165,093	4.12886
Feb-17	386,700.00	99,912.10	0.00	0.00	486,612.10	112,996	4.30645
Mar-17	287,389.75	96,328.73	0.00	0.00	383,718.48	81,526	4.70670
Apr-17	198,182.50	26,146.95	0.00	0.00	224,329.45	58,131	3.85903
May-17	137,438.00	27,411.71	0.00	24,952.02	189,801.73	41,343	4.59090
Jun-17	91,353.00	23,845.88	0.00	0.00	115,198.88	26,306	4.37919
Jul-17	88,307.00	27,040.92	0.00	0.00	115,347.92	26,061	4.42607
Aug-17	91,809.50	27,236.42	0.00	0.00	119,045.92	27,465	4.33446
<b>Totals</b>	<b>2,972,019.68</b>	<b>705,950.32</b>	<b>3,046.66</b>	<b>24,952.02</b>	<b>3,705,968.68</b>	<b>865,155</b>	<b>4.28359</b>

District 230 (Maxwell)							
Per Books/Base Year							
Month	United Energy \$	RGT \$	Zia Storage \$	Others \$	Total \$	Volume MSCF	Average \$/MSCF
Sep-16	132,337.50	59,153.46	(78,828.35)	0.00	112,662.61	17,563	6.41477
Oct-16	137,010.60	76,461.67	(33,248.41)	0.00	180,223.86	30,439	5.92082
Nov-16	186,123.50	84,789.24	42,420.27	1,529.69	314,862.70	67,076	4.69412
Dec-16	296,549.10	93,367.28	73,473.91	0.00	463,390.29	119,230	3.88652
Jan-17	296,549.10	88,632.88	81,879.64	0.00	467,061.62	122,809	3.80315
Feb-17	196,576.80	81,428.24	71,323.93	0.00	349,328.97	82,818	4.21803
Mar-17	148,784.10	67,149.70	66,464.92	0.00	282,398.72	68,159	4.14323
Apr-17	121,158.00	63,864.00	38,372.59	0.00	223,394.59	53,191	4.19986
May-17	124,848.00	52,049.54	(14,400.38)	4,329.28	166,826.44	36,134	4.61688
Jun-17	133,896.51	37,086.23	(79,855.46)	0.00	91,127.28	18,239	4.99629
Jul-17	122,091.00	42,365.18	(70,440.84)	0.00	94,015.34	16,979	5.53715
Aug-17	129,451.50	41,190.49	(79,499.01)	0.00	91,142.98	16,895	5.39467
<b>Totals</b>	<b>2,025,375.71</b>	<b>787,537.89</b>	<b>17,662.81</b>	<b>5,858.97</b>	<b>2,836,435.38</b>	<b>649,532</b>	<b>4.36689</b>

District 250 (Dona Ana)							
Per Books/Base Year							
Month	Shell Energy \$	City LasCruces \$	EPNG \$	Others \$	Total \$	Volume MSCF	Average \$/MSCF
Sep-16	104,023.25	12,005.08	13,702.50	0.00	129,730.83	36,820	3.52338
Oct-16	252,013.00	12,333.40	25,942.07	0.00	290,288.47	69,979	4.14822
Nov-16	338,094.00	12,912.22	37,692.86	0.00	388,699.08	101,692	3.82232
Dec-16	515,700.00	13,482.22	53,320.15	0.00	582,502.37	143,745	4.05233
Jan-17	479,645.94	13,442.00	51,443.02	0.00	544,530.96	137,141	3.97059
Feb-17	287,132.50	12,639.32	32,978.76	0.00	332,750.58	84,387	3.94315
Mar-17	216,362.65	12,175.74	27,395.47	0.00	255,933.86	64,013	3.99815
Apr-17	179,081.00	12,046.88	18,330.52	0.00	209,458.40	52,036	4.02526
May-17	155,248.50	12,011.16	8,894.36	20,357.58	196,511.60	42,700	4.60215
Jun-17	106,842.00	12,017.70	10,699.13	0.00	129,558.83	30,602	4.23367
Jul-17	103,590.00	12,004.24	14,162.66	0.00	129,756.90	30,340	4.27676
Aug-17	139,347.75	12,011.94	16,404.33	0.00	167,764.02	39,885	4.20619
<b>Totals</b>	<b>12,011.94</b>	<b>12,017.70</b>	<b>310,965.83</b>	<b>20,357.58</b>	<b>355,353.05</b>	<b>833,340</b>	<b>0.42642</b>

16404.33

Total Zia			
Month	Per Books/Base Year		
	Total \$	Volume MSCF	Average \$/MSCF
September	467,627.95	115,216	4.05871
October	772,852.60	178,840	4.32148
November	1,462,915.62	350,911	4.16891
December	2,280,236.14	575,394	3.96291
January	2,283,207.71	581,722	3.92491
February	1,559,242.56	376,598	4.14034
March	1,181,468.67	282,105	4.18805
April	848,072.46	218,526	3.88088
May	725,450.02	163,223	4.44453
June	453,676.73	109,175	4.15550
July	455,199.43	106,204	4.28609
August	499,288.48	118,639	4.20847
<b>Totals</b>	<b>12,989,238.35</b>	<b>3,176,553</b>	<b>4.08910</b>

**Reconciliation of Revenues  
Generated Through the PGAC  
with Purchased Gas Cost**

Schedule H-3  
Page 1 of 1

Month	Purchased Gas Costs					Gas Cost Revenues					PGAC	
	Hobbs/Jal	Lincoln Co	Maxwell	Dona Ana	Total	Hobbs/Jal	Lincoln Co	Maxwell	Dona Ana	Total	Difference	Cumulative
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Over (Under)
<b>Aug-16</b>												<b>660,270</b>
<b>Sep-16</b>	105,904	119,330	112,663	129,731	467,628	99,068	94,439	72,782	122,162	388,451	(79,177)	<b>581,093</b>
<b>Oct-16</b>	133,429	168,911	180,224	290,288	772,853	143,045	156,875	131,567	273,462	704,948	(67,905)	<b>513,189</b>
<b>Nov-16</b>	296,968	462,386	314,863	388,699	1,462,916	274,294	402,948	304,956	385,136	1,367,335	(95,581)	<b>417,608</b>
<b>Dec-16</b>	594,701	639,642	463,390	582,502	2,280,236	621,931	571,057	497,937	559,711	2,250,637	(29,599)	<b>388,009</b>
<b>Jan-17</b>	589,970	681,645	467,062	544,531	2,283,208	611,543	686,550	529,612	529,711	2,357,415	74,208	<b>462,217</b>
<b>Feb-17</b>	390,551	486,612	349,329	332,751	1,559,243	378,829	418,210	353,581	332,306	1,482,926	(76,316)	<b>385,900</b>
<b>Mar-17</b>	259,418	383,718	282,399	255,934	1,181,469	268,059	302,670	283,719	245,881	1,100,329	(81,140)	<b>304,760</b>
<b>Apr-17</b>	190,890	224,329	223,395	209,458	848,072	198,720	240,596	233,131	207,279	879,726	31,653	<b>336,413</b>
<b>May-17</b>	172,310	189,802	166,826	196,512	725,450	161,736	156,341	143,602	166,481	628,159	(97,291)	<b>239,122</b>
<b>Jun-17</b>	117,792	115,199	91,127	129,559	453,677	122,967	100,264	81,477	113,137	417,846	(35,831)	<b>203,292</b>
<b>Jul-17</b>	116,079	115,348	94,015	129,757	455,199	115,737	98,179	71,956	120,412	406,284	(48,915)	<b>154,376</b>
<b>Aug-17</b>	121,336	119,046	91,143	167,764	499,288	125,654	98,494	72,536	149,383	446,067	(53,221)	<b>101,155</b>
	<b>Interest</b>									7,210	7,210	<b>108,365</b>
<b>Totals</b>	<b>3,089,348</b>	<b>3,705,969</b>	<b>2,836,435</b>	<b>3,357,486</b>	<b>12,989,238</b>	<b>3,121,584</b>	<b>3,326,623</b>	<b>2,776,855</b>	<b>3,205,061</b>	<b>12,437,333</b>	<b>(551,905)</b>	<b>108,365</b>

**Zia Natural Gas Company**  
**Payroll Distribution, Associated Payroll Taxes,**  
**Employee Benefits and Pensions, and Other Compensations**

**Schedule H-4**  
**Page 1 of 1**

[A]		[B]	[C]	[D]	[E]	[F]
		<b>Base Period - 12 Months Ending August 31, 2017</b>				
<b>Line No.</b>	<b>Description</b>	<b>Total Payroll Distribution (1)</b>	<b>Payroll Taxes</b>	<b>Employee Benefits</b>	<b>Worker's Comp</b>	<b>Base Period Total Amount</b>
		\$	\$	\$	\$	\$
1	Office/Administration	835,194	72,256	246,319	5,339	1,159,108
2	Operations	1,216,573	105,179	372,370	44,325	1,738,446
3	Total Direct Operating	2,051,767	177,434	618,689	49,664	2,897,554
<b>Test Year - 12 Months Ending August 31, 2017</b>						
<b>Line No.</b>	<b>Description</b>	<b>Total Payroll Distribution (1)</b>	<b>Payroll Taxes</b>	<b>Employee Benefits</b>	<b>Worker's Comp</b>	<b>Test Year Total Amount</b>
		\$	\$	\$	\$	\$
4	Office/Administration	976,421	80,487	272,287	4,119	1,333,315
5	Operations	1,362,227	112,483	386,532	48,980	1,910,222
6	Total Direct Operating	2,338,648	192,971	658,818	53,099	3,243,536
<b>Line No.</b>	<b>Description</b>	<b>Base Period Total Amount</b>	<b>Test Year Adjustments</b>	<b>Test Year Total</b>	<b>Reference</b>	
7	Payroll Distribution	2,051,767	286,881	2,338,648	Sch. H-16	
8	Payroll Taxes	177,434	15,537	192,971	Sch. H-16	
9	Employee Benefits	618,689	40,130	658,818	Sch. H-16	
10	Worker's Comp	49,664	3,435	53,099	<u>Sch. H-16</u>	
11	Total	2,897,554	345,982	3,243,536		

(1) Total Payroll Distribution Includes all pay; regular pay, overtime, vacation, illness, holiday, etc.



**Zia Natural Gas Comapny**  
**Expenses Associated with Advertising, Contributions,**  
**Donations, Lobbying, and Political Activities**  
**Memberships, and Outside Services**

**Schedule H-5**  
**Page 1 of 1**

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]	[R]
Line			Per Books/Base Year													Test Year		Test Year
No.	Acct No.	Description	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total	Adjustment	Ref	Total
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$
1	349	Outside Services - Misc. Charges - Lobbying	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
2	500-515	Public Relations - Advertising Expense	8,659	7,798	5,852	1,960	9,908	6,978	7,409	6,655	10,083	7,831	7,273	8,887	89,293	-		89,293
3	520-549	Business Development - Scholarships and Donations	3,580	884	7,979	2,034	11,600	100	20,500	1,450	9,850	-	760	16,500	75,237	(71,852)	H-16	3,385
4	903	Misc. Charges - Dues and Subscriptions	126	2,090	1,022	70	2,715	495	476	1,748	274	-	4,712	329	14,056	-		14,056
		Subtotal	12,365	10,771	14,853	4,064	24,223	7,573	28,385	9,853	20,207	7,831	12,745	25,716	178,586	(71,852)		106,734

**Zia Natural Gas Company**  
**Other Administrative and General Expenses**

**Schedule H-6**  
**Page 1 of 1**

Home Office Expenses			
Line No.	[A]	[B]	[C]
	Month/Year	Amount	Ref
		(\$)	
1	<b>Base Period</b>		
2	June	169,034	
3	July	169,034	
4	August	169,034	
5	September	169,034	
6	October	169,034	
7	November	169,034	
8	December	169,034	
9	January	169,034	
10	February	169,034	
11	March	169,034	
12	April	169,034	
13	May	169,034	
14	<b>Base Period Total</b>	2,028,412	
15	Test Year Adjustments	137,525	WP-H6
16	<b>Test Year Total</b>	2,165,937	

**HOME OFFICE EXPENSE**  
**9/1/16 to 8/31/17**

Line No.	[A] Description	[B] Base Year	[C] Adjustments	[D] Ref	[E] Test Year Total
		\$	\$		\$
1	Labor and Benefits	2,125,122	168,994		2,294,116
2	Vehicle and Equipment Expense	12,250	-		12,250
3	Office Supplies	39,978	-		39,978
4	Materials and Supplies	10,133	-		10,133
5	Utilities	13,651	-		13,651
6	Outside Services	164,656	-		164,656
7	Legal Service	3,778	-		3,778
8	Travel and Entertainment	24,747	-		24,747
9	Rent and Leases	124,091	-		124,091
10	Permits and Fees	819	-		819
11	Public Relations	-	-		-
12	Business Development	-	-		-
13	Miscellaneous	43,893	-		43,893
14	Taxes Other Than Payroll and Income	7,031	-		7,031
15	Property and Liability Insurance	89,900	-		89,900
16	Depreciation	130,992	3,579		134,571
17	TOTAL	<u>2,791,040</u>	<u>172,573</u>		<u>2,963,613</u>
18	TOTAL OVERHEAD TO BE CHARGED	<u>2,791,040</u>	<u>172,573</u>		<u>2,963,613</u>

**HOME OFFICE CHARGE ALLOCATION**

19	Base Level Allocation	<u>747,194</u>		<u>754,299</u>
20	WGC	373,597	50%	377,150
21	ZIA	373,597	50%	377,150
22	Remaining Expense Allocation	<u>2,043,846</u>		<u>2,209,314</u>
23	WGC	389,031	19.03%	420,527
24	ZIA	1,654,815	80.97%	1,788,787
25	Home Office Charge Allocation TOTAL		<u>Adjustments</u>	
26	WGC	762,628	35,048	797,676
27	ZIA	<u>2,028,412</u>	137,525	<u>2,165,937</u>
28	Total	<u>2,791,040</u>	<u>172,573</u>	<u>2,963,613</u>

29 Allocation Factors Using the Massachusetts Method, based upon 12/31/2016 audited numbers.

30	<u>Labor Cost</u>	<u>Cost</u>	<u>Factor</u>
31	WGC	798,419	18.78%
32	ZIA	<u>3,453,317</u>	81.22%
		<u>4,251,736</u>	
33	<u>Net Assets</u>		
34	WGC	10,149,752	16.84%
35	ZIA	<u>50,113,238</u>	83.16%
		<u>60,262,990</u>	
36	<u>Gross Revenues</u>		
37	WGC	7,207,978	21.48%
38	ZIA	<u>26,346,014</u>	78.52%
		<u>33,553,992</u>	
39	<u>Massachusetts Method Allocation</u>		<u>Average</u>
40	WGC		19.03%
41	ZIA		80.97%

**Zia Natural Gas Company**  
**Other Administrative and General Expenses**

**Workpaper H-6 HO Labor**  
**Page 1 of 1**

[A]		[B]	[C]	[D]	[E]
		HOME OFFICE Base Period - 12 Months Ending May 31, 2017			
<u>Line No.</u>	<u>Description</u>	<u>Base Period Total Amount</u>	<u>Adjustments</u>	<u>Test Year Total</u>	<u>Reference</u>
4	Payroll Distribution	1,761,869	121,400	1,883,269	
5	Payroll Taxes	107,788	211	107,999	
6	Employee Benefits	241,529	51,378	292,906	
7	Worker's Comp	13,937	(3,995)	9,942	
8	Total	<u>2,125,122</u>	<u>168,994</u>	<u>2,294,116</u>	

(1) Total Payroll Distribution Includes all pay; regular pay, overtime, vacation, illness, holiday, etc.

**Zia Natural Gas Company**  
**Depreciation, Depletion, Amortization, and Abandonment Expense**

**Schedule H-7**  
**Page 1 of 1**

Line No.	[A] Account	[B] Ending Balance 08/31/2017	[C] Test Year Adjustments	[D] Ref	[E] Test Year Total
1	INTANGIBLE PLANT	\$	\$		\$
2	301 Organization	12,312	0		12,312
3	302 Franchise and Consents	0	0		0
4	303 Miscellaneous Intangible Plant	0	0		0
5	TOTAL Intangible Plant	12,312	0		12,312
6	TRANSMISSION PLANT				
7	365.1 Land and Land Rights	0	0		0
8	365.2 Rights-of-Way	0	0		0
9	366 Structures and Improvements	0	0		0
10	367 Mains	148,288	1,116		149,404
11	368 Compressor Station Equipment	0	0		0
12	369 Measuring and Regulating Station Equipment	16,530	(183)		16,346
13	370 Communication Equipment	0	0		0
14	371 Other Equipment	0	0		0
15	TOTAL Transmission Plant	164,818	932		165,750
16	DISTRIBUTION PLANT				
17	374 Land and Land Rights	0	0		0
18	375 Structures and Improvements	0	0		0
19	376 Mains	805,542	8,473		814,015
20	377 Compressor Station Equipment	0	0		0
21	378 Measuring and Regulating Station Equipment-General	29,962	2,046		32,008
22	379 Measuring and Regulating Station Equipment-City Gate	1,607	0		1,607
23	380 Services	322,693	2,300		324,993
24	381 Meters	134,242	2,843		137,085
25	381 Meters-AMR	136,830	1,124		137,954
26	382 Meter Installations	0	0		0
27	383 House Regulators	49,478	685		50,163
28	384 House Regulator Installations	0	0		0
29	385 Industrial Measuring and Regulating Station Equipment	5,536	742		6,278
30	386 Other Property on Customer's Premises	0	0		0
31	387 Other Equipment	0	0		0
32	TOTAL Distribution Plant	1,485,890	18,214		1,504,103
33	GENERAL PLANT				
34	389 Land and Land Rights	0	0		0
35	390 Structures and Improvements	64,371	775		65,146
36	390.1 Building Improvements	1,621	148		1,770
37	391 Office Furniture and Equipment	14,950	1,922		16,872
38	392 Transportation Equipment	237,077	32,791		269,868
39	393 Stores Equipment	0	0		0
40	394 Tools, Shop, and Garage Equipment	4,601	58		4,660
41	395 Laboratory Equipment	40,165	2,190		42,355
42	396 Power Operated Equipment	28,755	4,028		32,784
43	397 Communication Equipment	8,031	2,062		10,093
44	398 Miscellaneous Equipment	3,451	0		3,451
45	Subtotal	403,024	43,974		446,998
46	399 Other Tangible Property	0	0		0
47	TOTAL General Plant	403,024	43,974		446,998
48	TOTAL				
49	Gas Plant Purchased	0	0		0
50	(Less) Gas Plant Sold	0	0		0
51	Experimental Gas Plant Unclassified	0	0		0
52	TOTAL Gas Plant In Service	2,066,044	63,120		2,129,164
53					
54	Total Depreciation, Amortization and Abandonment Expense	2,066,044	63,120		2,129,164

**Zia Natural Gas Company**  
**Taxes Other Than Income Taxes**

**Schedule H-8**  
**Page 1 of 1**

Line No.	[A] Acct #	[B] Description	[C] Per Book / Base Period	[D] Test Year Adjustment	[E] Ref	[F] Test Year Total
			\$			\$
1	200500701100	Property Tax	469,525	5,250		474,775
2		Total	469,525	5,250		474,775

**Zia Natural Gas Company**  
**Federal and State Income Taxes**

**Schedule H-9**  
**Page 1 of 1**

	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Base Year August 31, 2017	Test Year Adjustments	Test Year August 31, 2017	Reference
1	Operating Income Before Income Taxes	4,483,606	-362,456	4,121,150	A-1
2	State Income Taxes	219,697	-17,760	201,936	Line 1 x Line 6
3	Federal Taxable Income	4,483,606	-362,456	4,121,150	Line 1
4	Federal Income Taxes	1,327,147	-107,287	1,219,860	Line 3 x Line 7
5	Total Income Taxes	1,546,844	-125,047	1,421,797	Line 2 + Line 4
6	Composite State Income Tax Rate	4.90%			
7	Federal Income Tax Rate	29.60%			
8	Composite Rate	34.50%			Line 6 + Line 7

**Zia Natural Gas Company**  
**Reconciliation of Net Income per Books to Net Income**  
**for Federal Income Tax Purposes**

**Schedule H-10**  
**Page 1 of 1**

Line No.	[A] Description	[B] Ref	[C] Per Books	[D] Adjustments	[E] Base Year	[F] Adjustments	[G] Test Year
1	Net income per books	I-2	2,298,687	638,075	2,936,762	(237,408)	2,699,353
2	Federal tax expense provision	H-9	1,038,796	288,351	1,327,147	(107,287)	1,219,860
3	State tax expense provision	H-9	171,963	47,734	219,697	(17,760)	201,936
4	Book income before taxes		3,509,446	974,160	4,483,606	(362,456)	4,121,150
<b>Federal Income Tax</b>							
<u>Additions to income</u>							
5	Book depreciation expense	I-2	2,066,044	-	2,066,044	63,120	2,129,164
6	50% of meals & entertainment		4,470	-	4,470	-	4,470
<u>Subtractions from income</u>							
7	Tax depreciation		(2,123,088)	-	(2,123,088)	(52,684)	(2,175,772)
8	Federal taxable income		3,456,872	974,160	4,431,032	(352,019)	4,079,013
9	State taxes payable		169,387	47,734	217,121	(17,249)	199,872
10	Federal taxes payable		1,023,234	288,351	1,311,586	(104,198)	1,207,388
11	Total state and federal taxes		1,192,621	336,085	1,528,706	(121,447)	1,407,259



**Zia Natural Gas Company**  
**Income Tax Effect as a Result of Applicant Joining**  
**in a Consolidated Federal Income Tax Return**

**Schedule H-11**  
**Page 1 of 1**

Schedule H-11: Income tax effect as a result of applicant joining in a consolidated federal income tax return.

This schedule does not apply to Zia Natural Gas Company.

**Zia Natural Gas Company  
Accumulated Tax Deferrals**

**Schedule H-12  
Page 1 of 1**

Line No.	[A] DESCRIPTION	[B] PER BOOKS / BASE PERIOD 8/31/2017	[C] TEST YEAR ADJUSTMENT	[D] TEST YEAR BALANCE
1				
2	Plant in Service	85,872,052	700,666	86,572,719
3	(Accumulated Depreciation)	(35,791,159)	(63,120)	(35,854,280)
4	Net Plant in Service	50,080,893	637,546	50,718,439
5				
6	Net Tax Book Value	(37,267,399)	(627,679)	(37,895,078)
7				
8	Purchased Gas Adjustment Clause	(108,365)	0	(108,365)
9				
10	TOTAL ADIT ADJUSTMENTS	12,705,129	9,867	12,714,997
11				
12				
13	State Tax Provision at 4.9%	622,551	483	623,035
14	Federal Tax Provision at 29.6%	3,760,718	2,921	3,763,639
15				
16	TOTAL DEFERRED TAX PROVISION	4,383,270	3,404	4,386,674

**Zia Natural Gas Company**  
**Investment Tax Credits**

**Schedule H-13**  
**Page 1 of 1**

Zia Natural Gas has no Investment Tax Credits.

**Zia Natural Gas Company**  
**Expenses Associated with Affiliated Interests**

**Schedule H-14**  
**Page 1 of 1**

Zia Natural Gas has no Expenses Associated with Affiliated Interests.

**Zia Natural Gas Company**  
**Expenses Associated with Nonutility Services**

**Schedule H-15**  
**Page 1 of 1**

Zia Natural Gas has no Expenses Associated with Nonutility Services.

**Zia Natural Gas Company**  
**Explanation of the Adjustments to Expenses of Operation**

**Schedule H-16**  
**Page 1 of 1**

	[A]	[B]	[C]	[D]	[E]
Line No.	Reference Page	Line Number	Description of Account	Adjustment Amount	Description of Adjustment
(\$)					
<b>Adjustments to Test Year Period</b>					
1	H-1, p. 2	1	Labor and Benefits	345,982	Adjustment to labor and benefits expense reflects a cost of living pay increase on February 2, 2017 and again on January 14, 2018.
2	H-1, p. 2	3	Energy Efficiency Labor Clearing Account	(27,000)	Adjusted to reflect a full year of labor associated with the Energy Efficiency Program
3	H-1, p. 2	10	Regulatory Commission Expenses	100,000	Adjusted for the annual amortization expense of the rate case expenses
4	H-1, p. 2	12	Legal Services	16,125	Adjusted by \$16,125 to reflect the annual retainer cost of outside legal counsel
5	H-1, p. 2	15	Public Relations and Business Development	(71,852)	Removed scholarships and donations from the business development expense category
6	H-1, p. 2	19	Property and Auto Liability Insurance	37,550	Adjusted for annual increase of policy premiums
7	H-1, p. 2	20	Interest on Customer Deposits	2,709	Adjusted for the customer deposit interest rate as of January 1, 2018
8	WP H-6	1	HO Labor and Benefits	168,994	Adjustment include two items: 1. Adjusted by \$116,353 for vacant position during base year, 2. Adjusted by \$52,641 for cost of living increase in February of 2017.
9	WP H-6	16	HO Depreciation	3,579	Adjusted depreciation for plant additions.
10	H-7	52	Depreciation and Amortization	63,120	Adjusted depreciation for plant additions.
11	H-8	1	Property Tax	5,250	Adjusted property tax for plant additions.
12	H-9	2,4,5	Federal and State Income Taxes	Multiple	Calculated based on proposed revenue requirements
13	H-12	31	Accumulated Tax Deferrals	3,404	Adjusted to reflect plant additions

**Zia Natural Gas Company**  
**Balance Sheet**

**Schedule I-1**  
**Page 1 of 1**

Line No.	[A] Description	[B] Ref	[C] Per Books \$	[D] Adjustments \$	[E] Base Year \$	[F] Adjustments \$	[G] Test Year \$
<b>Current Assets</b>							
1	Cash		51,508	0	51,508	0	51,508
2	Customer Accounts Receivable		912,887	0	912,887	0	912,887
3	Other Accounts Receivable		144,289	0	144,289	0	144,289
4	Inventory	E-2	330,522	0	330,522	0	330,522
5	Gas in Storage	E-4	299,384	0	299,384	0	299,384
6	Prepaid Expenses	E-2	10,480	0	10,480	0	10,480
7	Purchased Gas Adjustments	H-3	(108,365)	0	(108,365)	0	(108,365)
8	Energy Efficiency Balancing		(161,445)	0	(161,445)	0	(161,445)
9	Unamortized Rate Case Expenses		44,250	0	44,250	155,750	200,000
10	Total Current Assets		1,523,508	0	1,523,508	155,750	1,679,258
<b>Property, Plant and Equipment</b>							
11	Intangible Plant	B-2	492,480	0	492,480	0	492,480
12	Accumulated Depreciation - Intangible Plant	C-1	(75,693)	0	(75,693)	0	(75,693)
13	Net Intangible Plant		416,788	0	416,788	0	416,788
14	Transmission Plant in Service	B-2	9,349,681	0	9,349,681	9,834	9,359,514
15	Accumulated Depreciation - Transmission Plant	C-1	(4,580,222)	0	(4,580,222)	(932)	(4,581,154)
16	Net Transmission Plant in Service		4,769,459	0	4,769,459	8,901	4,778,360
17	Distribution Plant in Service	B-2	67,923,782	0	67,923,782	456,307	68,380,089
18	Accumulated Depreciation - Distribution Plant	C-1	(26,214,792)	0	(26,214,792)	(18,214)	(26,233,006)
19	Net Distribution Plant in Service		41,708,990	0	41,708,990	438,093	42,147,083
20	General Plant in Service	B-2	8,106,110	0	8,106,110	234,526	8,340,636
21	Accumulated Depreciation - General	C-1	(4,920,453)	0	(4,920,453)	(43,974)	(4,964,427)
22	Net General Plant in Service		3,185,657	0	3,185,657	190,552	3,376,209
23	Net Utility Plant in Service		50,080,893	0	50,080,893	637,546	50,718,439
24	Construction Work in Progress	B-9	94,339	0	94,339	0	94,339
25	Net Plant Before Adjustments		50,175,232	0	50,175,232	637,546	50,812,778
26	Net Acquisition Adjustment		(396,327)	0	(396,327)	0	(396,327)
27	Net Plant		49,778,906	0	49,778,906	637,546	50,416,452
28	Long Term Investments		0	0	0	0	0
29	Total Other Property and Investments		0	0	0	0	0
30	Total Assets		51,302,414	0	51,302,414	793,296	52,095,710
<b>Liabilities and Equity</b>							
<b>Current Liabilities</b>							
31	Notes Payable		0	0	0	0	0
32	Accounts Payable		917,404	0	917,404	0	917,404
33	Customer Deposits		658,716	0	658,716	0	658,716
34	Corporate Income Tax	H-10, line 11	1,192,621	336,085	1,528,706	(121,447)	1,407,259
35	Payroll Taxes Payable		0	0	0	0	0
36	Accrued Taxes Payable		101,579	0	101,579	0	101,579
37	Other Current Liabilities		90,551	0	90,551	0	90,551
38	Total Current Liabilities		2,960,871	336,085	3,296,956	(121,447)	3,175,510
<b>Long Term Liabilities</b>							
39	Long Term Debt		0	0	0	0	0
40	Deferred Income Tax	H-12	4,383,270	0	4,383,270	3,404	4,386,674
41	Total Long Term Liabilities		4,383,270	0	4,383,270	3,404	4,386,674
<b>Equity</b>							
42	Division Equity		44,398,944		44,398,944	0	44,398,944
43	Intercompany (Receivable)/Payable		(2,739,358)	(974,160)	(3,713,518)	1,148,747	(2,564,771)
44	Current Year Net Income (Loss)	I-2, line 66	2,298,687	638,075	2,936,762	(237,408)	2,699,353
45	Total Equity		43,958,273	(336,085)	43,622,188	911,339	44,533,526
46	Total Liabilities and Equity		51,302,414	(0)	51,302,414	793,296	52,095,710

**Zia Natural Gas Company**  
**Income Statement**

**Schedule I-2**  
**Page 1 of 1**

Line	[A]	[B]	[C]	[D]	[E]	[F]	[G]
No.	Description	Ref	Per Books	Adjustments	Base Year	Adjustments	Test Year
					\$		\$
1	GAS SALES	K-1	25,810,676	2,506,847	28,317,523	0	28,317,523
2	GAS PURCHASE COSTS	K-1	(12,989,238)	(956,671)	(13,945,909)	0	(13,945,909)
3	PGAC ADJUSTMENT	H-3	559,115.56	(559,116)	0	0	0
4	NET GAS SALES MARGIN		13,380,553	991,061	14,371,614	0	14,371,614
5	OTHER TARIFF REVENUES						
6	INTEREST ON UNPAID CUSTOMER BILL	K-1	26,172		26,172	0	26,172
7	OTHER TARIFF REVENUES	K-1	186,929		186,929	246,954	433,883
8	TOTAL OTHER TARIFF REVENUES		213,101	0	213,101	246,954	460,055
9	NON-TARIFF REVENUE						
10	REVENUES FROM MERCHANDISING	K-1	4,179		4,179	0	4,179
11	EXPENSES OF MERCHANDISING	K-1	(4,591)		(4,591)	0	(4,591)
12	REVENUES OF NON-TARIFF UTILITY O	K-1	8,654		8,654	0	8,654
13	EXPENSES OF NON-TARIFF UTILITY O	K-1	(1,268)		(1,268)	0	(1,268)
14	TOTAL NON-TARIFF REVENUE		6,975	0	6,975	0	6,975
15	OTHER UTILITY REVENUES						
16	OTHER INTEREST INCOME	K-1	18,828	(18,828)	0	0	0
17	GAIN (LOSS) FROM ASSET SALE/RETIREMENT	K-1	33,300		33,300	0	33,300
18	NET MISCELLANEOUS GAS SALES	K-1	1,211		1,211	0	1,211
19	RENT ON UTILITY PROPERTY	K-1	3,000		3,000	0	3,000
20	NON-UTILITY MISCELLANEOUS REVENUE	K-1	14,232		14,232	0	14,232
21	TOTAL OTHER UTILITY REVENUES		70,571	(18,828)	51,743	0	51,743
22	ENERGY EFFICIENCY PROGRAM						
23	ENERGY EFFICIENCY RATE RIDER REVENUE		253,305	(253,305)	0	0	0
24	ENERGY EFFICIENCY PROGRAM EXPENSES		(86,578)	86,578	0	0	0
25	ENERGY EFFICIENCY BALANCING		(161,445)	161,445	0	0	0
26	TOTAL ENERGY EFFICIENCY PROFIT		5,281	(5,281)	0	0	0
27	TOTAL REVENUES		13,676,481	966,952	14,643,433	246,954	14,890,386
28	UTILITY OPERATING EXPENSE						
29	LABOR AND BENEFITS	H-1	2,897,554		2,897,554	345,982	3,243,536
30	INVENTORY/LABOR CLEARING ACCOUNT	H-1	(155,270)		(155,270)	0	(155,270)
31	ENERGY EFFICIENCY LABOR CLEARING	H-1	(54,000)		(54,000)	(27,000)	(81,000)
32	VEHICLE & EQUIPMENT EXPENSE	H-1	242,192		242,192	0	242,192
33	BILLING AND IT EXPENSE	H-1	593,089		593,089	0	593,089
34	OFFICE SUPPLIES	H-1	79,134		79,134	0	79,134
35	MATERIALS AND SUPPLIES	H-1	305,641		305,641	0	305,641
36	UTILITIES	H-1	204,831		204,831	0	204,831
37	OUTSIDE SERVICES	H-1	190,904		190,904	0	190,904
38	REGULATORY COMMISSION EXPENSES	H-1	7,880		7,880	100,000	107,880
39	LITIGATION EXPENSES	H-1	43,959		43,959	0	43,959
40	LEGAL SERVICES	H-1	16,545		16,545	16,125	32,670
41	TRAVEL AND ENTERTAINMENT	H-1	25,371		25,371	0	25,371
42	RENT AND LEASES	H-1	113,986		113,986	0	113,986
43	PUBLIC RELATIONS	H-1	164,530		164,530	(71,852)	92,678
44	PERMITS AND FEES	H-1	64,353		64,353	0	64,353
45	OUTSIDE OPERATING, MAINT. & REPA	H-1	129,039		129,039	0	129,039
46	MISCELLANEOUS CHARGES	H-1	124,068		124,068	0	124,068
47	BAD DEBT WRITE-OFFS	H-1	73,510		73,510	0	73,510
48	TOTAL UTILITY OPERATING EXPENSE		5,067,317	0	5,067,317	363,255	5,430,572
49	TAXES, INSURANCE, INTEREST, DEPRECIATION						
50	TAXES OTHER THAN PAYROLL AND INC	H-8	469,525		469,525	5,250	474,775
51	PROPERTY AND LIABILITY INSURANCE	H-1	516,417		516,417	37,550	553,967
52	LOSS DUE TO ACCIDENT OR CATASTROPHES		0		0	0	0
53	INTEREST ON DEBT		0		0	0	0
54	INTEREST ON CUSTOMER DEPOSITS	H-1	12,112		12,112	2,709	14,821
55	INTEREST EXPENSE (INCOME) - PGAC		7,208	(7,208)	0	0	0
56	HOME OFFICE CHARGES	H-6	2,028,412		2,028,412	137,525	2,165,937
57	DEPRECIATION	H-7	2,066,044		2,066,044	63,120	2,129,164
58	TOTAL TAXES, INS, INTEREST, DEPR		5,099,718	(7,208)	5,092,510	246,154	5,338,664
59	NET INCOME (LOSS) BEFORE INCOME TAXES		3,509,446	974,160	4,483,606	(362,456)	4,121,150
60	CURRENT INCOME TAX	H-9	1,210,759	336,085	1,546,844	(125,047)	1,421,797
61	DEFERRED INCOME TAX	H-12	0		0	0	0
62	TOTAL INCOME TAXES	H-9	1,210,759	336,085	1,546,844	(125,047)	1,421,797
63	NET INCOME (LOSS) AFTER TAXES		2,298,687	638,075	2,936,762	(237,408)	2,699,353



**Zia Natural Gas Company**  
**Statement of Changes in Financial Position**

**Schedule I-3**  
**Page 1 of 1**

	[A]	[B]	[C]	[D]	[E]	[F]	[G]
Line							
No.	Description	Ref	Per Books	Adjustments	Base Year	Adjustments	Test Year
	Net cash flows from operating activities:						
1	Net income (Loss)	I-2, line 66	2,298,687	638,075	2,936,762	(237,408)	2,699,353
2	Adjustments to net income:						
3	Loss (gain) on asset dispositions	I-2, line 20	(33,300)	0	(33,300)	0	(33,300)
4	Depreciation	I-2, line 56	2,066,044	0	2,066,044	63,120	2,129,164
5	Changes in operating current accounts:						
6	Customer accounts receivable	I-1, line 2	(62,976)	0	(62,976)	0	(62,976)
7	Other accounts receivable	I-1, line 3	(16,049)		(16,049)	0	(16,049)
8	Inventory	I-1, line 4	(71,571)		(71,571)	0	(71,571)
9	Gas in storage	I-1, line 5	(1,165)		(1,165)	0	(1,165)
10	Prepaid expenses	I-1, line 6	(819)		(819)	0	(819)
11	Purchased gas adjustments	I-1, line 7	(551,774)		(551,774)	0	(551,774)
12	Energy Efficiency Balancing	I-1, line 8	161,445		161,445	0	161,445
13	Unamortized rate case expenses	I-1, line 9	(44,250)		(44,250)	155,750	111,500
14	Accounts payable	I-1, line 33	(1,629)		(1,629)	0	(1,629)
15	Customer deposits	I-1, line 34	(56,545)		(56,545)	0	(56,545)
16	Income taxes payable	I-1, line 35	(282,372)	336,085	53,713	0	53,713
17	Payroll tax payable	I-1, line 36	25		25	0	25
18	Accrued taxes payable	I-1, line 37	6,166		6,166	0	6,166
19	Other current liabilities	I-1, line 38	2,880		2,880	0	2,880
20	Deferred income tax	I-1, line 41	(370,416)	3,404	(367,012)	0	(367,012)
21	Net cash provided by (used in) operating activities		3,042,381	977,564	4,019,946	(18,538)	4,001,407
	Cash flows from investing activities:						
22	Property, plant and equipment acquisitions		(1,536,373)		(1,536,373)	(700,666)	(2,237,039)
23	Construction Work in Progress		(27,535)		(27,535)	0	(27,535)
24	Net cash provided by (used in) investing activities		(1,563,908)	0	(1,563,908)	(700,666)	(2,264,574)
	Cash flows from financing activities:						
25	Division Capital contributed by or paid back to NGP		(1,501,998)	(977,564)	(2,479,562)	719,204	(1,760,358)
26	Net cash provided by (used in) financing activities		(1,501,998)	(977,564)	(2,479,562)	719,204	(1,760,358)
27	Net increase (decrease) in cash		(23,524)	0	(23,524)	(0)	(23,525)
28	Cash and cash equivalents, beginning of period		75,032	0	75,032	0	75,032
29	Cash and cash equivalents, end of period	I-1, line 1	51,508	0	51,508	0	51,508

**Zia Natural Gas Company**  
**Construction Program**

**Schedule J-1**  
**Page 1 of 1**

Line No.	[A] Account	[B] Base Year Ending 08/31/2017 \$	[C] Test Year Adj. \$	[D] Total Year Ending 12/31/2018 \$	[E] Year Ending 12/31/2019
1	INTANGIBLE PLANT				
2	301 Organization	492,480	-	-	-
3	302 Franchise and Consents	-	-	-	-
4	303 Miscellaneous Intangible Plant	-	-	-	-
5	TOTAL Intangible Plant	492,480	-	-	-
6	TRANSMISSION PLANT				
7	365.1 Land and Land Rights	-	-	-	-
8	365.2 Rights-of-Way	815,506	-	-	-
9	366 Structures and Improvements	-	-	-	-
10	367 Mains	7,460,366	9,834	61,000	10,000
11	368 Compressor Station Equipment	-	-	-	-
12	369 Measuring and Regulating Station Equipment	817,321	-	170,000	-
13	370 Communication Equipment	-	-	-	-
14	371 Other Equipment	256,488	-	-	-
15	TOTAL Transmission Plant	9,349,681	9,834	231,000	10,000
16	DISTRIBUTION PLANT				
17	374 Land and Land Rights	216,436	-	10,000	10,000
18	375 Structures and Improvements	-	-	-	-
19	376 Mains	40,451,076	249,690	938,633	1,000,000
20	377 Compressor Station Equipment	-	-	-	-
21	378 Measuring and Regulating Station Equipment-General	1,590,480	9,905	38,287	20,000
22	379 Measuring and Regulating Station Equipment-City Gate	80,367	-	-	-
23	380 Services	16,118,256	131,381	598,668	600,000
24	381 Meters	4,756,667	41,300	84,344	60,000
25	381.1 Meters - AMR	2,759,089	-	53,449	50,000
26	382 Meter Installations	-	-	-	-
27	383 House Regulators	1,751,685	4,032	30,671	30,000
28	384 House Regulator Installations	-	-	-	-
29	385 Industrial Measuring and Regulating Station Equipment	199,728	19,998	15,994	20,000
30	386 Other Property on Customer's Premises	-	-	-	-
31	387 Other Equipment	-	-	-	-
32	TOTAL Distribution Plant	67,923,782	456,307	1,770,046	1,790,000
33	GENERAL PLANT				
34	389 Land and Land Rights	420,680	-	-	-
35	390 Structures and Improvements	3,248,921	31,765	-	-
	390.1 Building Improvements	26,546	-	21,000	15,000
36	391 Office Furniture and Equipment	239,995	-	-	-
37	392 Transportation Equipment	2,182,902	157,617	174,000	200,000
38	393 Stores Equipment	-	-	-	-
39	394 Tools, Shop, and Garage Equipment	168,363	-	-	-
40	395 Laboratory Equipment	567,761	9,544	68,270	15,000
41	396 Power Operated Equipment	1,115,973	25,291	56,811	60,000
42	397 Communication Equipment	106,966	10,309	-	-
43	398 Miscellaneous Equipment	28,003	-	-	-
44	Subtotal	8,106,110	234,526	320,081	290,000
45	399 Other Tangible Property	-	-	-	-
46	TOTAL General Plant	8,106,110	234,526	320,081	290,000
47	TOTAL	85,872,052	700,666	2,321,127	2,090,000
48	Gas Plant Purchased	-	-	-	-
49	(Less) Gas Plant Sold	-	-	-	-
50	Experimental Gas Plant Unclassified	-	-	-	-
51	TOTAL Gas Plant In Service	85,872,052	700,666	2,321,127	2,090,000

**Zia Natural Gas Company**  
**Sources of Construction Funds**

**Schedule J-2**  
**Page 1 of 1**

All construction funds will be provided by reinvesting depreciation expense and net income into plant.

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.1**

Per Books - Base Year	Month	Residential Service					
		Customer Count	Volume	Revenues			Total
				Base Ch	Cost Gas	Dist Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	34,103	48,506	376,761	162,344	118,182	30,650	687,937
Oct-16	34,182	64,854	376,520	254,408	157,991	40,979	829,898
Nov-16	34,353	166,445	378,778	652,845	405,430	105,172	1,542,224
Dec-16	34,534	300,876	380,213	1,180,052	732,857	190,124	2,483,246
Jan-17	34,602	330,889	382,438	1,297,930	805,962	209,087	2,695,417
Feb-17	34,587	205,000	380,849	804,103	499,339	129,541	1,813,832
Mar-17	34,666	131,314	382,690	515,312	319,861	82,974	1,300,838
Apr-17	34,603	91,884	381,430	360,940	223,830	58,058	1,024,258
May-17	34,595	66,776	383,052	262,041	162,675	42,194	849,962
Jun-17	34,426	43,848	379,446	171,869	106,835	27,705	685,854
Jul-17	34,499	43,309	381,167	169,727	105,524	27,366	683,784
Aug-17	34,455	43,832	381,145	171,762	106,797	27,695	687,399
Base Year	34,467	1,537,533	4,564,489	6,003,334	3,745,283	971,543	15,284,650

Irrigation Class

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.2**

Industrial Class

Adjusted Base Year

Month	Residential Service						Total
	Customer Count	Volume	Revenues				
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	34,103	48,506	376,761	162,344	118,182	30,650	687,937
Oct-16	34,182	64,854	376,520	254,408	157,991	40,979	829,898
Nov-16	34,353	166,445	378,778	652,845	405,430	105,172	1,542,224
Dec-16	34,534	300,876	380,213	1,180,052	732,857	190,124	2,483,246
Jan-17	34,602	330,889	382,438	1,297,930	805,962	209,087	2,695,417
Feb-17	34,587	205,000	380,849	804,103	499,339	129,541	1,813,832
Mar-17	34,666	131,314	382,690	515,312	319,861	82,974	1,300,838
Apr-17	34,603	91,884	381,430	360,940	223,830	58,058	1,024,258
May-17	34,595	66,776	383,052	262,041	162,675	42,194	849,962
Jun-17	34,426	43,848	379,446	171,869	106,835	27,705	685,854
Jul-17	34,499	43,309	381,167	169,727	105,524	27,366	683,784
Aug-17	34,455	43,832	381,145	171,762	106,797	27,695	687,399
Base Year	34,467	1,537,533	4,564,489	6,003,334	3,745,283	971,543	15,284,650

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.3**

Synchronized Revenues	Month	Residential Service						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	34,103	48,506	373,769	191,749	118,161	30,656	714,334	
Oct-16	34,182	64,854	374,635	256,374	157,984	40,988	829,980	
Nov-16	34,353	166,445	376,509	657,972	405,460	105,193	1,545,134	
Dec-16	34,534	300,876	378,493	1,189,389	732,934	190,154	2,490,970	
Jan-17	34,602	330,889	379,238	1,308,034	806,046	209,122	2,702,439	
Feb-17	34,587	205,000	379,074	810,383	499,380	129,560	1,818,397	
Mar-17	34,666	131,314	379,939	519,096	319,881	82,990	1,301,907	
Apr-17	34,603	91,884	379,249	363,226	223,829	58,071	1,024,375	
May-17	34,595	66,776	379,161	263,971	162,666	42,202	848,001	
Jun-17	34,426	43,848	377,309	173,335	106,814	27,712	685,170	
Jul-17	34,499	43,309	378,109	171,204	105,501	27,371	682,185	
Aug-17	34,455	43,832	377,627	173,272	106,775	27,702	685,375	
Synchronization Adjustment	Test Year	34,467	1,537,533	4,533,111	6,078,004	3,745,430	971,721	15,328,266
				(31,378)	74,670	148	178	43,617
Weather Normalization Adjustment (See Exhibit TJS-4)	Month	Residential Service						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	0	3,977	0	15,720	9,687	2,513	27,920	
Oct-16	0	37,850	0	149,626	92,204	23,921	265,751	
Nov-16	0	24,429	0	96,570	59,509	15,439	171,519	
Dec-16	0	27,535	0	108,847	67,074	17,402	193,323	
Jan-17	0	28,135	0	111,218	68,536	17,781	197,535	
Feb-17	0	52,340	0	206,904	127,500	33,079	367,483	
Mar-17	0	50,056	0	197,877	121,937	31,636	351,450	
Apr-17	0	7,772	0	30,725	18,933	4,912	54,570	
May-17	0	1,919	0	7,584	4,674	1,213	13,471	
Jun-17	0	(679)	0	(2,684)	(1,654)	(429)	(4,768)	
Jul-17	0	915	0	3,617	2,229	578	6,425	
Aug-17	0	417	0	1,649	1,016	264	2,929	
	Test Year	0	234,666	0	927,654	571,645	148,309	1,647,608

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.4**

Adjusted Base/Test Year	Month	Residential Service					
		Customer Count	Volume	Revenues			Total
				Base Ch	Cost Gas	Dist Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	34,103	52,483	373,769	207,468	127,848	33,169	742,254
Oct-16	34,182	102,704	374,635	406,000	250,188	64,909	1,095,732
Nov-16	34,353	190,874	376,509	754,542	464,969	120,632	1,716,653
Dec-16	34,534	328,411	378,493	1,298,236	800,008	207,556	2,684,293
Jan-17	34,602	359,024	379,238	1,419,252	874,581	226,903	2,899,974
Feb-17	34,587	257,340	379,074	1,017,287	626,880	162,639	2,185,880
Mar-17	34,666	181,370	379,939	716,973	441,818	114,626	1,653,356
Apr-17	34,603	99,656	379,249	393,950	242,763	62,983	1,078,945
May-17	34,595	68,695	379,161	271,556	167,340	43,415	861,472
Jun-17	34,426	43,169	377,309	170,651	105,160	27,283	680,402
Jul-17	34,499	44,224	378,109	174,822	107,730	27,950	688,610
Aug-17	34,455	44,249	377,627	174,921	107,791	27,965	688,304
Test Year	34,467	1,772,199	4,533,111	7,005,658	4,317,076	1,120,030	16,975,874

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.5**

Per Books - Base Year	Small Commercial						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	2,670	20,230	40,526	67,797	49,282	12,787	170,393
Oct-16	2,671	21,294	40,647	83,641	51,869	13,458	189,615
Nov-16	2,698	28,400	41,028	111,775	69,171	17,943	239,917
Dec-16	2,720	52,701	41,299	207,439	128,362	33,298	410,398
Jan-17	2,720	55,648	41,481	219,155	135,538	35,159	431,333
Feb-17	2,716	37,030	41,223	145,745	90,194	23,398	300,560
Mar-17	2,723	39,431	41,587	155,007	96,045	24,919	317,557
Apr-17	2,707	37,423	41,113	147,106	91,160	23,654	303,032
May-17	2,703	27,446	41,132	107,889	66,858	17,347	233,226
Jun-17	2,688	16,202	40,890	63,737	39,467	10,240	154,333
Jul-17	2,688	14,954	40,890	58,906	36,425	9,450	145,671
Aug-17	2,682	12,570	40,814	49,365	30,618	7,943	128,740
Base Year	2,699	363,329	492,630	1,417,561	884,989	229,596	3,024,775

Irrigation Class	Small Commercial Transferred to Irrigation						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	473	11,134	7,151	37,118	27,126	7,040	78,434
Oct-16	474	9,896	7,166	38,789	24,110	6,257	76,322
Nov-16	475	2,498	7,257	9,782	6,086	1,579	24,704
Dec-16	473	1,632	7,181	6,392	3,976	1,032	18,581
Jan-17	472	965	7,166	3,783	2,353	611	13,912
Feb-17	477	3,698	7,227	14,482	9,009	2,338	33,055
Mar-17	486	15,410	7,408	60,351	37,542	9,743	115,044
Apr-17	486	20,650	7,363	80,891	50,307	13,056	151,618
May-17	489	14,804	7,439	58,103	36,065	9,360	110,966
Jun-17	489	6,694	7,424	26,380	16,307	4,232	54,343
Jul-17	490	5,500	7,454	21,778	13,399	3,477	46,107
Aug-17	490	3,419	7,530	13,433	8,331	2,162	31,457
Base Year	481	96,300	87,764	371,282	234,610	60,887	754,542



**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.6**

Industrial Class

Adjusted Base Year	Month	Small Commercial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	2,197	9,096	33,375	30,679	22,157	5,747	91,958	
Oct-16	2,197	11,398	33,482	44,851	27,760	7,201	113,293	
Nov-16	2,223	25,902	33,771	101,993	63,085	16,364	215,214	
Dec-16	2,247	51,069	34,118	201,047	124,386	32,266	391,817	
Jan-17	2,248	54,683	34,315	215,372	133,186	34,548	417,421	
Feb-17	2,239	33,332	33,997	131,263	81,185	21,060	267,505	
Mar-17	2,237	24,021	34,178	94,656	58,503	15,176	202,513	
Apr-17	2,221	16,773	33,750	66,214	40,853	10,597	151,414	
May-17	2,214	12,642	33,694	49,786	30,793	7,988	122,260	
Jun-17	2,199	9,508	33,466	37,356	23,160	6,008	99,990	
Jul-17	2,198	9,454	33,436	37,129	23,026	5,973	99,564	
Aug-17	2,192	9,151	33,285	35,931	22,286	5,781	97,284	
Base Year	2,218	267,029	404,866	1,046,279	650,379	168,709	2,270,233	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.7**

Synchronized Revenues	Month	Small Commercial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	2,197	9,096	33,285	35,957	22,158	5,749	97,148
	Oct-16	2,197	11,398	33,285	45,057	27,766	7,204	113,311
	Nov-16	2,223	25,902	33,678	102,393	63,097	16,370	215,539
	Dec-16	2,247	51,069	34,042	201,880	124,404	32,276	392,602
	Jan-17	2,248	54,683	34,057	216,167	133,208	34,560	417,991
	Feb-17	2,239	33,332	33,921	131,764	81,197	21,066	267,948
	Mar-17	2,237	24,021	33,891	94,957	58,515	15,181	202,544
	Apr-17	2,221	16,773	33,648	66,305	40,859	10,601	151,413
	May-17	2,214	12,642	33,542	49,975	30,796	7,990	122,303
	Jun-17	2,199	9,508	33,315	37,586	23,161	6,009	100,071
	Jul-17	2,198	9,454	33,300	37,372	23,030	5,975	99,677
	Aug-17	2,192	9,151	33,209	36,175	22,292	5,783	97,459
Synchronization Adjustment	Test Year	2,218	267,029	403,172	1,055,589	650,483	168,762	2,278,006
				(1,694)	9,311	103	53	7,773
Weather Normalization Adjustment (See Exhibit TJS-4)	Month	Small Commercial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	0	768	0	3,034	1,870	485	5,389
	Oct-16	0	6,248	0	24,697	15,219	3,948	43,865
	Nov-16	0	3,575	0	14,133	8,709	2,260	25,102
	Dec-16	0	3,675	0	14,527	8,952	2,323	25,802
	Jan-17	0	4,676	0	18,485	11,391	2,955	32,832
	Feb-17	0	9,361	0	37,004	22,803	5,916	65,723
	Mar-17	0	7,758	0	30,670	18,899	4,903	54,472
	Apr-17	0	699	0	2,764	1,703	442	4,909
	May-17	0	290	0	1,145	705	183	2,033
	Jun-17	0	(137)	0	(543)	(334)	(87)	(964)
	Jul-17	0	168	0	664	409	106	1,179
	Aug-17	0	52	0	206	127	33	365
	Test Year	0	37,132	0	146,787	90,454	23,468	260,708

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.8**

Adjusted Base/Test Year	Month	Small Commercial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	2,197	9,864	33,285	38,992	24,028	6,234	102,538	
Oct-16	2,197	17,646	33,285	69,754	42,985	11,152	157,175	
Nov-16	2,223	29,477	33,678	116,526	71,807	18,630	240,641	
Dec-16	2,247	54,744	34,042	216,408	133,356	34,598	418,404	
Jan-17	2,248	59,359	34,057	234,652	144,599	37,515	450,823	
Feb-17	2,239	42,693	33,921	168,768	104,000	26,982	333,670	
Mar-17	2,237	31,779	33,891	125,627	77,415	20,085	257,016	
Apr-17	2,221	17,472	33,648	69,069	42,562	11,042	156,322	
May-17	2,214	12,932	33,542	51,120	31,501	8,173	124,336	
Jun-17	2,199	9,371	33,315	37,043	22,827	5,922	99,108	
Jul-17	2,198	9,622	33,300	38,037	23,439	6,081	100,857	
Aug-17	2,192	9,203	33,209	36,380	22,419	5,816	97,824	
Test Year	2,218	304,161	403,172	1,202,376	740,937	192,230	2,538,714	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.9**

Per Books - Base Year	Month	Large Commercial					
		Customer Count	Volume	Revenues			Total
	ea	MSCF	Base Ch	Cost Gas	Dist Ser	Trans Ser	
	Sep-16	604	26,441	24,764	88,365	64,404	16,709
Oct-16	602	33,359	24,399	130,850	81,255	21,081	257,584
Nov-16	604	56,321	24,502	221,441	137,182	35,590	418,715
Dec-16	607	94,882	24,602	373,094	231,104	59,956	688,756
Jan-17	604	101,988	24,521	401,224	248,409	64,445	738,599
Feb-17	604	63,643	24,561	250,362	155,012	40,215	470,150
Mar-17	603	51,602	24,561	202,950	125,687	32,607	385,806
Apr-17	602	47,737	24,399	187,608	116,271	30,163	358,442
May-17	603	36,822	24,480	144,550	89,687	23,268	281,985
Jun-17	603	30,277	24,480	118,825	73,746	19,132	236,183
Jul-17	600	29,039	24,359	113,985	70,729	18,350	227,422
Aug-17	600	30,255	24,318	118,652	73,694	19,119	235,784
Base Year	603	602,366	293,945	2,351,905	1,467,180	380,636	4,493,667

Irrigation Class	Month	Large Commercial Transferred to Irrigation					
		Customer Count	Volume	Revenues			Total
	ea	MSCF	Base Ch	Cost Gas	Dist Ser	Trans Ser	
	Sep-16	7	267	284	889	652	169
Oct-16	7	187	284	734	457	119	1,593
Nov-16	7	32	365	124	77	20	586
Dec-16	7	9	284	34	21	6	345
Jan-17	5	33	203	128	79	21	430
Feb-17	5	172	203	675	420	109	1,406
Mar-17	5	342	203	1,342	835	217	2,596
Apr-17	5	457	203	1,791	1,114	289	3,398
May-17	5	252	203	985	613	159	1,959
Jun-17	5	132	203	518	322	84	1,127
Jul-17	5	114	203	447	278	72	1,000
Aug-17	5	88	203	344	214	56	816
Base Year	6	2,085	2,837	8,011	5,083	1,319	17,250

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.10**

Industrial Class

Month	Large Commercial Tranferred to Indusrial						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	6	6,562	243	21,799	15,982	4,147	42,172
Oct-16	6	9,305	243	36,402	22,667	5,882	65,195
Nov-16	6	10,144	243	39,694	24,712	6,413	71,062
Dec-16	6	13,993	243	54,745	34,086	8,845	97,919
Jan-17	6	13,158	284	51,480	32,053	8,318	92,134
Feb-17	6	7,867	243	30,776	19,163	4,973	55,155
Mar-17	6	12,019	243	47,005	29,277	7,597	84,122
Apr-17	6	10,916	243	42,675	26,587	6,899	76,403
May-17	6	10,757	243	42,070	26,203	6,799	75,315
Jun-17	6	9,841	243	38,491	23,970	6,220	68,925
Jul-17	6	8,182	243	32,006	19,931	5,172	57,352
Aug-17	6	9,202	243	35,992	22,414	5,816	64,465
Base Year	6	121,945	2,959	473,136	297,044	77,080	850,219

Adjusted Base Year

Month	Large Commercial						Total
	Customer Count	Volume	Revenues				
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	591	19,612	24,237	65,676	47,771	12,393	150,077
Oct-16	589	23,867	23,872	93,714	58,131	15,080	190,797
Nov-16	591	46,145	23,894	181,623	112,393	29,157	347,067
Dec-16	594	80,880	24,075	318,315	196,997	51,105	590,492
Jan-17	593	88,797	24,034	349,617	216,277	56,107	646,035
Feb-17	593	55,604	24,115	218,911	135,429	35,133	413,589
Mar-17	592	39,241	24,115	154,603	95,575	24,794	299,088
Apr-17	591	36,364	23,953	143,143	88,570	22,976	278,641
May-17	592	25,813	24,034	101,495	62,872	16,310	204,711
Jun-17	592	20,304	24,034	79,815	49,453	12,829	166,131
Jul-17	589	20,743	23,913	81,531	50,520	13,106	169,070
Aug-17	589	20,965	23,872	82,316	51,067	13,248	170,503
Base Year	591	478,336	288,150	1,870,759	1,165,053	302,237	3,626,199

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

Schedule K-1.11

Synchronized Revenues	Month	Large Commercial						
		Customer Count	Volume	Revenues			Total	
				Base Ch	Cost Gas	Dist Ser		Trans Ser
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	591	19,612	23,953	77,530	47,776	12,395	161,654
	Oct-16	589	23,867	23,872	94,346	58,139	15,084	191,441
	Nov-16	591	46,145	23,953	182,414	112,408	29,163	347,938
	Dec-16	594	80,880	24,075	319,726	197,024	51,116	591,941
	Jan-17	593	88,797	24,034	351,023	216,310	56,120	647,488
	Feb-17	593	55,604	24,034	219,808	135,452	35,142	414,436
	Mar-17	592	39,241	23,994	155,123	95,591	24,800	299,509
	Apr-17	591	36,364	23,953	143,751	88,583	22,982	279,269
	May-17	592	25,813	23,994	102,040	62,880	16,314	205,228
	Jun-17	592	20,304	23,994	80,265	49,462	12,832	166,553
	Jul-17	589	20,743	23,872	81,999	50,530	13,110	169,511
	Aug-17	589	20,965	23,872	82,878	51,072	13,250	171,073
Synchronization Adjustment	Test Year	591	478,336	287,601	1,890,904	1,165,226	302,308	3,646,039
				(549)	20,145	173	71	19,841
Weather Normalization Adjustment (See Exhibit TJS-4)	Month	Large Commercial						
		Customer Count	Volume	Revenues			Total	
				Base Ch	Cost Gas	Dist Ser		Trans Ser
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	0	610	0	2,413	1,487	386	4,286
	Oct-16	0	8,204	0	32,431	19,985	5,185	57,601
	Nov-16	0	6,753	0	26,694	16,450	4,268	47,411
	Dec-16	0	4,442	0	17,558	10,820	2,807	31,184
	Jan-17	0	7,691	0	30,403	18,735	4,861	53,999
	Feb-17	0	15,034	0	59,430	36,622	9,501	105,553
	Mar-17	0	11,807	0	46,673	28,761	7,462	82,896
	Apr-17	0	966	0	3,819	2,353	611	6,783
	May-17	0	1,038	0	4,103	2,528	656	7,287
	Jun-17	0	(107)	0	(422)	(260)	(68)	(750)
	Jul-17	0	107	0	422	260	68	750
	Aug-17	0	(2)	0	(7)	(4)	(1)	(13)
	Test Year	0	56,542	0	223,516	137,737	35,735	396,987

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.12**

Adjusted Base/Test Year	Month	Large Commercial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	591	20,223	23,953	79,943	49,263	12,781	165,940	
Oct-16	589	32,071	23,872	126,778	78,124	20,269	249,042	
Nov-16	591	52,897	23,953	209,108	128,858	33,431	395,350	
Dec-16	594	85,322	24,075	337,284	207,843	53,923	623,125	
Jan-17	593	96,488	24,034	381,427	235,045	60,981	701,487	
Feb-17	593	70,638	24,034	279,238	172,074	44,643	519,989	
Mar-17	592	51,048	23,994	201,796	124,352	32,262	382,404	
Apr-17	591	37,330	23,953	147,569	90,936	23,593	286,052	
May-17	592	26,851	23,994	106,143	65,408	16,970	212,515	
Jun-17	592	20,198	23,994	79,843	49,201	12,765	165,803	
Jul-17	589	20,850	23,872	82,421	50,790	13,177	170,260	
Aug-17	589	20,964	23,872	82,871	51,068	13,249	171,060	
Test Year	591	534,878	287,601	2,114,420	1,302,963	338,043	4,043,027	

Zia Natural Gas Company  
Gas Operating Revenue, Sales Volume and Customers

Schedule K-1.13

Per Books - Base Year	Irrigation						
	Month	Customer Count	Volume	Revenues			Total
				Base Ch	Cost Gas	Dist Ser	
		ea	MSCF	\$	\$	\$	\$

Irrigation Class



**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.14**

Industrial Class

Adjusted Base Year	Month	Irrigation						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	480	11,401	7,435	38,007	27,777	7,209	80,428	
Oct-16	481	10,083	7,450	39,523	24,566	6,376	77,915	
Nov-16	482	2,530	7,622	9,906	6,163	1,599	25,290	
Dec-16	480	1,641	7,465	6,426	3,997	1,037	18,926	
Jan-17	477	998	7,369	3,910	2,432	631	14,342	
Feb-17	482	3,870	7,429	15,157	9,429	2,447	34,461	
Mar-17	491	15,752	7,611	61,693	38,376	9,960	117,640	
Apr-17	491	21,107	7,566	82,683	51,422	13,345	155,015	
May-17	494	15,056	7,641	59,088	36,678	9,519	112,926	
Jun-17	494	6,826	7,626	26,898	16,629	4,315	55,469	
Jul-17	495	5,614	7,656	22,225	13,677	3,549	47,108	
Aug-17	495	3,507	7,732	13,777	8,545	2,218	32,273	
Base Year	487	98,385	90,601	379,293	239,692	62,206	771,792	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.15**

Synchronized Revenues	Month	Irrigation						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	480	11,401	7,450	45,069	27,773	7,205	87,497
	Oct-16	481	10,083	7,465	39,859	24,562	6,372	78,258
	Nov-16	482	2,530	7,480	10,001	6,163	1,599	25,243
	Dec-16	480	1,641	7,450	6,487	3,997	1,037	18,971
	Jan-17	477	998	7,353	3,945	2,431	631	14,360
	Feb-17	482	3,870	7,429	15,298	9,427	2,446	34,601
	Mar-17	491	15,752	7,566	62,269	38,372	9,955	118,162
	Apr-17	491	21,107	7,566	83,438	51,417	13,340	155,760
	May-17	494	15,056	7,611	59,518	36,676	9,515	113,321
	Jun-17	494	6,826	7,611	26,984	16,628	4,314	55,537
	Jul-17	495	5,614	7,626	22,193	13,676	3,548	47,043
	Aug-17	495	3,507	7,626	13,863	8,543	2,216	32,249
	Test Year	487	98,385	90,232	388,925	239,666	62,179	781,002
Synchronization Adjustment				(369)	9,631	(26)	(27)	9,210
Weather Normalization Adjustment (See Exhibit TJS-4)								

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.16**

Adjusted Base/Test Year	Month	Irrigation						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	480	11,401	7,450	45,069	27,773	7,205	87,497	
Oct-16	481	10,083	7,465	39,859	24,562	6,372	78,258	
Nov-16	482	2,530	7,480	10,001	6,163	1,599	25,243	
Dec-16	480	1,641	7,450	6,487	3,997	1,037	18,971	
Jan-17	477	998	7,353	3,945	2,431	631	14,360	
Feb-17	482	3,870	7,429	15,298	9,427	2,446	34,601	
Mar-17	491	15,752	7,566	62,269	38,372	9,955	118,162	
Apr-17	491	21,107	7,566	83,438	51,417	13,340	155,760	
May-17	494	15,056	7,611	59,518	36,676	9,515	113,321	
Jun-17	494	6,826	7,611	26,984	16,628	4,314	55,537	
Jul-17	495	5,614	7,626	22,193	13,676	3,548	47,043	
Aug-17	495	3,507	7,626	13,863	8,543	2,216	32,249	
Test Year	487	98,385	90,232	388,925	239,666	62,179	781,002	

Zia Natural Gas Company  
Gas Operating Revenue, Sales Volume and Customers

Schedule K-1.17

Per Books - Base Year	Industrial						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$

Irrigation Class

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.18**

Industrial Class

Adjusted Base Year	Month	Industrial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	9	9,409	363	31,259	20,338	4,147	56,107	
Oct-16	9	42,053	363	164,624	72,772	5,882	243,641	
Nov-16	9	44,870	363	175,660	77,843	6,413	260,279	
Dec-16	9	38,918	363	152,336	72,221	8,845	233,766	
Jan-17	9	20,738	404	81,164	43,650	8,318	133,535	
Feb-17	9	8,529	363	33,368	20,176	4,973	58,881	
Mar-17	9	12,019	363	47,005	29,277	7,597	84,242	
Apr-17	9	10,916	363	42,675	26,587	6,899	76,523	
May-17	9	10,757	363	42,070	26,203	6,799	75,435	
Jun-17	9	9,841	363	38,491	23,970	6,220	69,045	
Jul-17	9	10,733	363	41,996	23,834	5,172	71,365	
Aug-17	9	21,380	363	83,682	41,046	5,816	130,908	
Base Year	9	240,162	4,399	934,330	477,916	77,080	1,493,726	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.19**

Synchronized Revenues	Month	Industrial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	9	9,409	363	37,193	20,340	4,147	62,043
	Oct-16	9	42,053	363	166,241	72,773	5,881	245,258
	Nov-16	9	44,870	363	177,377	77,843	6,411	261,994
	Dec-16	9	38,918	363	153,846	72,222	8,844	235,275
	Jan-17	9	20,738	363	81,978	43,650	8,316	134,307
	Feb-17	9	8,529	363	33,715	20,176	4,972	59,227
	Mar-17	9	12,019	363	47,512	29,278	7,596	84,749
	Apr-17	9	10,916	363	43,152	26,591	6,899	77,005
	May-17	9	10,757	363	42,524	26,205	6,799	75,890
	Jun-17	9	9,841	363	38,901	23,972	6,219	69,455
	Jul-17	9	10,733	363	42,429	23,834	5,171	71,797
	Aug-17	9	21,380	363	84,515	41,047	5,815	131,741
	Test Year	9	240,162	4,358	949,382	477,930	77,069	1,508,740
Synchronization Adjustment				(41)	15,052	14	(11)	15,014
Weather Normalization Adjustment (See Exhibit TJS-4)								

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.20**

Adjusted Base/Test Year	Month	Industrial						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	9	9,409	363	37,193	20,340	4,147	62,043	
Oct-16	9	42,053	363	166,241	72,773	5,881	245,258	
Nov-16	9	44,870	363	177,377	77,843	6,411	261,994	
Dec-16	9	38,918	363	153,846	72,222	8,844	235,275	
Jan-17	9	20,738	363	81,978	43,650	8,316	134,307	
Feb-17	9	8,529	363	33,715	20,176	4,972	59,227	
Mar-17	9	12,019	363	47,512	29,278	7,596	84,749	
Apr-17	9	10,916	363	43,152	26,591	6,899	77,005	
May-17	9	10,757	363	42,524	26,205	6,799	75,890	
Jun-17	9	9,841	363	38,901	23,972	6,219	69,455	
Jul-17	9	10,733	363	42,429	23,834	5,171	71,797	
Aug-17	9	21,380	363	84,515	41,047	5,815	131,741	
Test Year	9	240,162	4,358	949,382	477,930	77,069	1,508,740	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.21**

Per Books - Base Year	Total Direct Sales						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	37,377	95,177	442,051	318,506	231,868	60,146	1,052,571
Oct-16	37,455	119,507	441,566	468,899	291,115	75,518	1,277,098
Nov-16	37,655	251,166	444,307	986,061	611,783	158,705	2,200,856
Dec-16	37,861	448,459	446,114	1,760,584	1,092,323	283,379	3,582,400
Jan-17	37,926	488,525	448,440	1,918,310	1,189,909	308,691	3,865,349
Feb-17	37,907	305,673	446,633	1,200,210	744,546	193,153	2,584,542
Mar-17	37,992	222,347	448,838	873,270	541,593	140,500	2,004,201
Apr-17	37,912	177,044	446,942	695,653	431,261	111,875	1,685,732
May-17	37,901	131,044	448,664	514,479	319,220	82,809	1,365,173
Jun-17	37,717	90,327	444,816	354,430	220,047	57,077	1,076,370
Jul-17	37,787	87,302	446,415	342,618	212,678	55,165	1,056,877
Aug-17	37,737	86,657	446,277	339,779	211,110	54,757	1,051,923
Base Year	37,769	2,503,228	5,351,065	9,772,800	6,097,452	1,581,775	22,803,092

Irrigation Class



**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.22**

Industrial Class

Adjusted Base Year	Month	Total Direct Sales						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	37,380	98,024	442,171	327,965	236,224	60,146	1,066,506	
Oct-16	37,458	152,255	441,686	597,120	341,219	75,518	1,455,544	
Nov-16	37,658	285,892	444,427	1,122,027	664,913	158,705	2,390,073	
Dec-16	37,864	473,384	446,234	1,858,176	1,130,458	283,379	3,718,246	
Jan-17	37,929	496,105	448,560	1,947,994	1,201,506	308,691	3,906,751	
Feb-17	37,910	306,335	446,753	1,202,803	745,558	193,153	2,588,268	
Mar-17	37,995	222,347	448,958	873,270	541,593	140,500	2,004,321	
Apr-17	37,915	177,044	447,062	695,653	431,261	111,875	1,685,852	
May-17	37,904	131,044	448,784	514,479	319,220	82,809	1,365,293	
Jun-17	37,720	90,327	444,936	354,430	220,047	57,077	1,076,490	
Jul-17	37,790	89,853	446,535	352,608	216,581	55,165	1,070,890	
Aug-17	37,740	98,835	446,397	387,469	229,742	54,757	1,118,365	
Base Year	37,772	2,621,445	5,352,505	10,233,995	6,278,324	1,581,775	23,446,599	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.23**

Synchronized Revenues	Month	Total Direct Sales						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	37,380	98,024	438,820	387,498	236,207	60,152	1,122,676	
Oct-16	37,458	152,255	439,619	601,878	341,223	75,528	1,458,249	
Nov-16	37,658	285,892	441,984	1,130,156	664,971	158,737	2,395,848	
Dec-16	37,864	473,384	444,422	1,871,329	1,130,581	283,426	3,729,759	
Jan-17	37,929	496,105	445,046	1,961,147	1,201,644	308,748	3,916,585	
Feb-17	37,910	306,335	444,821	1,210,969	745,632	193,185	2,594,608	
Mar-17	37,995	222,347	445,752	878,957	541,637	140,523	2,006,870	
Apr-17	37,915	177,044	444,779	699,871	431,279	111,892	1,687,821	
May-17	37,904	131,044	444,671	518,029	319,223	82,820	1,364,743	
Jun-17	37,720	90,327	442,592	357,071	220,037	57,087	1,076,786	
Jul-17	37,790	89,853	443,270	355,197	216,571	55,175	1,070,213	
Aug-17	37,740	98,835	442,697	390,704	229,729	54,767	1,117,897	
Synchronization Adjustment	Test Year	37,772	2,621,445	5,318,474	10,362,804	6,278,735	1,582,040	23,542,054
				(34,031)	128,809	412	265	95,455
Weather Normalization Adjustment (See Exhibit TJS-4)	Month	Total Direct Sales						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	0	5,355	0	21,167	13,044	3,384	37,595	
Oct-16	0	52,302	0	206,754	127,408	33,055	367,217	
Nov-16	0	34,757	0	137,398	84,668	21,966	244,032	
Dec-16	0	35,651	0	140,932	86,846	22,532	250,310	
Jan-17	0	40,502	0	160,107	98,662	25,597	284,366	
Feb-17	0	76,734	0	303,338	186,925	48,496	538,759	
Mar-17	0	69,621	0	275,219	169,598	44,001	488,818	
Apr-17	0	9,438	0	37,308	22,990	5,965	66,262	
May-17	0	3,246	0	12,832	7,907	2,051	22,790	
Jun-17	0	(923)	0	(3,649)	(2,249)	(583)	(6,481)	
Jul-17	0	1,190	0	4,704	2,898	752	8,354	
Aug-17	0	467	0	1,848	1,139	295	3,281	
	Test Year	0	328,340	0	1,297,957	799,836	207,511	2,305,304

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.24**

Adjusted Base/Test Year	Month	Total Direct Sales						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	37,380	103,379	438,820	408,665	249,251	63,536	1,160,271	
Oct-16	37,458	204,557	439,619	808,632	468,631	108,583	1,825,466	
Nov-16	37,658	320,649	441,984	1,267,554	749,639	180,703	2,639,880	
Dec-16	37,864	509,035	444,422	2,012,261	1,217,428	305,958	3,980,068	
Jan-17	37,929	536,607	445,046	2,121,254	1,300,307	334,345	4,200,952	
Feb-17	37,910	383,069	444,821	1,514,307	932,557	241,681	3,133,367	
Mar-17	37,995	291,968	445,752	1,154,177	711,235	184,524	2,495,688	
Apr-17	37,915	186,482	444,779	737,178	454,269	117,856	1,754,083	
May-17	37,904	134,290	444,671	530,860	327,130	84,871	1,387,533	
Jun-17	37,720	89,404	442,592	353,422	217,788	56,503	1,070,305	
Jul-17	37,790	91,043	443,270	359,900	219,469	55,927	1,078,567	
Aug-17	37,740	99,302	442,697	392,551	230,867	55,063	1,121,178	
Test Year	37,772	2,949,785	5,318,474	11,660,761	7,078,572	1,789,551	25,847,357	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.25**

Per Books - Base Year	Month	City of Las Vegas						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	1	14,863	300	60,486	0	4,608	65,394	
Oct-16	1	25,652	300	107,828	0	7,953	116,080	
Nov-16	1	58,358	300	245,308	0	18,092	263,700	
Dec-16	1	93,365	300	392,461	0	28,946	421,707	
Jan-17	1	97,411	300	409,422	0	30,200	439,922	
Feb-17	1	66,648	300	280,123	0	20,663	301,086	
Mar-17	1	54,023	300	227,059	0	16,748	244,107	
Apr-17	1	43,795	300	184,072	0	13,578	197,950	
May-17	1	27,047	300	113,680	0	8,385	122,365	
Jun-17	1	15,088	300	63,416	0	4,678	68,394	
Jul-17	1	12,771	300	53,676	0	3,959	57,935	
Aug-17	1	13,942	300	58,598	0	4,322	63,221	
Base Year	1	522,963	3,600	2,196,128	0	162,132	2,361,861	

Irrigation Class

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.26**

Industrial Class

Adjusted Base Year	Month	City of Las Vegas						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	1	14,863	300	60,486	0	4,608	65,394	
Oct-16	1	25,652	300	107,828	0	7,953	116,080	
Nov-16	1	58,358	300	245,308	0	18,092	263,700	
Dec-16	1	93,365	300	392,461	0	28,946	421,707	
Jan-17	1	97,411	300	409,422	0	30,200	439,922	
Feb-17	1	66,648	300	280,123	0	20,663	301,086	
Mar-17	1	54,023	300	227,059	0	16,748	244,107	
Apr-17	1	43,795	300	184,072	0	13,578	197,950	
May-17	1	27,047	300	113,680	0	8,385	122,365	
Jun-17	1	15,088	300	63,416	0	4,678	68,394	
Jul-17	1	12,771	300	53,676	0	3,959	57,935	
Aug-17	1	13,942	300	58,598	0	4,322	63,221	
Base Year	1	522,963	3,600	2,196,128	0	162,132	2,361,861	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.27**

Synchronized Revenues	Month	City of Las Vegas						
		Customer Count	Volume	Revenues			Total	
				Base Ch	Cost Gas	Dist Ser		Trans Ser
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	1	14,863	300	58,755	0	4,608	63,662
	Oct-16	1	25,652	300	101,405	0	7,952	109,657
	Nov-16	1	58,358	300	230,694	0	18,091	249,085
	Dec-16	1	93,365	300	369,080	0	28,943	398,323
	Jan-17	1	97,411	300	385,074	0	30,197	415,572
	Feb-17	1	66,648	300	263,465	0	20,661	284,426
	Mar-17	1	54,023	300	213,558	0	16,747	230,605
	Apr-17	1	43,795	300	173,126	0	13,576	187,002
	May-17	1	27,047	300	106,919	0	8,385	115,604
	Jun-17	1	15,088	300	59,644	0	4,677	64,621
	Jul-17	1	12,771	300	50,485	0	3,959	54,744
	Aug-17	1	13,942	300	55,114	0	4,322	59,736
	Test Year	1	522,963	3,600	2,067,319	0	162,119	2,233,038
Synchronization Adjustment				0	(128,809)	0	(14)	(128,823)
Weather Normalization Adjustment (See Exhibit TJS-4)	Month	City of Las Vegas						
		Customer Count	Volume	Revenues			Total	
				Base Ch	Cost Gas	Dist Ser		Trans Ser
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	0	622	0	2,459	0	193	2,652
	Oct-16	0	14,131	0	55,863	0	4,381	60,243
	Nov-16	0	4,177	0	16,513	0	1,295	17,808
	Dec-16	0	7,821	0	30,918	0	2,425	33,342
	Jan-17	0	800	0	3,162	0	248	3,410
	Feb-17	0	15,553	0	61,484	0	4,822	66,306
	Mar-17	0	13,776	0	54,457	0	4,271	58,728
	Apr-17	0	267	0	1,054	0	83	1,137
	May-17	0	(1,955)	0	(7,729)	0	(606)	(8,336)
	Jun-17	0	0	0	0	0	0	0
	Jul-17	0	622	0	2,459	0	193	2,652
	Aug-17	0	(711)	0	(2,811)	0	(220)	(3,031)
	Test Year	0	55,104	0	217,829	0	17,082	234,911

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.28**

Adjusted Base/Test Year	Month	City of Las Vegas						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	1	15,485	300	61,214	0	4,800	66,315	
Oct-16	1	39,783	300	157,267	0	12,333	169,900	
Nov-16	1	62,535	300	247,207	0	19,386	266,893	
Dec-16	1	101,186	300	399,998	0	31,368	431,666	
Jan-17	1	98,211	300	388,236	0	30,445	418,982	
Feb-17	1	82,201	300	324,949	0	25,482	350,732	
Mar-17	1	67,799	300	268,015	0	21,018	289,333	
Apr-17	1	44,062	300	174,180	0	13,659	188,139	
May-17	1	25,092	300	99,190	0	7,778	107,268	
Jun-17	1	15,088	300	59,644	0	4,677	64,621	
Jul-17	1	13,393	300	52,944	0	4,152	57,396	
Aug-17	1	13,231	300	52,303	0	4,102	56,705	
Test Year	1	578,067	3,600	2,285,148	0	179,201	2,467,949	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.29**

Per Books - Base Year	Month	Contract					
		Customer Count	Volume	Revenues			Total
				Base Ch	Cost Gas	Dist Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	3	2,847	120	9,459	4,356	0	13,935
Oct-16	3	32,748	120	128,222	50,104	0	178,446
Nov-16	3	34,726	120	135,966	53,131	0	189,217
Dec-16	3	24,925	120	97,591	38,135	0	135,847
Jan-17	3	7,580	120	29,684	11,597	0	41,401
Feb-17	3	662	120	2,592	1,013	0	3,725
Mar-17	3	0	120	0	0	0	120
Apr-17	3	0	120	0	0	0	120
May-17	3	0	120	0	0	0	120
Jun-17	3	0	120	0	0	0	120
Jul-17	3	2,551	120	9,990	3,903	0	14,013
Aug-17	3	12,178	120	47,690	18,632	0	66,443
Base Year	3	118,217	1,440	461,195	180,872	0	643,507

Irrigation Class



**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.30**

**Industrial Class**

Month	Contract Transferred to Industrial						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Jun-16	3	2,847	120	9,459	4,356	0	13,935
Jul-16	3	32,748	120	128,222	50,104	0	178,446
Aug-16	3	34,726	120	135,966	53,131	0	189,217
Sep-16	3	24,925	120	97,591	38,135	0	135,847
Oct-16	3	7,580	120	29,684	11,597	0	41,401
Nov-16	3	662	120	2,592	1,013	0	3,725
Dec-16	3	0	120	0	0	0	120
Jan-17	3	0	120	0	0	0	120
Feb-17	3	0	120	0	0	0	120
Mar-17	3	0	120	0	0	0	120
Apr-17	3	2,551	120	9,990	3,903	0	14,013
May-17	3	12,178	120	47,690	18,632	0	66,443
Base Year	3	118,217	1,440	461,195	180,872	0	643,507

**Adjusted Base Year**

Month	Contract						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	0	0	0	0	0	0	0
Oct-16	0	0	0	0	0	0	0
Nov-16	0	0	0	0	0	0	0
Dec-16	0	0	0	0	0	0	0
Jan-17	0	0	0	0	0	0	0
Feb-17	0	0	0	0	0	0	0
Mar-17	0	0	0	0	0	0	0
Apr-17	0	0	0	0	0	0	0
May-17	0	0	0	0	0	0	0
Jun-17	0	0	0	0	0	0	0
Jul-17	0	0	0	0	0	0	0
Aug-17	0	0	0	0	0	0	0
Base Year	0	0	0	0	0	0	0

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.31**

Synchronized Revenues	Month	Contract					
		Customer Count	Volume	Revenues			
				Base Ch	Cost Gas	Dist Ser	Trans Ser
		ea	MSCF	\$	\$	\$	\$
	Sep-16	0	0	0	0	0	0
	Oct-16	0	0	0	0	0	0
	Nov-16	0	0	0	0	0	0
	Dec-16	0	0	0	0	0	0
	Jan-17	0	0	0	0	0	0
	Feb-17	0	0	0	0	0	0
	Mar-17	0	0	0	0	0	0
	Apr-17	0	0	0	0	0	0
	May-17	0	0	0	0	0	0
	Jun-17	0	0	0	0	0	0
	Jul-17	0	0	0	0	0	0
	Aug-17	0	0	0	0	0	0
	Test Year	0	0	0	0	0	0
Synchronization Adjustment				0	0	0	0
Weather Normalization Adjustment (See Exhibit TJS-4)							

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.32**

Adjusted Base/Test Year	Month	Contract					
		Customer Count	Volume	Revenues			
				Base Ch	Cost Gas	Dist Ser	Trans Ser
		ea	MSCF	\$	\$	\$	\$
	Sep-16	0	0	0	0	0	0
	Oct-16	0	0	0	0	0	0
	Nov-16	0	0	0	0	0	0
	Dec-16	0	0	0	0	0	0
	Jan-17	0	0	0	0	0	0
	Feb-17	0	0	0	0	0	0
	Mar-17	0	0	0	0	0	0
	Apr-17	0	0	0	0	0	0
	May-17	0	0	0	0	0	0
	Jun-17	0	0	0	0	0	0
	Jul-17	0	0	0	0	0	0
	Aug-17	0	0	0	0	0	0
	Test Year	0	0	0	0	0	0

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.33**

Per Books - Base Year	Month	Transport						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	1	280	41	0	25	177	243	
Oct-16	1	239	41	0	25	151	217	
Nov-16	1	189	41	0	25	119	185	
Dec-16	1	90	41	0	25	57	122	
Jan-17	1	191	41	0	25	120	186	
Feb-17	1	162	41	0	25	102	168	
Mar-17	1	187	41	0	25	118	183	
Apr-17	1	152	41	0	25	96	162	
May-17	1	174	41	0	25	110	175	
Jun-17	1	211	41	0	25	130	195	
Jul-17	1	205	41	0	25	138	204	
Aug-17	1	219	41	0	25	111	177	
Base Year	1	2,299	486	0	300	1,430	2,217	

Irrigation Class

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.34**

Industrial Class

Adjusted Base Year	Month	Transport						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	1	280	41	0	25	177	243	
Oct-16	1	239	41	0	25	151	217	
Nov-16	1	189	41	0	25	119	185	
Dec-16	1	90	41	0	25	57	122	
Jan-17	1	191	41	0	25	120	186	
Feb-17	1	162	41	0	25	102	168	
Mar-17	1	187	41	0	25	118	183	
Apr-17	1	152	41	0	25	96	162	
May-17	1	174	41	0	25	110	175	
Jun-17	1	211	41	0	25	130	195	
Jul-17	1	205	41	0	25	138	204	
Aug-17	1	219	41	0	25	111	177	
Base Year	1	2,299	486	0	300	1,430	2,217	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.35**

Synchronized Revenues	Month	Transport						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	1	280	41	0	25	177	243
	Oct-16	1	239	41	0	25	151	217
	Nov-16	1	189	41	0	25	119	185
	Dec-16	1	90	41	0	25	57	122
	Jan-17	1	191	41	0	25	120	186
	Feb-17	1	162	41	0	25	102	168
	Mar-17	1	187	41	0	25	118	183
	Apr-17	1	152	41	0	25	96	162
	May-17	1	174	41	0	25	110	175
	Jun-17	1	211	41	0	25	130	195
	Jul-17	1	205	41	0	25	138	204
	Aug-17	1	219	41	0	25	111	177
	Test Year	1	2,299	486	0	300	1,430	2,217
Synchronization Adjustment				0	0	0	0	0
Weather Normalization Adjustment (See Exhibit TJS-4)								

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.36**

Adjusted Base/Test Year	Month	Transport						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	1	280	41	0	25	177	243	
Oct-16	1	239	41	0	25	151	217	
Nov-16	1	189	41	0	25	119	185	
Dec-16	1	90	41	0	25	57	122	
Jan-17	1	191	41	0	25	120	186	
Feb-17	1	162	41	0	25	102	168	
Mar-17	1	187	41	0	25	118	183	
Apr-17	1	152	41	0	25	96	162	
May-17	1	174	41	0	25	110	175	
Jun-17	1	211	41	0	25	130	195	
Jul-17	1	205	41	0	25	138	204	
Aug-17	1	219	41	0	25	111	177	
Test Year	1	2,299	486	0	300	1,430	2,217	

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.37**

Per Books - Base Year	Month	Total Zia						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
Sep-16	37,382	113,167	442,512	388,451	236,249	64,931	1,132,143	
Oct-16	37,460	178,146	442,027	704,948	341,244	83,622	1,571,841	
Nov-16	37,660	344,439	444,768	1,367,335	664,938	176,917	2,653,958	
Dec-16	37,866	566,839	446,575	2,250,637	1,130,483	312,381	4,140,075	
Jan-17	37,931	593,707	448,900	2,357,415	1,201,531	339,011	4,346,858	
Feb-17	37,912	373,145	447,094	1,482,926	745,583	213,918	2,889,521	
Mar-17	37,997	276,557	449,299	1,100,329	541,618	157,367	2,248,612	
Apr-17	37,917	220,991	447,402	879,726	431,286	125,549	1,883,963	
May-17	37,906	158,265	449,125	628,159	319,245	91,304	1,487,833	
Jun-17	37,722	105,626	445,277	417,846	220,072	61,884	1,145,079	
Jul-17	37,792	102,829	446,876	406,284	216,606	59,263	1,129,029	
Aug-17	37,742	112,996	446,738	446,067	229,767	59,191	1,181,763	
Base Year	37,774	3,146,707	5,356,591	12,430,123	6,278,624	1,745,338	25,810,676	

Irrigation Class



**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.38**

**Industrial Class**

**Adjusted Base Year**

Month	Total Zia						
	Customer Count	Volume	Revenues				Total
			Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	37,382	113,167	442,512	388,451	236,249	64,931	1,132,143
Oct-16	37,460	178,146	442,027	704,948	341,244	83,622	1,571,841
Nov-16	37,660	344,439	444,768	1,367,335	664,938	176,917	2,653,958
Dec-16	37,866	566,839	446,575	2,250,637	1,130,483	312,381	4,140,075
Jan-17	37,931	593,707	448,900	2,357,415	1,201,531	339,011	4,346,858
Feb-17	37,912	373,145	447,094	1,482,926	745,583	213,918	2,889,521
Mar-17	37,997	276,557	449,299	1,100,329	541,618	157,367	2,248,612
Apr-17	37,917	220,991	447,402	879,726	431,286	125,549	1,883,963
May-17	37,906	158,265	449,125	628,159	319,245	91,304	1,487,833
Jun-17	37,722	105,626	445,277	417,846	220,072	61,884	1,145,079
Jul-17	37,792	102,829	446,876	406,284	216,606	59,263	1,129,029
Aug-17	37,742	112,996	446,738	446,067	229,767	59,191	1,181,763
Base Year	37,774	3,146,707	5,356,591	12,430,123	6,278,624	1,745,338	25,810,676

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.39**

Synchronized Revenues	Month	Total Zia						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	37,382	113,167	439,160	446,252	236,232	64,937	1,186,581
	Oct-16	37,460	178,146	439,960	703,282	341,248	83,632	1,568,122
	Nov-16	37,660	344,439	442,324	1,360,851	664,996	176,947	2,645,118
	Dec-16	37,866	566,839	444,763	2,240,409	1,130,606	312,426	4,128,204
	Jan-17	37,931	593,707	445,387	2,346,221	1,201,669	339,066	4,332,343
	Feb-17	37,912	373,145	445,162	1,474,435	745,657	213,948	2,879,202
	Mar-17	37,997	276,557	446,093	1,092,515	541,662	157,388	2,237,659
	Apr-17	37,917	220,991	445,120	872,996	431,304	125,565	1,874,984
	May-17	37,906	158,265	445,012	624,948	319,248	91,314	1,480,522
	Jun-17	37,722	105,626	442,932	416,715	220,062	61,894	1,141,602
	Jul-17	37,792	102,829	443,611	405,682	216,596	59,272	1,125,161
	Aug-17	37,742	112,996	443,038	445,817	229,754	59,200	1,177,809
Synchronization Adjustment	Test Year	37,774	3,146,707	5,322,560	12,430,123	6,279,035	1,745,589	25,777,308
				(34,031)	0	412	251	(33,368)
Weather Normalization Adjustment (See Exhibit TJS-4)	Month	Total Zia						
		Customer Count	Volume	Revenues				Total
				Base Ch	Cost Gas	Dist Ser	Trans Ser	
	ea	MSCF	\$	\$	\$	\$	\$	
	Sep-16	0	5,977	0	23,627	13,044	3,577	40,247
	Oct-16	0	66,433	0	262,617	127,408	37,436	427,460
	Nov-16	0	38,934	0	153,910	84,668	23,261	261,840
	Dec-16	0	43,472	0	171,850	86,846	24,956	283,652
	Jan-17	0	41,302	0	163,269	98,662	25,845	287,776
	Feb-17	0	92,288	0	364,822	186,925	53,318	605,064
	Mar-17	0	83,397	0	329,677	169,598	48,271	547,545
	Apr-17	0	9,704	0	38,362	22,990	6,047	67,399
	May-17	0	1,291	0	5,102	7,907	1,445	14,455
	Jun-17	0	(923)	0	(3,649)	(2,249)	(583)	(6,481)
	Jul-17	0	1,812	0	7,163	2,898	945	11,006
	Aug-17	0	(244)	0	(963)	1,139	75	250
	Test Year	0	383,443	0	1,515,786	799,836	224,593	2,540,215

**Zia Natural Gas Company**  
**Gas Operating Revenue, Sales Volume and Customers**

**Schedule K-1.40**

Adjusted Base/Test Year	Month	Total Zia					
		Customer Count	Volume	Revenues			Total
				Base Ch	Cost Gas	Dist Ser	
	ea	MSCF	\$	\$	\$	\$	\$
Sep-16	37,382	119,144	439,160	469,879	249,276	68,514	1,226,828
Oct-16	37,460	244,579	439,960	965,899	468,656	121,067	1,995,583
Nov-16	37,660	383,373	442,324	1,514,761	749,664	200,209	2,906,958
Dec-16	37,866	610,311	444,763	2,412,259	1,217,453	337,382	4,411,856
Jan-17	37,931	635,009	445,387	2,509,490	1,300,332	364,911	4,620,119
Feb-17	37,912	465,433	445,162	1,839,257	932,582	267,266	3,484,266
Mar-17	37,997	359,954	446,093	1,422,192	711,260	205,660	2,785,204
Apr-17	37,917	230,695	445,120	911,358	454,294	131,612	1,942,384
May-17	37,906	159,556	445,012	630,050	327,155	92,759	1,494,977
Jun-17	37,722	104,703	442,932	413,066	217,813	61,310	1,135,121
Jul-17	37,792	104,641	443,611	412,845	219,494	60,217	1,136,167
Aug-17	37,742	112,752	443,038	444,854	230,892	59,275	1,178,060
Test Year	37,774	3,530,150	5,322,560	13,945,910	7,078,872	1,970,182	28,317,523

**Zia Natural Gas Company  
Other Utility Revenues**

**Schedule K-1-OTR.1**

<b>Rates</b>				
Description	Base Year Rates	Proposed Rates	Increase/ (Decrease )	Increase/ (Decrease )
	(\$)	(\$)	(\$)	(%)
During Regular Business Hours				
New Connection Fee	15.00	15.00	0.00	0%
Account Transfer Fee	15.00	15.00	0.00	0%
Reconnection Fee	15.00	15.00	0.00	0%
After Regular Business Hours				
New Connection Fee	22.50	22.50	0.00	0%
Account Transfer Fee	22.50	22.50	0.00	0%
Reconnection Fee	22.50	22.50	0.00	0%
Read-In Meter Fee	20.00	20.00	0.00	0%
Returned or Dishonored Check Fee	15.00	25.00	10.00	67%
Labor - Service Charge	50.00	75.00	25.00	50%
Legal Service Charge, \$/hr	150.00	150.00	0.00	0%
Legal Assistant Service Charge, \$/hr	25.00	25.00	0.00	0%
Engineering Service Charge, \$/hr	25.00	25.00	0.00	0%
Executive Management Service Charge, \$/hr	150.00	150.00	0.00	0%
Meter Tampering/Energy Diversion Fee	0.00	250.00	250.00	**Proposed new rate
Trip Charge for Door Tag	0.00	10.00	10.00	**Proposed new rate

**Zia Natural Gas Company  
Other Utility Revenues**

**Schedule K-1-OTR.2**

<b>Revenues</b>												
Description	Base Year											
	September 16		October 16		November 16		December 16		January 17		February 17	
	Count	Revenue	Count	Revenue	Count	Revenue	Count	Revenue	Count	Revenue	Count	Revenue
		(\$)		(\$)		(\$)		(\$)		(\$)		(\$)
Interest on Unpaid Customer Bill	N/A	1,319	N/A	1,161	N/A	1,687	N/A	2,749	N/A	3,516	N/A	4,334
<b>Other Tariff Revenues</b>												
During Regular Business Hours												
New Connection Fee	274	4,110	318	4,770	363	5,445	370	5,550	243	3,645	213	3,195
Account Transfer Fee	230	3,450	195	2,925	226	3,390	184	2,760	220	3,300	217	3,255
Reconnection Fee	58	870	146	2,190	83	1,245	150	2,250	114	1,710	103	1,545
After Regular Business Hours												
New Connection Fee	0	-	0	-	0	-	0	-	0	-	0	-
Account Transfer Fee	0	-	0	-	0	-	0	-	0	-	0	-
Reconnection Fee	0	-	0	-	0	-	1	22.50	1	22.50	1	22.50
Read-In Meter Fee	0	-	0	-	0	-	0	-	0	-	0	-
Returned or Dishonored Check Fee	29	435	32	480	27	405	37	555	38	570	48	714
Labor - Service Charge	90	4,500	155	7,750	83	4,150	150	7,500	114	5,700	103	5,150
Labor - Service Charge (After Hours)	0	-	0	-	0	-	1	75	1	75	1	75
Legal Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Legal Assistant Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Engineering Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Executive Management Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Meter Tampering/Energy Diversion Fee	-	-	1	-	3	-	3	-	4	-	2	-
Trip Charge for Door Tag	1,990	-	1,986	-	2,094	-	2,263	-	2,647	-	2,846	-
<b>TOTAL - Other Tariff Revenues</b>	<b>2,671</b>	<b>13,365</b>	<b>2,833</b>	<b>18,115</b>	<b>2,879</b>	<b>14,635</b>	<b>3,159</b>	<b>18,713</b>	<b>3,382</b>	<b>15,023</b>	<b>3,534</b>	<b>13,957</b>
Rent on Utility Property	N/A	250	N/A	250	N/A	250	N/A	250	N/A	250	N/A	250
Interdepartmental Rent	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
Interdepartmental Overhead	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
Revenues from Merchandising	N/A	1,505	N/A	0	N/A	0	N/A	542	N/A	0	N/A	1,034
Expense from Merchandising	N/A	(3,448)	N/A	0	N/A	(90)	N/A	0	N/A	0	N/A	(20)
Revenue of Non-Tariff Utility Operation	N/A	826	N/A	0	N/A	0	N/A	1,188	N/A	127	N/A	3,470
Expense of Non-Tariff Utility Operation	N/A	(4)	N/A	(30)	N/A	0	N/A	(56)	N/A	0	N/A	(319)
Gain(Loss) on Asset Sale/Retirement	N/A	0	N/A	0	N/A	0	N/A	0	N/A	200	N/A	100
Net Misc Gas Sales	N/A	988	N/A	0	N/A	0	N/A	27	N/A	0	N/A	3
Non-Utility Misc Revenue	N/A	1,910	N/A	1,997	N/A	695	N/A	(1,170)	N/A	5,698	N/A	2,013
<b>TOTAL Other Utility Revenue</b>		<b>16,711</b>	<b>2,833</b>	<b>21,493</b>	<b>2,879</b>	<b>17,176</b>	<b>3,159</b>	<b>22,244</b>	<b>3,382</b>	<b>24,814</b>	<b>3,534</b>	<b>24,820</b>

**Zia Natural Gas Company**  
**Other Utility Revenues**

**Schedule K-1-OTR.3**

<b>Revenues</b>												
Base Year												
	March 17		April 17		May 17		June 17		July 17		August 17	
Description	Count	Revenue	Count	Revenue	Count	Revenue	Count	Revenue	Count	Revenue	Count	Revenue
		(\$)		(\$)		(\$)		(\$)		(\$)		(\$)
Interest on Unpaid Customer Bill	N/A	3,224	N/A	2,696	N/A	1,097	N/A	1,654	N/A	1,506	N/A	1,230
<b>Other Tariff Revenues</b>												
During Regular Business Hours												
New Connection Fee	243	3,645	232	3,480	212	3,180	212	3180	222	3330	231	3465
Account Transfer Fee	214	3,210	153	2,295	200	3,000	218	3270	208	3120	217	3255
Reconnection Fee	144	2,160	168	2,520	143	2,145	96	1440	111	1665	114	1710
After Regular Business Hours												
New Connection Fee	0	-	0	-	0	-	0	-	0	-	0	-
Account Transfer Fee	0	-	0	-	0	-	0	-	0	-	0	-
Reconnection Fee	0	-	0	-	0	-	0	-	0	-	1	22.50
Read-In Meter Fee	0	-	0	-	0	-	0	-	0	-	0	-
Returned or Dishonored Check Fee	47	705	50	750	42	630	45	675	46	690	47	705
Labor - Service Charge	144	7,200	168	8,400	143	7,150	96	4800	111	5550	114	5700
Labor - Service Charge (After Hours)	0	-	0	-	0	-	0	-	0	-	1	75
Legal Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Legal Assistant Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Engineering Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Executive Management Service Charge, \$/hr	0	-	0	-	0	-	0	-	0	-	0	-
Meter Tampering/Energy Diversion Fee	4	-	1	-	5	-	-	-	1	-	1	-
Trip Charge for Door Tag	2,562	-	2,669	-	2,437	-	1,996	-	1,521	-	1,508	-
<b>TOTAL - Other Tariff Revenues</b>	<b>3,358</b>	<b>16,920</b>	<b>3,441</b>	<b>17,445</b>	<b>3,182</b>	<b>16,105</b>	<b>2,663</b>	<b>13,365</b>	<b>2,220</b>	<b>14,355</b>	<b>2,234</b>	<b>14,933</b>
Rent on Utility Property	N/A	250	N/A	250	N/A	250	N/A	250	N/A	250	N/A	250
Interdepartmental Rent	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
Interdepartmental Overhead	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
Revenues from Merchandising	N/A	0	N/A	206	N/A	0	N/A	0	N/A	0	N/A	892
Expense from Merchandising	N/A	0	N/A	0	N/A	0	N/A	0	N/A	(365)	N/A	(668)
Revenue of Non-Tariff Utility Operation	N/A	266	N/A	574	N/A	1,650	N/A	427	N/A	0	N/A	127
Expense of Non-Tariff Utility Operation	N/A	(279)	N/A	(354)	N/A	(199)	N/A	(26)	N/A	0	N/A	0
Gain(Loss) on Asset Sale/Retirement	N/A	0	N/A	0	N/A	0	N/A	5,000	N/A	16,500	N/A	11,500
Net Misc Gas Sales	N/A	9	N/A	0	N/A	176	N/A	0	N/A	0	N/A	7
Non-Utility Misc Revenue	N/A	1,223	N/A	550	N/A	(47)	N/A	319	N/A	426	N/A	618
<b>TOTAL Other Utility Revenue</b>	<b>3,358</b>	<b>21,613</b>	<b>3,441</b>	<b>21,366</b>	<b>3,182</b>	<b>19,032</b>	<b>2,663</b>	<b>20,989</b>	<b>2,220</b>	<b>32,672</b>	<b>2,234</b>	<b>28,889</b>

**Zia Natural Gas Company  
Other Utility Revenues**

**Schedule K-1-OTR.4**

Revenues							
Base Year				Proposed Rates			
Description	Totals		Ref	Adjustme	Count	Revenue	Increase/ (Decrease)
	Count	Revenue					
		(\$)		(\$)		(\$)	(%)
Interest on Unpaid Customer Bill	N/A	26,172		0	N/A	26,172	0%
Other Tariff Revenues							
During Regular Business Hours							
New Connection Fee	3,133	46,995		0	3,133	46,995	0%
Account Transfer Fee	2,482	37,230		0	2,482	37,230	0%
Reconnection Fee	1,430	21,450		0	1,430	21,450	0%
After Regular Business Hours							
New Connection Fee	0	-		0	0	0	
Account Transfer Fee	0	-		0	0	0	
Reconnection Fee	4	90		0	4	90	0%
Read-In Meter Fee	0	-		0	0	0	
Returned or Dishonored Check Fee	488	7,314		4,886	488	12,200	67%
Labor - Service Charge	1,471	73,550		36,775	1,471	110,325	50%
Labor - Service Charge (After Hours)	4	300		150	4	450	50%
Legal Service Charge, \$/hr	0	-		0	0	0	
Legal Assistant Service Charge, \$/hr	0	-		0	0	0	
Engineering Service Charge, \$/hr	0	-		0	0	0	
Executive Management Service Charge, \$/hr	0	-		0	0	0	
Meter Tampering/Energy Diversion Fee	25	-		6,250	25	6,250	
Trip Charge for Door Tag	26,519	-		198,893	19,889	198,893	
TOTAL - Other Tariff Revenues	35,556	186,929		246,954	28,926	433,883	132%
Rent on Utility Property	N/A	3,000		0	N/A	3,000	0%
Interdepartmental Rent	N/A	0		0	N/A	0	
Interdepartmental Overhead	N/A	0		0	N/A	0	
Revenues from Merchandising	N/A	4,179		0	N/A	4,179	0%
Expense from Merchandising	N/A	(4,591)		0	N/A	(4,591)	0%
Revenue of Non-Tariff Utility Operation	N/A	8,654		0	N/A	8,654	0%
Expense of Non-Tariff Utility Operation	N/A	(1,268)		0	N/A	(1,268)	0%
Gain(Loss) on Asset Sale/Retirement	N/A	33,300		0	N/A	33,300	0%
Net Misc Gas Sales	N/A	1,211		0	N/A	1,211	0%
Non-Utility Misc Revenue	N/A	14,232		0	N/A	14,232	0%
TOTAL Other Utility Revenue	35,556	271,819		246,954		518,772	91%

**Zia Natural Gas Company**  
**Revenues from Sales of Products Extracted from Natural Gas**  
**and From Gas Processed by Others**

**Schedule K-2**

Zia Natural Gas has no revenues from sales of products extracted from natural gas and from gas processed by others.



Schedule L-1

**Zia Natural Gas Co.**  
**Functional Classification of Rate Base**  
**Year Ended August 31, 2017**

Line Number	Acct. No.	Description	Base Year				Adjustment				Test Year		
			Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$	\$		\$	\$	\$
1		<u>Gas Plant in Service</u>											
2		Intangible Plant											
3	301	Organization	492,480	492,480	-	Schedule B-2	-	-	-	Schedule B-2	492,480	492,480	-
4	302	Franchises & Consents	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
5	303	Miscellaneous Intangible Plant	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
6		Total Intangible Plant	492,480	492,480	-		-	-	-		492,480	492,480	-
7		Transmission Plant											
8	365.2	Rights of Way	815,506	-	815,506	Schedule B-2	-	-	-	Schedule B-2	815,506	-	815,506
9	366	Structures & Improvements	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
10	367	Mains	7,460,366	-	7,460,366	Schedule B-2	9,834	-	9,834	Schedule B-2	7,470,200	-	7,470,200
11	368	Compressor Station Equipment	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
12	369	Measuring & Reg. Station Eq.	817,321	96,257	721,064	Schedule B-2	-	-	-	Schedule B-2	817,321	96,257	721,064
13	371	Other Equipment	256,488	-	256,488	Schedule B-2	-	-	-	Schedule B-2	256,488	-	256,488
14		Total Transmission Plant	9,349,680	96,257	9,253,424		9,834	-	9,834		9,359,514	96,257	9,263,258
15		Distribution Plant											
16	374	Land & Land Rights	216,436	76,245	140,191	Schedule B-2	-	-	-	Schedule B-2	216,436	76,245	140,191
17	375	Structures & Improvements	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
18	376	Mains	40,451,076	19,681,517	20,769,559	Schedule B-2	249,690	118,201	131,489	Schedule B-2	40,700,766	19,799,718	20,901,048
19	377	Compressor Station Equipment	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
20	378	Meas. & Reg. Sta. Equip.	1,590,480	328,482	1,261,998	Schedule B-2	9,905	7,421	2,484	Schedule B-2	1,600,384	335,902	1,264,482
21	379	Meas. & Reg. Sta. Equip. - CG	80,367	-	80,367	Schedule B-2	-	-	-	Schedule B-2	80,367	-	80,367
22	380	Services	16,118,256	5,558,530	10,559,726	Schedule B-2	131,381	47,300	84,082	Schedule B-2	16,249,637	5,605,830	10,643,808
23	381	Meters	4,756,667	1,389,080	3,367,586	Schedule B-2	41,300	41,300	-	Schedule B-2	4,797,967	1,430,380	3,367,586
24	381.1	AMR	2,759,089	871,097	1,887,992	Schedule B-2	-	-	-	Schedule B-2	2,759,089	871,097	1,887,992
25	382	Meter Installations	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
26	383	House Regulators	1,751,685	304,524	1,447,161	Schedule B-2	4,032	3,996	36	Schedule B-2	1,755,717	308,519	1,447,197
27	385	Indust. Meas. & Reg. Sta. Equip.	199,728	71,767	127,961	Schedule B-2	19,998	17,732	2,266	Schedule B-2	219,726	89,499	130,227
28	387	Other Equipment	-	-	-	Schedule B-2	-	-	-	Schedule B-2	-	-	-
29		Total Distribution Plant	67,923,782	28,281,241	39,642,541		456,307	235,950	220,357		68,380,089	28,517,191	39,862,898
30		General Plant											
31	389	Land & Land Rights	420,680			Schedule B-2	-			Schedule B-2	420,680		
32	390	Structures and Improvements	3,275,467			Schedule B-2	31,765			Schedule B-2	3,307,232		
33	391	Office Furniture & Equipment	239,995			Schedule B-2	-			Schedule B-2	239,995		
34	392	Transportation Equipment	2,182,902			Schedule B-2	157,617			Schedule B-2	2,340,518		
35	393	Stores Equipment	-			Schedule B-2	-			Schedule B-2	-		
36	394	Tools & Work Equipment	168,363			Schedule B-2	-			Schedule B-2	168,363		
37	395	Laboratory Equipment	567,761			Schedule B-2	9,544			Schedule B-2	577,305		
38	396	Power Operated Equipment	1,115,973			Schedule B-2	25,291			Schedule B-2	1,141,265		
39	397	Communication Equipment	106,966			Schedule B-2	10,309			Schedule B-2	117,275		
40	398	Misc. Equipment	28,003			Schedule B-2	-			Schedule B-2	28,003		
41	399	Other Tangible Property	-			Schedule B-2	-			Schedule B-2	-		
42		Total General Plant	8,106,110				234,525				8,340,635		
43		Total Plant in Service - Zia Operations	85,872,052				700,666				86,572,719		
44		Home Office Allocated to Zia Operations	1,360,617			Sch B-2 HO WF	-			Sch B-2 HO WP	1,360,617		
45		Total Plant in Service	87,232,669				700,666				87,933,336		

Schedule L-1

**Zia Natural Gas Co.**  
**Functional Classification of Rate Base**  
**Year Ended August 31, 2017**

Line Number	Acct. No.	Description	Base Year				Adjustment				Test Year		
			Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$	\$		\$	\$	\$
46		<u>Accumulated Depreciation</u>											
47		Intangible											
48	301	Organization	75,693	75,693	-	Schedule C-1	-	-	-	Schedule C-1	75,693	75,693	-
49	302	Franchises & Consents	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
50	303	Miscellaneous Intangible Plant	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
51		Total Intangible Plant	75,693	75,693	-		-	-	-		75,693	75,693	-
52		Transmission											
53	365.2	Rights of Way	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
54	366	Structures & Improvements	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
55	367	Mains	4,059,476	-	4,059,476	Schedule C-1	1,116	-	1,116	Schedule C-1	4,060,592	-	4,060,592
56	368	Compressor Station Equipment	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
57	369	Measuring & Reg. Station Eq.	264,258	29,264	234,994	Schedule C-1	(183)	-	(183)	Schedule C-1	264,075	29,264	234,810
58	371	Other Equipment	256,488	-	256,488	Schedule C-1	-	-	-	Schedule C-1	256,488	-	256,488
59		Total Transmission Plant	4,580,222	29,264	4,550,958		932	-	932		4,581,154	29,264	4,551,890
60		Distribution											
61	374	Land & Land Rights	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
62	375	Structures & Improvements	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
63	376	Mains	16,243,676	8,395,367	7,848,309	Schedule C-1	8,473	3,630	4,843	Schedule C-1	16,252,149	8,398,997	7,853,152
64	377	Compressor Station Equipment	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
65	378	Meas. & Reg. Sta. Equip.	670,342	173,482	496,860	Schedule C-1	2,046	380	1,666	Schedule C-1	672,388	173,862	498,526
66	379	Meas. & Reg. Sta. Equip. - CG	41,231	-	41,231	Schedule C-1	-	-	-	Schedule C-1	41,231	-	41,231
67	380	Services	5,488,742	1,734,713	3,754,028	Schedule C-1	2,300	830	1,471	Schedule C-1	5,491,042	1,735,543	3,755,499
68	381	Meters	2,025,453	183,269	1,842,184	Schedule C-1	2,843	1,385	1,458	Schedule C-1	2,028,296	184,654	1,843,643
69	381.1	AMR	982,820	183,233	799,587	Schedule C-1	1,124	77	1,047	Schedule C-1	983,944	183,310	800,634
70	382	Meter Installations	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
71	383	House Regulators	721,845	35,937	685,908	Schedule C-1	685	191	494	Schedule C-1	722,531	36,128	686,402
72	385	Indust. Meas. & Reg. Sta. Equip.	40,683	10,681	30,002	Schedule C-1	742	471	271	Schedule C-1	41,425	11,152	30,273
73	387	Other Equipment	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
74		Total Distribution Plant	26,214,792	10,716,682	15,498,110		18,214	6,963	11,251		26,233,006	10,723,646	15,509,361
75		General											
76	389	Land & Land Rights	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
77	390	Structures and Improvements	1,206,791	-	-	Schedule C-1	923	-	-	Schedule C-1	1,207,714	-	-
78	391	Office Furniture & Equipment	196,946	-	-	Schedule C-1	1,922	-	-	Schedule C-1	198,867	-	-
79	392	Transportation Equipment	1,740,468	-	-	Schedule C-1	32,791	-	-	Schedule C-1	1,773,259	-	-
80	393	Stores Equipment	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
81	394	Tools & Work Equipment	154,122	-	-	Schedule C-1	58	-	-	Schedule C-1	154,180	-	-
82	395	Laboratory Equipment	454,189	-	-	Schedule C-1	2,190	-	-	Schedule C-1	456,379	-	-
83	396	Power Operated Equipment	1,048,976	-	-	Schedule C-1	4,028	-	-	Schedule C-1	1,053,004	-	-
84	397	Communication Equipment	103,909	-	-	Schedule C-1	2,062	-	-	Schedule C-1	105,970	-	-
85	398	Misc. Equipment	15,053	-	-	Schedule C-1	-	-	-	Schedule C-1	15,053	-	-
86	399	Other Tangible Property	-	-	-	Schedule C-1	-	-	-	Schedule C-1	-	-	-
87		Total General Plant	4,920,453	-	-		43,974	-	-		4,964,427	-	-
88		Total Accumulated Depreciation - Zia Operations	35,791,159	-	-		63,120	-	-		35,854,280	-	-
89		Home Office Allocated to Zia	592,680	-	-	Sch B-2 HO WF	2,897	-	-	Sch B-2 HO WF	595,577	-	-
90		Total Accumulated Depreciation	36,383,839	-	-		66,017	-	-		36,449,857	-	-
91		Net Plant	50,848,830	-	-		634,649	-	-		51,483,479	-	-

Schedule L-1

**Zia Natural Gas Co.**  
**Functional Classification of Rate Base**  
**Year Ended August 31, 2017**

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
Line Number	Acct. No.	Description	Base Year				Adjustment				Test Year		
			Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$	\$		\$	\$	\$
92		<u>Other Rate Base Items</u>											
93		Cash Working Capital	-				-				-		
94		Materials & Supplies	264,717			Schedule E-2	-			Schedule E-2	264,717		
95		Gas Storage	-				-				-		
96		Prepayments	11,066			Schedule E-2	-			Schedule E-2	11,066		
97		Customer Deposits	(658,716)			Schedule I-1	-			Schedule I-1	(658,716)		
98		Unamortized Rate Case Expenses	-				200,000				200,000		
99		Accum. Deferred Income Taxes	(4,383,270)			Schedule H-12	(3,404)			Schedule H-12	(4,386,674)		
100		Total Other Rate Base Items	(4,766,203)				196,596				(4,569,607)		
101		Total Rate Base	46,082,627				831,245				46,913,872		

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
1		Intangible Plant				
3	301	Organization	Sched. L-1	492,480		
4	302	Franchises & Consents	Sched. L-1	0		
5	303	Miscellaneous Intangible Plant	Sched. L-1	0		
6		Total Intangible Plant		492,480		
7		Transmission Plant				
8	365.2	Rights of Way	Sched. L-1	815,506	0	815,506
9	366	Structures & Improvements	Sched. L-1	0	0	0
10	367	Mains	Sched. L-1	7,460,366	0	7,460,366
11	368	Compressor Station Equipment	Sched. L-1	0	0	0
12	369	Measuring & Reg. Station Eq.	Sched. L-1	817,321	96,257	721,064
13	371	Other Equipment	Sched. L-1	256,488	0	256,488
14		Total Transmission Plant		9,349,680		
15		Distribution Plant				
16	374	Land & Land Rights	Sched. L-1	216,436	76,245	140,191
17	375	Structures & Improvements	Sched. L-1	0	0	0
18	376	Mains	Sched. L-1	40,451,076	19,681,517	20,769,559
19	377	Compressor Station Equipment	Sched. L-1	0	0	0
20	378	Meas. & Reg. Sta. Equip.	Sched. L-1	1,590,480	328,482	1,261,998
21	379	Meas. & Reg. Sta. Equip. - CG	Sched. L-1	80,367	0	80,367
22	380	Services	Sched. L-1	16,118,256	5,558,530	10,559,726
23	381	Meters	Sched. L-1	4,756,667		
24	381.1	AMR	Sched. L-1	2,759,089		
25	382	Meter Installations	Sched. L-1	0		
26	383	House Regulators	Sched. L-1	1,751,685		
27	385	Indust. Meas. & Reg. Sta. Equip.	Sched. L-1	199,728		
28	387	Other Equipment	Sched. L-1	0		
29		Total Distribution Plant		67,923,782		
30		General Plant				
31	389	Land & Land Rights	Sched. L-1	420,680		
32	390	Structures and Improvements	Sched. L-1	3,275,467		
33	391	Office Furniture & Equipment	Sched. L-1	239,995		
34	392	Transportation Equipment	Sched. L-1	2,182,902		
35	393	Stores Equipment	Sched. L-1	0		
36	394	Tools & Work Equipment	Sched. L-1	168,363		
37	395	Laboratory Equipment	Sched. L-1	567,761		
38	396	Power Operated Equipment	Sched. L-1	1,115,973		
39	397	Communication Equipment	Sched. L-1	106,966		
40	398	Misc. Equipment	Sched. L-1	28,003		
41	399	Other Tangible Property	Sched. L-1	0		
42		Total General Plant		8,106,110		
43		Total Plant in Service - Zia Operations		85,872,052		
44		Home Office Plant in Service Allocated to Zia Operations	Sched. L-1	1,360,617		
45		Total Plant in Service		87,232,669		

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

Line Number	Acct. No.	Description	[G] [H] [I] [J] [K]				
			Total Company	Transmission			
				Dona Ana		Other Zia	
			Commodity	Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
1		Intangible Plant					
3	301	Organization		6,492	6,492	21,976	21,976
4	302	Franchises & Consents		0	0	0	0
5	303	Miscellaneous Intangible Plant		0	0	0	0
6		Total Intangible Plant	0	6,492	6,492	21,976	21,976
7		Transmission Plant					
8	365.2	Rights of Way		0	0	407,753	407,753
9	366	Structures & Improvements		0	0	0	0
10	367	Mains		0	0	3,610,545	3,610,545
11	368	Compressor Station Equipment		0	0	0	0
12	369	Measuring & Reg. Station Eq.		24,064	24,064	167,899	167,899
13	371	Other Equipment		0	0	128,244	128,244
14		Total Transmission Plant	0	24,064	24,064	4,314,440	4,314,440
15		Distribution Plant					
16	374	Land & Land Rights					
17	375	Structures & Improvements					
18	376	Mains		1,250,462	1,250,462		
19	377	Compressor Station Equipment					
20	378	Meas. & Reg. Sta. Equip.					
21	379	Meas. & Reg. Sta. Equip. - CG					
22	380	Services					
23	381	Meters					
24	381.1	AMR					
25	382	Meter Installations					
26	383	House Regulators					
27	385	Indust. Meas. & Reg. Sta. Equip.					
28	387	Other Equipment					
29		Total Distribution Plant	0	1,250,462	1,250,462	0	0
30		General Plant					
31	389	Land & Land Rights		5,545	5,545	18,772	18,772
32	390	Structures and Improvements		43,177	43,177	146,160	146,160
33	391	Office Furniture & Equipment		3,164	3,164	10,709	10,709
34	392	Transportation Equipment		28,775	28,775	97,407	97,407
35	393	Stores Equipment		0	0	0	0
36	394	Tools & Work Equipment		2,219	2,219	7,513	7,513
37	395	Laboratory Equipment		7,484	7,484	25,335	25,335
38	396	Power Operated Equipment		14,711	14,711	49,798	49,798
39	397	Communication Equipment		1,410	1,410	4,773	4,773
40	398	Misc. Equipment		369	369	1,250	1,250
41	399	Other Tangible Property		0	0	0	0
42		Total General Plant	0	106,855	106,855	361,717	361,717
43		Total Plant in Service - Zia Operations		1,387,873	1,387,873	4,698,133	4,698,133
44		Home Office Plant in Service Allocated to Zia Operations		17,936	17,936	60,715	60,715
45		Total Plant in Service	0	1,405,808	1,405,808	4,758,848	4,758,848

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

[A]			[B]			[L]		[M]		[N]		[O]		[P]		[Q]	
Line Number	Acct. No.	Description	Distribution						Services								
			Dona Ana			Other Zia			Dona Ana			Other Zia					
			Demand	Customer		Demand	Customer		Demand	Customer		Demand	Customer				
			\$	\$		\$	\$		\$	\$		\$	\$				
1		Intangible Plant															
3	301	Organization	41,675	48,142		53,384	61,668		28,313		53,787						
4	302	Franchises & Consents	0	0		0	0		0		0						
5	303	Miscellaneous Intangible Plant	0	0		0	0		0		0						
6		Total Intangible Plant	41,675	48,142		53,384	61,668		28,313		53,787						
7		Transmission Plant															
8	365.2	Rights of Way															
9	366	Structures & Improvements															
10	367	Mains															
11	368	Compressor Station Equipment															
12	369	Measuring & Reg. Station Eq.	22,332	25,797		155,810	179,987										
13	371	Other Equipment															
14		Total Transmission Plant	22,332	25,797		155,810	179,987		0		0						
15		Distribution Plant															
16	374	Land & Land Rights	35,378	40,867		65,049	75,142										
17	375	Structures & Improvements	0	0		0	0										
18	376	Mains	7,971,795	9,208,798		9,637,075	11,132,484										
19	377	Compressor Station Equipment	0	0		0	0										
20	378	Meas. & Reg. Sta. Equip.	152,415	176,066		585,567	676,431										
21	379	Meas. & Reg. Sta. Equip. - CG	0	0		37,290	43,077										
22	380	Services							5,558,530		10,559,726						
23	381	Meters															
24	381.1	AMR															
25	382	Meter Installations															
26	383	House Regulators															
27	385	Indust. Meas. & Reg. Sta. Equip.															
28	387	Other Equipment	0	0		0	0										
29		Total Distribution Plant	8,159,588	9,425,731		10,324,981	11,927,134		5,558,530		10,559,726						
30		General Plant															
31	389	Land & Land Rights	35,599	41,123		45,601	52,677		24,185		45,945						
32	390	Structures and Improvements	277,179	320,190		355,058	410,153		188,306		357,732						
33	391	Office Furniture & Equipment	20,309	23,460		26,015	30,052		13,797		26,211						
34	392	Transportation Equipment	184,723	213,387		236,625	273,342		125,495		238,407						
35	393	Stores Equipment	0	0		0	0		0		0						
36	394	Tools & Work Equipment	14,247	16,458		18,250	21,082		9,679		18,388						
37	395	Laboratory Equipment	48,046	55,501		61,545	71,095		32,641		62,008						
38	396	Power Operated Equipment	94,437	109,091		120,971	139,742		64,157		121,882						
39	397	Communication Equipment	9,052	10,456		11,595	13,394		6,149		11,682						
40	398	Misc. Equipment	2,370	2,737		3,036	3,507		1,610		3,058						
41	399	Other Tangible Property	0	0		0	0		0		0						
42		Total General Plant	685,962	792,404		878,696	1,015,045		466,020		885,314						
43		Total Plant in Service - Zia Operations	8,909,557	10,292,074		11,412,872	13,183,835		6,052,862		11,498,827						
44		Home Office Plant in Service Allocated to Zia Operations	115,139	133,006		147,490	170,376		78,222		148,601						
45		Total Plant in Service	9,024,696	10,425,080		11,560,362	13,354,211		6,131,084		11,647,427						

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators	Customer Accounting	Las Vegas Direct	Other Direct	Allocation Basis
			\$	\$		\$	
1		Intangible Plant					
3	301	Organization	48,222	98,884	1,471	0	Supervised Expenses
4	302	Franchises & Consents	0	0	0	0	Supervised Expenses
5	303	Miscellaneous Intangible Plant	0	0	0	0	Supervised Expenses
6		Total Intangible Plant	48,222	98,884	1,471	0	Sum of Lines 3 thru 5
7		Transmission Plant					
8	365.2	Rights of Way					Transmission Mains Allocator
9	366	Structures & Improvements					Transmission Mains Allocator
10	367	Mains			239,276		Transmission Mains Allocator
11	368	Compressor Station Equipment					Transmission Mains Allocator
12	369	Measuring & Reg. Station Eq.			49,470		50% Trans. Mains Allocator - 50% Dist. Mains Allocator
13	371	Other Equipment					Transmission Mains Allocator
14		Total Transmission Plant	0	0	288,746	0	Sum of Lines 8 thru 13
15		Distribution Plant					
16	374	Land & Land Rights					Distribution Mains Allocator
17	375	Structures & Improvements					Distribution Mains Allocator
18	376	Mains					Distribution Mains Allocator
19	377	Compressor Station Equipment					Distribution Mains Allocator
20	378	Meas. & Reg. Sta. Equip.					Distribution Mains Allocator
21	379	Meas. & Reg. Sta. Equip. - CG					Distribution Mains Allocator
22	380	Services					Direct
23	381	Meters	4,756,667				Direct
24	381.1	AMR	2,759,089				Direct
25	382	Meter Installations	0				Direct
26	383	House Regulators	1,751,685				Direct
27	385	Indust. Meas. & Reg. Sta. Equip.	199,728				Direct
28	387	Other Equipment					Distribution Mains Allocator
29		Total Distribution Plant	9,467,168	0		0	Sum of Lines 16 thru 28
30		General Plant					
31	389	Land & Land Rights	41,191	84,467	1,256	0	Supervised Expenses
32	390	Structures and Improvements	320,720	657,672	9,782	0	Supervised Expenses
33	391	Office Furniture & Equipment	23,499	48,188	717	0	Supervised Expenses
34	392	Transportation Equipment	213,740	438,298	6,519	0	Supervised Expenses
35	393	Stores Equipment	0	0	0	0	Supervised Expenses
36	394	Tools & Work Equipment	16,485	33,805	503	0	Supervised Expenses
37	395	Laboratory Equipment	55,593	113,999	1,696	0	Supervised Expenses
38	396	Power Operated Equipment	109,271	224,073	3,333	0	Supervised Expenses
39	397	Communication Equipment	10,474	21,477	319	0	Supervised Expenses
40	398	Misc. Equipment	2,742	5,623	84	0	Supervised Expenses
41	399	Other Tangible Property	0	0	0	0	Supervised Expenses
42		Total General Plant	793,715	1,627,602	24,208	0	Sum of Lines 31 thru 41
43		Total Plant in Service - Zia Operations	10,309,104	1,726,486	314,425	0	Sum of Lines 6, 14, 29 and 42
44		Home Office Plant in Service Allocated to Zia Operations	133,226	273,194	4,063	0	Supervised Expenses
45		Total Plant in Service	10,442,330	1,999,680	318,488	0	#VALUE!

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
46		<u>Accumulated Depreciation</u>				
47		Intangible Plant				
48	301	Organization	Sched. L-1	75,693		
49	302	Franchises & Consents	Sched. L-1	0		
50	303	Miscellaneous Intangible Plant	Sched. L-1	0		
51		Total Intangible Plant		75,693		
52		Transmission				
53	365.2	Rights of Way	Sched. L-1	0	0	0
54	366	Structures & Improvements	Sched. L-1	0	0	0
55	367	Mains	Sched. L-1	4,059,476	0	4,059,476
56	368	Compressor Station Equipment	Sched. L-1	0	0	0
57	369	Measuring & Reg. Station Eq.	Sched. L-1	264,258	29,264	234,994
58	371	Other Equipment	Sched. L-1	256,488	0	256,488
59		Total Transmission Plant		4,580,222		
60		Distribution				
61	374	Land & Land Rights	Sched. L-1	0	0	0
62	375	Structures & Improvements	Sched. L-1	0	0	0
63	376	Mains	Sched. L-1	16,243,676	8,395,367	7,848,309
64	377	Compressor Station Equipment	Sched. L-1	0	0	0
65	378	Meas. & Reg. Sta. Equip.	Sched. L-1	670,342	173,482	496,860
66	379	Meas. & Reg. Sta. Equip. - CG	Sched. L-1	41,231	0	41,231
67	380	Services	Sched. L-1	5,488,742	1,734,713	3,754,028
68	381	Meters	Sched. L-1	2,025,453		
69	381.1	AMR	Sched. L-1	982,820		
70	382	Meter Installations	Sched. L-1	0		
71	383	House Regulators	Sched. L-1	721,845		
72	385	Indust. Meas. & Reg. Sta. Equip.	Sched. L-1	40,683		
73	387	Other Equipment	Sched. L-1	0		
74		Total Distribution Plant		26,214,792		
75		General				
76	389	Land & Land Rights	Sched. L-1	0		
77	390	Structures and Improvements	Sched. L-1	1,206,791		
78	391	Office Furniture & Equipment	Sched. L-1	196,946		
79	392	Transportation Equipment	Sched. L-1	1,740,468		
80	393	Stores Equipment	Sched. L-1	0		
81	394	Tools & Work Equipment	Sched. L-1	154,122		
82	395	Laboratory Equipment	Sched. L-1	454,189		
83	396	Power Operated Equipment	Sched. L-1	1,048,976		
84	397	Communication Equipment	Sched. L-1	103,909		
85	398	Misc. Equipment	Sched. L-1	15,053		
86	399	Other Tangible Property	Sched. L-1	0		
87		Total General Plant		4,920,453		
88		Total Accumulated Depreciation - Zia Operations		35,791,159		
89		Home Office Acc. Depr. Allocated to Zia Operations	Sched. L-1	592,680		
90		Total Accumulated Depreciation		36,383,839		
91		Net Plant		50,848,830		
92		<u>Other Rate Base Items</u>				
93		Cash Working Capital		0		
94		Materials & Supplies	Sched. L-1	264,717		
95		Gas Storage		0		
96		Prepayments	Sched. L-1	11,066		
97		Customer Deposits	Sched. L-1	(658,716)		
98		Unamortized Rate Case Expenses	Sched. L-1	0		
99		Accum. Deferred Income Taxes	Sched. L-1	(4,383,270)		
100		Total Other Rate Base Items		(4,766,203)		
101		Total Rate Base		46,082,627		



**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

Line Number	Acct. No.	Description	[G] [H] [I] [J] [K]				
			Total Company	Transmission			
				Dona Ana		Other Zia	
				Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
46		<u>Accumulated Depreciation</u>					
47		Intangible Plant					
48	301	Organization		998	998	3,378	3,378
49	302	Franchises & Consents		0	0	0	0
50	303	Miscellaneous Intangible Plant		0	0	0	0
51		Total Intangible Plant	0	998	998	3,378	3,378
52		Transmission					
53	365.2	Rights of Way		0	0	0	0
54	366	Structures & Improvements		0	0	0	0
55	367	Mains		0	0	1,964,639	1,964,639
56	368	Compressor Station Equipment		0	0	0	0
57	369	Measuring & Reg. Station Eq.		7,316	7,316	54,718	54,718
58	371	Other Equipment		0	0	128,244	128,244
59		Total Transmission Plant	0	7,316	7,316	2,147,600	2,147,600
60		Distribution					
61	374	Land & Land Rights					
62	375	Structures & Improvements					
63	376	Mains		533,398	533,398		
64	377	Compressor Station Equipment					
65	378	Meas. & Reg. Sta. Equip.					
66	379	Meas. & Reg. Sta. Equip. - CG					
67	380	Services					
68	381	Meters					
69	381.1	AMR					
70	382	Meter Installations					
71	383	House Regulators					
72	385	Indust. Meas. & Reg. Sta. Equip.					
73	387	Other Equipment					
74		Total Distribution Plant	0	533,398	533,398	0	0
75		General					
76	389	Land & Land Rights		0	0	0	0
77	390	Structures and Improvements		15,908	15,908	53,850	53,850
78	391	Office Furniture & Equipment		2,596	2,596	8,788	8,788
79	392	Transportation Equipment		22,943	22,943	77,664	77,664
80	393	Stores Equipment		0	0	0	0
81	394	Tools & Work Equipment		2,032	2,032	6,877	6,877
82	395	Laboratory Equipment		5,987	5,987	20,267	20,267
83	396	Power Operated Equipment		13,828	13,828	46,808	46,808
84	397	Communication Equipment		1,370	1,370	4,637	4,637
85	398	Misc. Equipment		198	198	672	672
86	399	Other Tangible Property		0	0	0	0
87		Total General Plant	0	64,861	64,861	219,564	219,564
88		Total Accumulated Depreciation - Zia Operations		606,573	606,573	2,370,542	2,370,542
89		Home Office Acc. Depr. Allocated to Zia Operations		7,813	7,813	26,447	26,447
90		Total Accumulated Depreciation	0	614,386	614,386	2,396,989	2,396,989
91		Net Plant	0	791,422	791,422	2,361,859	2,361,859
92		<u>Other Rate Base Items</u>					
93		Cash Working Capital					
94		Materials & Supplies		4,266	4,266	14,441	14,441
95		Gas Storage					
96		Prepayments		172	172	514	514
97		Customer Deposits					
98		Unamortized Rate Case Expenses	0				
99		Accum. Deferred Income Taxes		(68,222)	(68,222)	(203,597)	(203,597)
100		Total Other Rate Base Items	0	(63,784)	(63,784)	(188,642)	(188,642)
101		Total Rate Base	0	727,638	727,638	2,173,217	2,173,217

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

	[A]	[B]		[L]	[M]	[N]	[O]	[P]	[Q]
Line Number	Acct. No.	Description	Distribution				Services		
			Dona Ana		Other Zia		Dona Ana	Other Zia	
			Demand	Customer	Demand	Customer			
			\$	\$	\$	\$	\$	\$	
46		<u>Accumulated Depreciation</u>							
47		Intangible Plant							
48	301	Organization	6,405	7,399	8,205	9,478	4,352	8,267	
49	302	Franchises & Consents	0	0	0	0	0	0	
50	303	Miscellaneous Intangible Plant	0	0	0	0	0	0	
51		Total Intangible Plant	6,405	7,399	8,205	9,478	4,352	8,267	
52		Transmission							
53	365.2	Rights of Way							
54	366	Structures & Improvements							
55	367	Mains							
56	368	Compressor Station Equipment							
57	369	Measuring & Reg. Station Eq.	6,789	7,843	50,778	58,658			
58	371	Other Equipment							
59		Total Transmission Plant	6,789	7,843	50,778	58,658			
60		Distribution							
61	374	Land & Land Rights	0	0	0	0			
62	375	Structures & Improvements	0	0	0	0			
63	376	Mains	3,400,457	3,928,114	3,641,615	4,206,694			
64	377	Compressor Station Equipment	0	0	0	0			
65	378	Meas. & Reg. Sta. Equip.	80,496	92,986	230,543	266,317			
66	379	Meas. & Reg. Sta. Equip. - CG	0	0	19,131	22,100			
67	380	Services					1,734,713	3,754,028	
68	381	Meters							
69	381.1	AMR							
70	382	Meter Installations							
71	383	House Regulators							
72	385	Indust. Meas. & Reg. Sta. Equip.							
73	387	Other Equipment	0	0	0	0			
74		Total Distribution Plant	3,480,952	4,021,100	3,891,290	4,495,110	1,734,713	3,754,028	
75		General							
76	389	Land & Land Rights	0	0	0	0	0	0	
77	390	Structures and Improvements	102,122	117,969	130,815	151,114	69,378	131,800	
78	391	Office Furniture & Equipment	16,666	19,252	21,349	24,662	11,322	21,510	
79	392	Transportation Equipment	147,283	170,138	188,665	217,941	100,059	190,086	
80	393	Stores Equipment	0	0	0	0	0	0	
81	394	Tools & Work Equipment	13,042	15,066	16,707	19,299	8,860	16,832	
82	395	Laboratory Equipment	38,435	44,399	49,234	56,874	26,111	49,605	
83	396	Power Operated Equipment	88,767	102,541	113,708	131,353	60,306	114,565	
84	397	Communication Equipment	8,793	10,157	11,264	13,011	5,974	11,348	
85	398	Misc. Equipment	1,274	1,471	1,632	1,885	865	1,644	
86	399	Other Tangible Property	0	0	0	0	0	0	
87		Total General Plant	416,382	480,994	533,373	616,138	282,877	537,390	
88		Total Accumulated Depreciation - Zia Operations	3,910,529	4,517,336	4,483,646	5,179,384	2,021,942	4,299,685	
89		Home Office Acc. Depr. Allocated to Zia Operations	50,154	57,937	64,246	74,215	34,073	64,730	
90		Total Accumulated Depreciation	3,960,684	4,575,272	4,547,892	5,253,600	2,056,015	4,364,415	
91		Net Plant	5,064,012	5,849,807	7,012,469	8,100,611	4,075,069	7,283,012	
92		<u>Other Rate Base Items</u>							
93		Cash Working Capital							
94		Materials & Supplies	27,386	31,636	35,081	40,525	18,605	35,345	
95		Gas Storage							
96		Prepayments	1,102	1,273	1,526	1,763	887	1,585	
97		Customer Deposits							
98		Unamortized Rate Case Expenses							
99		Accum. Deferred Income Taxes	(436,528)	(504,265)	(604,489)	(698,289)	(351,279)	(627,810)	
100		Total Other Rate Base Items	(408,039)	(471,356)	(567,882)	(656,001)	(331,787)	(590,880)	
101		Total Rate Base	4,655,973	5,378,451	6,444,588	7,444,610	3,743,283	6,692,132	

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Base Year Ended August 31, 2017**

[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators	Customer Accounting	Las Vegas Direct	Other Direct	Allocation Basis
			\$	\$		\$	
46		<u>Accumulated Depreciation</u>					
47		Intangible Plant					
48	301	Organization	7,411	15,198	226	0	Account 301
49	302	Franchises & Consents	0	0	0	0	Account 302
50	303	Miscellaneous Intangible Plant	0	0	0	0	Account 303
51		Total Intangible Plant	7,411	15,198	226	0	Sum of Lines 48 thru 50
52		Transmission					
53	365.2	Rights of Way			0		Account 365.2
54	366	Structures & Improvements			0		Account 366
55	367	Mains			130,199		Account 367
56	368	Compressor Station Equipment			0		Account 368
57	369	Measuring & Reg. Station Eq.			16,122		Account 369
58	371	Other Equipment			0		Account 371
59		Total Transmission Plant			146,322		Sum of Lines 53 thru 58
60		Distribution					
61	374	Land & Land Rights					Account 374.2
62	375	Structures & Improvements					Account 375
63	376	Mains					Account 376
64	377	Compressor Station Equipment					Account 377
65	378	Meas. & Reg. Sta. Equip.					Account 378
66	379	Meas. & Reg. Sta. Equip. - CG					Account 379
67	380	Services					Account 380
68	381	Meters	2,025,453				Account 381
69	381.1	AMR	982,820				Account 381.1
70	382	Meter Installations	0				Account 382
71	383	House Regulators	721,845				Account 383
72	385	Indust. Meas. & Reg. Sta. Equip.	40,683				Account 385
73	387	Other Equipment					Account 387
74		Total Distribution Plant	3,770,801	0	0	0	Sum of Lines 61 thru 73
75		General					
76	389	Land & Land Rights	0	0	0	0	Account 389
77	390	Structures and Improvements	118,164	242,308	3,604	0	Account 390
78	391	Office Furniture & Equipment	19,284	39,544	588	0	Account 391
79	392	Transportation Equipment	170,419	349,463	5,198	0	Account 392
80	393	Stores Equipment	0	0	0	0	Account 393
81	394	Tools & Work Equipment	15,091	30,946	460	0	Account 394
82	395	Laboratory Equipment	44,472	91,195	1,356	0	Account 395
83	396	Power Operated Equipment	102,711	210,621	3,133	0	Account 396
84	397	Communication Equipment	10,174	20,863	310	0	Account 397
85	398	Misc. Equipment	1,474	3,022	45	0	Account 398
86	399	Other Tangible Property	0	0	0	0	Account 399
87		Total General Plant	481,789	987,963	14,694	0	Sum of Lines 76 thru 86
88		Total Accumulated Depreciation - Zia Operations	4,260,002	1,003,162	161,242	0	Sum of Lines 51, 59, 74 and 87
89		Home Office Acc. Depr. Allocated to Zia Operations	58,033	119,002	1,770	0	Supervised Expenses
90		Total Accumulated Depreciation	4,318,035	1,122,164	163,012	0	#VALUE!
91		Net Plant	6,124,295	877,516	155,476	0	Line 45 - 90
92		<u>Other Rate Base Items</u>					
93		Cash Working Capital					Supervised Expenses
94		Materials & Supplies	31,688	6,068	966	0	Plant in Service
95		Gas Storage					Direct
96		Prepayments	1,333	191	34	0	Net Plant
97		Customer Deposits		(658,716)			Customer Accounts
98		Unamortized Rate Case Expenses					Direct - Commodity
99		Accum. Deferred Income Taxes	(527,926)	(75,644)	(13,402)	0	Net Plant
100		Total Other Rate Base Items	(494,905)	(728,100)	(12,402)	0	Sum of Lines 93 thru 99
101		Total Rate Base	5,629,390	149,416	143,074	0	Line 91 + Line 100

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
1		Intangible Plant				
3	301	Organization	Sched. L-1	492,480		
4	302	Franchises & Consents	Sched. L-1	0		
5	303	Miscellaneous Intangible Plant	Sched. L-1	0		
6		Total Intangible Plant		492,480		
7		Transmission Plant				
8	365.2	Rights of Way	Sched. L-1	815,506	0	815,506
9	366	Structures & Improvements	Sched. L-1	0	0	0
10	367	Mains	Sched. L-1	7,470,200	0	7,470,200
11	368	Compressor Station Equipment	Sched. L-1	0	0	0
12	369	Measuring & Reg. Station Eq.	Sched. L-1	817,321	96,257	721,064
13	371	Other Equipment	Sched. L-1	256,488	0	256,488
14		Total Transmission Plant		9,359,514		
15		Distribution Plant				
16	374	Land & Land Rights	Sched. L-1	216,436	76,245	140,191
17	375	Structures & Improvements	Sched. L-1	0	0	0
18	376	Mains	Sched. L-1	40,700,766	19,799,718	20,901,048
19	377	Compressor Station Equipment	Sched. L-1	0	0	0
20	378	Meas. & Reg. Sta. Equip.	Sched. L-1	1,600,384	335,902	1,264,482
21	379	Meas. & Reg. Sta. Equip. - CG	Sched. L-1	80,367	0	80,367
22	380	Services	Sched. L-1	16,249,637	5,605,830	10,643,808
23	381	Meters	Sched. L-1	4,797,967		
24	381.1	AMR	Sched. L-1	2,759,089		
25	382	Meter Installations	Sched. L-1	0		
26	383	House Regulators	Sched. L-1	1,755,717		
27	385	Indust. Meas. & Reg. Sta. Equip.	Sched. L-1	219,726		
28	387	Other Equipment	Sched. L-1	0		
29		Total Distribution Plant		68,380,089		
30		General Plant				
31	389	Land & Land Rights	Sched. L-1	420,680		
32	390	Structures and Improvements	Sched. L-1	3,307,232		
33	391	Office Furniture & Equipment	Sched. L-1	239,995		
34	392	Transportation Equipment	Sched. L-1	2,340,518		
35	393	Stores Equipment	Sched. L-1	0		
36	394	Tools & Work Equipment	Sched. L-1	168,363		
37	395	Laboratory Equipment	Sched. L-1	577,305		
38	396	Power Operated Equipment	Sched. L-1	1,141,265		
39	397	Communication Equipment	Sched. L-1	117,275		
40	398	Misc. Equipment	Sched. L-1	28,003		
41	399	Other Tangible Property	Sched. L-1	0		
42		Total General Plant		8,340,635		
43		Total Plant in Service - Zia Operations		86,572,719		
44		Home Office Plant in Service Allocated to Zia Operations	Sched. L-1	1,360,617		
45		Total Plant in Service		87,933,336		

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total	Transmission			
			Company	Dona Ana		Other Zia	
			Commodity	Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
1		Intangible Plant					
3	301	Organization		6,542	6,542	22,171	22,171
4	302	Franchises & Consents		0	0	0	0
5	303	Miscellaneous Intangible Plant		0	0	0	0
6		Total Intangible Plant	0	6,542	6,542	22,171	22,171
7		Transmission Plant					
8	365.2	Rights of Way		0	0	407,753	407,753
9	366	Structures & Improvements		0	0	0	0
10	367	Mains		0	0	3,615,462	3,615,462
11	368	Compressor Station Equipment		0	0	0	0
12	369	Measuring & Reg. Station Eq.		24,064	24,064	167,899	167,899
13	371	Other Equipment		0	0	128,244	128,244
14		Total Transmission Plant	0	24,064	24,064	4,319,357	4,319,357
15		Distribution Plant					
16	374	Land & Land Rights					
17	375	Structures & Improvements					
18	376	Mains		1,250,462	1,250,462		
19	377	Compressor Station Equipment					
20	378	Meas. & Reg. Sta. Equip.					
21	379	Meas. & Reg. Sta. Equip. - CG					
22	380	Services					
23	381	Meters					
24	381.1	AMR					
25	382	Meter Installations					
26	383	House Regulators					
27	385	Indust. Meas. & Reg. Sta. Equip.					
28	387	Other Equipment					
29		Total Distribution Plant	0	1,250,462	1,250,462	0	0
30		General Plant					
31	389	Land & Land Rights		5,588	5,588	18,939	18,939
32	390	Structures and Improvements		43,933	43,933	148,888	148,888
33	391	Office Furniture & Equipment		3,188	3,188	10,804	10,804
34	392	Transportation Equipment		31,091	31,091	105,367	105,367
35	393	Stores Equipment		0	0	0	0
36	394	Tools & Work Equipment		2,237	2,237	7,579	7,579
37	395	Laboratory Equipment		7,669	7,669	25,990	25,990
38	396	Power Operated Equipment		15,160	15,160	51,378	51,378
39	397	Communication Equipment		1,558	1,558	5,280	5,280
40	398	Misc. Equipment		372	372	1,261	1,261
41	399	Other Tangible Property		0	0	0	0
42		Total General Plant	0	110,796	110,796	375,486	375,486
43		Total Plant in Service - Zia Operations		1,391,864	1,391,864	4,717,014	4,717,014
44		Home Office Plant in Service Allocated to Zia Operations		18,074	18,074	61,253	61,253
45		Total Plant in Service	0	1,409,938	1,409,938	4,778,268	4,778,268

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

[A]			[B]			[L]			[M]			[N]			[O]			[P]			[Q]		
Line Number	Acct. No.	Description	Distribution								Services												
			Dona Ana				Other Zia				Dona Ana				Other Zia								
			Demand	Customer	Demand	Customer	Demand	Customer	Demand	Customer													
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				
1		Intangible Plant																					
3	301	Organization	42,296	48,860	54,116	62,513	28,774	54,634															
4	302	Franchises & Consents	0	0	0	0	0	0															
5	303	Miscellaneous Intangible Plant	0	0	0	0	0	0															
6		Total Intangible Plant	42,296	48,860	54,116	62,513	28,774	54,634															
7		Transmission Plant																					
8	365.2	Rights of Way																					
9	366	Structures & Improvements																					
10	367	Mains																					
11	368	Compressor Station Equipment																					
12	369	Measuring & Reg. Station Eq.	22,332	25,797	155,810	179,987																	
13	371	Other Equipment																					
14		Total Transmission Plant	22,332	25,797	155,810	179,987	0	0															
15		Distribution Plant																					
16	374	Land & Land Rights	35,378	40,867	65,049	75,142																	
17	375	Structures & Improvements	0	0	0	0																	
18	376	Mains	8,026,640	9,272,154	9,698,086	11,202,962																	
19	377	Compressor Station Equipment	0	0	0	0																	
20	378	Meas. & Reg. Sta. Equip.	155,859	180,044	586,720	677,762																	
21	379	Meas. & Reg. Sta. Equip. - CG	0	0	37,290	43,077																	
22	380	Services					5,605,830	10,643,808															
23	381	Meters																					
24	381.1	AMR																					
25	382	Meter Installations																					
26	383	House Regulators																					
27	385	Indust. Meas. & Reg. Sta. Equip.																					
28	387	Other Equipment	0	0	0	0																	
29		Total Distribution Plant	8,217,877	9,493,065	10,387,145	11,998,943	5,605,830	10,643,808															
30		General Plant																					
31	389	Land & Land Rights	36,130	41,736	46,226	53,399	24,579	46,669															
32	390	Structures and Improvements	284,039	328,114	363,415	419,807	193,232	366,891															
33	391	Office Furniture & Equipment	20,612	23,810	26,372	30,464	14,022	26,624															
34	392	Transportation Equipment	201,014	232,206	257,188	297,096	136,750	259,648															
35	393	Stores Equipment	0	0	0	0	0	0															
36	394	Tools & Work Equipment	14,460	16,703	18,500	21,371	9,837	18,677															
37	395	Laboratory Equipment	49,581	57,275	63,437	73,281	33,730	64,044															
38	396	Power Operated Equipment	98,017	113,226	125,408	144,868	66,681	126,607															
39	397	Communication Equipment	10,072	11,635	12,887	14,886	6,852	13,010															
40	398	Misc. Equipment	2,405	2,778	3,077	3,555	1,636	3,107															
41	399	Other Tangible Property	0	0	0	0	0	0															
42		Total General Plant	716,329	827,484	916,509	1,058,726	487,320	925,277															
43		Total Plant in Service - Zia Operations	8,998,834	10,395,205	11,513,580	13,300,170	6,121,924	11,623,718															
44		Home Office Plant in Service Allocated to Zia Operations	116,856	134,988	149,511	172,711	79,497	150,941															
45		Total Plant in Service	9,115,690	10,530,194	11,663,091	13,472,882	6,201,421	11,774,660															

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators	Customer Accounting	Las Vegas Direct	Other Direct	Allocation Basis
			\$	\$		\$	
1		Intangible Plant					
3	301	Organization	48,930	93,449	1,482	0	Supervised Expenses
4	302	Franchises & Consents	0	0	0	0	Supervised Expenses
5	303	Miscellaneous Intangible Plant	0	0	0	0	Supervised Expenses
6		Total Intangible Plant	48,930	93,449	1,482	0	Sum of Lines 3 thru 5
7		Transmission Plant					
8	365.2	Rights of Way					Transmission Mains Allocator
9	366	Structures & Improvements					Transmission Mains Allocator
10	367	Mains			239,276		Transmission Mains Allocator
11	368	Compressor Station Equipment					Transmission Mains Allocator
12	369	Measuring & Reg. Station Eq.			49,470		50% Trans. Mains Allocator - 50% Dist. Mains Allocator
13	371	Other Equipment					Transmission Mains Allocator
14		Total Transmission Plant	0	0	288,746	0	Sum of Lines 8 thru 13
15		Distribution Plant					
16	374	Land & Land Rights					Distribution Mains Allocator
17	375	Structures & Improvements					Distribution Mains Allocator
18	376	Mains					Distribution Mains Allocator
19	377	Compressor Station Equipment					Distribution Mains Allocator
20	378	Meas. & Reg. Sta. Equip.					Distribution Mains Allocator
21	379	Meas. & Reg. Sta. Equip. - CG					Distribution Mains Allocator
22	380	Services					Direct
23	381	Meters	4,797,967				Direct
24	381.1	AMR	2,759,089				Direct
25	382	Meter Installations	0				Direct
26	383	House Regulators	1,755,717				Direct
27	385	Indust. Meas. & Reg. Sta. Equip.	219,726				Direct
28	387	Other Equipment					Distribution Mains Allocator
29		Total Distribution Plant	9,532,498	0		0	Sum of Lines 16 thru 28
30		General Plant					
31	389	Land & Land Rights	41,796	79,825	1,266	0	Supervised Expenses
32	390	Structures and Improvements	328,584	627,555	9,953	0	Supervised Expenses
33	391	Office Furniture & Equipment	23,844	45,540	722	0	Supervised Expenses
34	392	Transportation Equipment	232,538	444,119	7,044	0	Supervised Expenses
35	393	Stores Equipment	0	0	0	0	Supervised Expenses
36	394	Tools & Work Equipment	16,727	31,947	507	0	Supervised Expenses
37	395	Laboratory Equipment	57,357	109,545	1,737	0	Supervised Expenses
38	396	Power Operated Equipment	113,388	216,558	3,435	0	Supervised Expenses
39	397	Communication Equipment	11,652	22,253	353	0	Supervised Expenses
40	398	Misc. Equipment	2,782	5,314	84	0	Supervised Expenses
41	399	Other Tangible Property	0	0	0	0	Supervised Expenses
42		Total General Plant	828,669	1,582,655	25,101	0	Sum of Lines 31 thru 41
43		Total Plant in Service - Zia Operations	10,410,097	1,676,104	315,329	0	Sum of Lines 6, 14, 29 and 42
44		Home Office Plant in Service Allocated to Zia Operations	135,182	258,180	4,095	0	Supervised Expenses
45		Total Plant in Service	10,545,279	1,934,284	319,424	0	#VALUE!

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
46		<u>Accumulated Depreciation</u>				
47		Intangible Plant				
48	301	Organization	Sched. L-1	75,693		
49	302	Franchises & Consents	Sched. L-1	0		
50	303	Miscellaneous Intangible Plant	Sched. L-1	0		
51		Total Intangible Plant		75,693		
52		Transmission				
53	365.2	Rights of Way	Sched. L-1	0	0	0
54	366	Structures & Improvements	Sched. L-1	0	0	0
55	367	Mains	Sched. L-1	4,060,592	0	4,060,592
56	368	Compressor Station Equipment	Sched. L-1	0	0	0
57	369	Measuring & Reg. Station Eq.	Sched. L-1	264,075	29,264	234,810
58	371	Other Equipment	Sched. L-1	256,488	0	256,488
59		Total Transmission Plant		4,581,154		
60		Distribution				
61	374	Land & Land Rights	Sched. L-1	0	0	0
62	375	Structures & Improvements	Sched. L-1	0	0	0
63	376	Mains	Sched. L-1	16,252,149	8,398,997	7,853,152
64	377	Compressor Station Equipment	Sched. L-1	0	0	0
65	378	Meas. & Reg. Sta. Equip.	Sched. L-1	672,388	173,862	498,526
66	379	Meas. & Reg. Sta. Equip. - CG	Sched. L-1	41,231	0	41,231
67	380	Services	Sched. L-1	5,491,042	1,735,543	3,755,499
68	381	Meters	Sched. L-1	2,028,296		
69	381.1	AMR	Sched. L-1	983,944		
70	382	Meter Installations	Sched. L-1	0		
71	383	House Regulators	Sched. L-1	722,531		
72	385	Indust. Meas. & Reg. Sta. Equip.	Sched. L-1	41,425		
73	387	Other Equipment	Sched. L-1	0		
74		Total Distribution Plant		26,233,006		
75		General				
76	389	Land & Land Rights	Sched. L-1	0		
77	390	Structures and Improvements	Sched. L-1	1,207,714		
78	391	Office Furniture & Equipment	Sched. L-1	198,867		
79	392	Transportation Equipment	Sched. L-1	1,773,259		
80	393	Stores Equipment	Sched. L-1	0		
81	394	Tools & Work Equipment	Sched. L-1	154,180		
82	395	Laboratory Equipment	Sched. L-1	456,379		
83	396	Power Operated Equipment	Sched. L-1	1,053,004		
84	397	Communication Equipment	Sched. L-1	105,970		
85	398	Misc. Equipment	Sched. L-1	15,053		
86	399	Other Tangible Property	Sched. L-1	0		
87		Total General Plant		4,964,427		
88		Total Accumulated Depreciation - Zia Operations		35,854,280		
89		Home Office Acc. Depr. Allocated to Zia Operations	Sched. L-1	595,577		
90		Total Accumulated Depreciation		36,449,857		
91		Net Plant		51,483,479		
92		<u>Other Rate Base Items</u>				
93		Cash Working Capital		0		
94		Materials & Supplies	Sched. L-1	264,717		
95		Gas Storage		0		
96		Prepayments	Sched. L-1	11,066		
97		Customer Deposits	Sched. L-1	(658,716)		
98		Unamortized Rate Case Expenses	Sched. L-1	200,000		
99		Accum. Deferred Income Taxes	Sched. L-1	(4,386,674)		
100		Total Other Rate Base Items		(4,569,607)		
101		Total Rate Base		46,913,872		



**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total	Transmission			
			Company	Dona Ana		Other Zia	
			Commodity	Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
46		<u>Accumulated Depreciation</u>					
47		Intangible Plant					
48	301	Organization		1,005	1,005	3,408	3,408
49	302	Franchises & Consents		0	0	0	0
50	303	Miscellaneous Intangible Plant		0	0	0	0
51		Total Intangible Plant	0	1,005	1,005	3,408	3,408
52		Transmission					
53	365.2	Rights of Way		0	0	0	0
54	366	Structures & Improvements		0	0	0	0
55	367	Mains		0	0	1,965,264	1,965,264
56	368	Compressor Station Equipment		0	0	0	0
57	369	Measuring & Reg. Station Eq.		7,316	7,316	54,675	54,675
58	371	Other Equipment		0	0	128,244	128,244
59		Total Transmission Plant	0	7,316	7,316	2,148,183	2,148,183
60		Distribution					
61	374	Land & Land Rights					
62	375	Structures & Improvements					
63	376	Mains		530,443	530,443		
64	377	Compressor Station Equipment					
65	378	Meas. & Reg. Sta. Equip.					
66	379	Meas. & Reg. Sta. Equip. - CG					
67	380	Services					
68	381	Meters					
69	381.1	AMR					
70	382	Meter Installations					
71	383	House Regulators					
72	385	Indust. Meas. & Reg. Sta. Equip.					
73	387	Other Equipment					
74		Total Distribution Plant	0	530,443	530,443	0	0
75		General					
76	389	Land & Land Rights		0	0	0	0
77	390	Structures and Improvements		16,043	16,043	54,370	54,370
78	391	Office Furniture & Equipment		2,642	2,642	8,953	8,953
79	392	Transportation Equipment		23,556	23,556	79,830	79,830
80	393	Stores Equipment		0	0	0	0
81	394	Tools & Work Equipment		2,048	2,048	6,941	6,941
82	395	Laboratory Equipment		6,062	6,062	20,546	20,546
83	396	Power Operated Equipment		13,988	13,988	47,405	47,405
84	397	Communication Equipment		1,408	1,408	4,771	4,771
85	398	Misc. Equipment		200	200	678	678
86	399	Other Tangible Property		0	0	0	0
87		Total General Plant	0	65,947	65,947	223,493	223,493
88		Total Accumulated Depreciation - Zia Operations		604,712	604,712	2,375,084	2,375,084
89		Home Office Acc. Depr. Allocated to Zia Operations		7,912	7,912	26,812	26,812
90		Total Accumulated Depreciation	0	612,623	612,623	2,401,896	2,401,896
91		Net Plant	0	797,315	797,315	2,376,372	2,376,372
92		<u>Other Rate Base Items</u>					
93		Cash Working Capital					
94		Materials & Supplies		4,245	4,245	14,385	14,385
95		Gas Storage					
96		Prepayments		171	171	511	511
97		Customer Deposits					
98		Unamortized Rate Case Expenses	200,000				
99		Accum. Deferred Income Taxes		(67,936)	(67,936)	(202,480)	(202,480)
100		Total Other Rate Base Items	200,000	(63,520)	(63,520)	(187,584)	(187,584)
101		Total Rate Base	200,000	733,796	733,796	2,188,787	2,188,787

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

	[A]	[B]		[L]	[M]	[N]	[O]	[P]	[Q]
Line Number	Acct. No.	Description	Distribution				Services		
			Dona Ana		Other Zia		Dona Ana	Other Zia	
			Demand	Customer	Demand	Customer			
			\$	\$	\$	\$	\$	\$	
46		<u>Accumulated Depreciation</u>							
47		Intangible Plant							
48	301	Organization	6,501	7,510	8,317	9,608	4,423	8,397	
49	302	Franchises & Consents	0	0	0	0	0	0	
50	303	Miscellaneous Intangible Plant	0	0	0	0	0	0	
51		Total Intangible Plant	6,501	7,510	8,317	9,608	4,423	8,397	
52		Transmission							
53	365.2	Rights of Way							
54	366	Structures & Improvements							
55	367	Mains							
56	368	Compressor Station Equipment							
57	369	Measuring & Reg. Station Eq.	6,789	7,843	50,739	58,612			
58	371	Other Equipment							
59		Total Transmission Plant	6,789	7,843	50,739	58,612			
60		Distribution							
61	374	Land & Land Rights	0	0	0	0			
62	375	Structures & Improvements	0	0	0	0			
63	376	Mains	3,404,883	3,933,227	3,643,863	4,209,290			
64	377	Compressor Station Equipment	0	0	0	0			
65	378	Meas. & Reg. Sta. Equip.	80,672	93,190	231,316	267,210			
66	379	Meas. & Reg. Sta. Equip. - CG	0	0	19,131	22,100			
67	380	Services					1,735,543	3,755,499	
68	381	Meters							
69	381.1	AMR							
70	382	Meter Installations							
71	383	House Regulators							
72	385	Indust. Meas. & Reg. Sta. Equip.							
73	387	Other Equipment	0	0	0	0			
74		Total Distribution Plant	3,485,555	4,026,417	3,894,310	4,498,599	1,735,543	3,755,499	
75		General							
76	389	Land & Land Rights	0	0	0	0	0	0	
77	390	Structures and Improvements	103,724	119,819	132,709	153,302	70,563	133,979	
78	391	Office Furniture & Equipment	17,080	19,730	21,853	25,243	11,619	22,062	
79	392	Transportation Equipment	152,295	175,927	194,854	225,090	103,607	196,718	
80	393	Stores Equipment	0	0	0	0	0	0	
81	394	Tools & Work Equipment	13,242	15,296	16,942	19,571	9,008	17,104	
82	395	Laboratory Equipment	39,196	45,278	50,149	57,931	26,665	50,629	
83	396	Power Operated Equipment	90,436	104,470	115,709	133,664	61,524	116,816	
84	397	Communication Equipment	9,101	10,513	11,645	13,451	6,192	11,756	
85	398	Misc. Equipment	1,293	1,493	1,654	1,911	880	1,670	
86	399	Other Tangible Property	0	0	0	0	0	0	
87		Total General Plant	426,366	492,526	545,515	630,164	290,058	550,734	
88		Total Accumulated Depreciation - Zia Operations	3,925,212	4,534,296	4,498,881	5,196,983	2,030,023	4,314,630	
89		Home Office Acc. Depr. Allocated to Zia Operations	51,151	59,088	65,445	75,600	34,798	66,071	
90		Total Accumulated Depreciation	3,976,362	4,593,384	4,564,326	5,272,584	2,064,821	4,380,701	
91		Net Plant	5,139,328	5,936,810	7,098,765	8,200,298	4,136,600	7,393,959	
92		<u>Other Rate Base Items</u>							
93		Cash Working Capital							
94		Materials & Supplies	27,442	31,700	35,111	40,559	18,669	35,447	
95		Gas Storage							
96		Prepayments	1,105	1,276	1,526	1,763	889	1,589	
97		Customer Deposits							
98		Unamortized Rate Case Expenses							
99		Accum. Deferred Income Taxes	(437,899)	(505,849)	(604,854)	(698,710)	(352,461)	(630,006)	
100		Total Other Rate Base Items	(409,352)	(472,872)	(568,217)	(656,388)	(332,903)	(592,970)	
101		Total Rate Base	4,729,976	5,463,937	6,530,548	7,543,909	3,803,697	6,800,989	

**Zia Natural Gas Company**  
**Functional Classification of Rate Base**  
**Test Year Ended August 31, 2017**

[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators	Customer Accounting	Las Vegas Direct	Other Direct	Allocation Basis
			\$	\$		\$	
46		<u>Accumulated Depreciation</u>					
47		Intangible Plant					
48	301	Organization	7,520	14,363	228	0	Account 301
49	302	Franchises & Consents	0	0	0	0	Account 302
50	303	Miscellaneous Intangible Plant	0	0	0	0	Account 303
51		Total Intangible Plant	7,520	14,363	228	0	Sum of Lines 48 thru 50
52		Transmission					
53	365.2	Rights of Way			0		Account 365.2
54	366	Structures & Improvements			0		Account 366
55	367	Mains			130,064		Account 367
56	368	Compressor Station Equipment			0		Account 368
57	369	Measuring & Reg. Station Eq.			16,110		Account 369
58	371	Other Equipment			0		Account 371
59		Total Transmission Plant			146,173		Sum of Lines 53 thru 58
60		Distribution					
61	374	Land & Land Rights					Account 374.2
62	375	Structures & Improvements					Account 375
63	376	Mains					Account 376
64	377	Compressor Station Equipment					Account 377
65	378	Meas. & Reg. Sta. Equip.					Account 378
66	379	Meas. & Reg. Sta. Equip. - CG					Account 379
67	380	Services					Account 380
68	381	Meters	2,028,296				Account 381
69	381.1	AMR	983,944				Account 381.1
70	382	Meter Installations	0				Account 382
71	383	House Regulators	722,531				Account 383
72	385	Indust. Meas. & Reg. Sta. Equip.	41,425				Account 385
73	387	Other Equipment					Account 387
74		Total Distribution Plant	3,776,196	0	0	0	Sum of Lines 61 thru 73
75		General					
76	389	Land & Land Rights	0	0	0	0	Account 389
77	390	Structures and Improvements	119,990	229,166	3,635	0	Account 390
78	391	Office Furniture & Equipment	19,758	37,736	598	0	Account 391
79	392	Transportation Equipment	176,179	336,480	5,337	0	Account 392
80	393	Stores Equipment	0	0	0	0	Account 393
81	394	Tools & Work Equipment	15,318	29,256	464	0	Account 394
82	395	Laboratory Equipment	45,343	86,599	1,373	0	Account 395
83	396	Power Operated Equipment	104,619	199,810	3,169	0	Account 396
84	397	Communication Equipment	10,529	20,108	319	0	Account 397
85	398	Misc. Equipment	1,496	2,856	45	0	Account 398
86	399	Other Tangible Property	0	0	0	0	Account 399
87		Total General Plant	493,232	942,011	14,940	0	Sum of Lines 76 thru 86
88		Total Accumulated Depreciation - Zia Operations	4,276,948	956,374	161,342	0	Sum of Lines 51, 59, 74 and 87
89		Home Office Acc. Depr. Allocated to Zia Operations	59,173	113,012	1,792	0	Supervised Expenses
90		Total Accumulated Depreciation	4,336,121	1,069,386	163,134	0	#VALUE!
91		Net Plant	6,209,158	864,898	156,290	0	Line 45 - 90
92		<u>Other Rate Base Items</u>					
93		Cash Working Capital					Supervised Expenses
94		Materials & Supplies	31,746	5,823	962	0	Plant in Service
95		Gas Storage					Direct
96		Prepayments	1,335	186	34	0	Net Plant
97		Customer Deposits		(658,716)			Customer Accounts
98		Unamortized Rate Case Expenses					Direct - Commodity
99		Accum. Deferred Income Taxes	(529,054)	(73,694)	(13,317)	0	Net Plant
100		Total Other Rate Base Items	(495,974)	(726,401)	(12,322)	0	Sum of Lines 93 thru 99
101		Total Rate Base	5,713,184	138,497	143,968	0	Line 91 + Line 100

**Zia Natural Gas Company**  
**Allocation of Rate Base - Functional Classification**

**Schedule L-3**

See Schedule L-2

**Zia Natural Gas Company  
Allocation of Rate Base  
Base Year Ended August 31, 2017**

Schedule L-4 (a)

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	<u>Rate Base</u>													
2	Direct Commodity	0	0	0	0	0	0	0	0	0	0	0	0	Commodity
3	Transmission - Dona Ana													
4	Demand	727,638	541,893		27,114		50,376		15,228		93,027			50% Firm Winter Period Sales, 50% Peak
5	Commodity	727,638	429,586		30,173		45,609		76,859		145,412			Commodity
6	Total Transmission - Dona Ana	1,455,277	971,479		57,287		95,985		92,088		238,438			Line 4 + Line 5
7	Transmission - Other Zia													
8	Demand	2,173,217		1,082,982		231,422		363,962		20		23,558	471,272	50% Firm Winter Period Sales, 50% Peak
9	Commodity	2,173,217		1,024,807		221,195		396,698		2,034		48,688	479,795	Commodity
10	Total Transmission - Other Zia	4,346,434		2,107,788		452,617		760,660		2,054		72,247	951,067	Line 8 + Line 9
11	Distribution - Dona Ana													
12	Demand	4,655,973	3,467,437		173,496		322,345		97,442		595,253			50% Firm Winter Period Sales, 50% Peak
13	Customer	5,378,451	4,765,367		127,556		84,432		393,697		7,399			Distribution - Customer
14	Total Distribution - Dona Ana	10,034,424	8,232,804		301,052		406,777		491,140		602,652			Line 12 + Line 13
			710											
15	Distribution - Other Zia													
16	Demand	6,444,588		4,100,531		876,290		1,378,379		78		89,310		50% Firm Winter Period Sales, 50% Peak, Ex Wholesale
17	Customer	7,444,610		6,528,677		545,069		363,768		4,525		2,572		Distribution - Customer, Excluding Wholesale
18	Total Distribution - Other Zia	13,889,198		10,629,208		1,421,358		1,742,147		4,603		91,882		Line 16 + Line 17
				465										
19	Services - Dona Ana	3,743,283	3,316,590		88,776		58,763		274,005		5,149			Services
20	Services - Other Zia	6,692,132		5,868,779		489,975		326,999		4,067		2,312		Services
21	Meters and Regulators	5,629,390	1,360,570	2,681,005	54,628	335,749	144,638	896,289	112,405	1,858	28,165	14,082		Meters & Regulators
22	Customer Accounting	149,416	40,375	79,559	2,161	13,285	1,431	8,866	3,336	55	209	104	35	Customer Accounting
23	Direct - Wholesale	143,074											143,074	
24	Direct	0												
25	Total Rate Base	46,082,627	13,921,818	21,366,339	503,904	2,712,984	707,595	3,734,961	972,973	12,637	874,613	180,628	1,094,176	Sum of Lines 6,10,14,19,21,22 and 24

**Zia Natural Gas Company**  
**Allocation of Rate Base**  
**Test Year Ended August 31, 2017**

Schedule L-4 (b)

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	<u>Rate Base</u>													
2	Direct Commodity	200,000	30,409	70,023	2,136	15,114	3,229	27,106	5,441	139	10,293	3,327	32,784	Commodity
3	Transmission - Dona Ana													
4	Demand	733,796	546,479		27,343		50,803		15,357		93,814			50% Firm Winter Period Sales, 50% Peak
5	Commodity	733,796	433,221		30,428		45,995		77,510		146,642			Commodity
6	Total Transmission - Dona Ana	1,467,591	979,700		57,771		96,797		92,867		240,456			Line 4 + Line 5
7	Transmission - Other Zia													
8	Demand	2,188,787		1,090,741		233,080		366,570		21		23,727	474,648	50% Firm Winter Period Sales, 50% Peak
9	Commodity	2,188,787		1,032,149		222,780		399,540		2,048		49,037	483,233	Commodity
10	Total Transmission - Other Zia	4,377,575		2,122,890		455,860		766,110		2,069		72,764	957,881	Line 8 + Line 9
11	Distribution - Dona Ana													
12	Demand	4,729,976	3,522,549		176,253		327,469		98,991		604,714			50% Firm Winter Period Sales, 50% Peak
13	Customer	5,463,937	4,841,109		129,583		85,774		399,955		7,516			Distribution - Customer
14	Total Distribution - Dona Ana	10,193,913	8,363,658		305,837		413,243		498,946		612,230			Line 12 + Line 13
			721											
15	Distribution - Other Zia													
16	Demand	6,530,548		4,155,226		887,978		1,396,764		79		90,501		50% Firm Winter Period Sales, 50% Peak, Ex Wholesale
17	Customer	7,543,909		6,615,759		552,339		368,620		4,585		2,606		Distribution - Customer, Excluding Wholesale
18	Total Distribution - Other Zia	14,074,458		10,770,985		1,440,317		1,765,384		4,664		93,108		Line 16 + Line 17
				471										
19	Services - Dona Ana	3,803,697	3,370,118		90,209		59,711		278,427		5,232			Services
20	Services - Other Zia	6,800,989		5,964,243		497,945		332,319		4,134		2,350		Services
21	Meters and Regulators	5,713,184	1,380,822	2,720,912	55,441	340,747	146,791	909,630	114,078	1,886	28,584	14,292		Meters & Regulators
22	Customer Accounting	138,497	37,425	73,745	2,004	12,314	1,326	8,218	3,092	51	194	97	32	Customer Accounting
23	Direct - Wholesale	143,968											143,968	
24	Direct	0												
25	Total Rate Base	46,913,872	14,162,131	21,722,798	513,397	2,762,296	721,098	3,808,767	992,851	12,942	896,989	185,937	1,134,666	Sum of Lines 6,10,14,19,21,22 and 24

**Zia Natural Gas Company**  
**Total Operating Expenses and Other Operating Revenues- Jurisdictional**  
**by Functional Classification**  
**Year Ended August 31, 2017**

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
Line Number	Acct. No.	Description	Base Year				Adjustment				Test Year		
			Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia	Reference	Total	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		Depreciation Expenses											
2		Intangible Plant											
3	301	Organization	12,312	-	12,312	Schedule H-7	-	-	-	Schedule H-7	12,312	-	12,312
4	302	Franchises & Consents	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
5	303	Miscellaneous Intangible Plant	-	12,312	(12,312)	Schedule H-7	-	-	-	Schedule H-7	-	12,312	(12,312)
6		Total Intangible Plant	12,312	12,312	-		-	-	-		12,312	12,312	-
7		Transmission Plant											
8	365.2	Rights of Way	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
9	366	Structures & Improvements	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
10	367	Mains	148,288	-	148,288	Schedule H-7	1,116	-	1,116	Schedule H-7	149,404	-	149,404
11	368	Compressor Station Equipment	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
12	369	Measuring & Reg. Station Eq.	16,530	1,925	14,604	Schedule H-7	(183)	-	(183)	Schedule H-7	16,346	1,925	14,421
13	371	Other Equipment	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
14		Total Transmission Plant	164,818	1,925	162,893		932	-	932		165,750	1,925	163,825
15		Distribution Plant											
16	374	Land & Land Rights	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
17	375	Structures & Improvements	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
18	376	Mains	805,542	392,364	413,178	Schedule H-7	8,473	3,630	4,843	Schedule H-7	814,015	395,994	418,021
19	377	Compressor Station Equipment	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
20	378	Meas. & Reg. Sta. Equip.	29,962	6,338	23,624	Schedule H-7	2,046	380	1,666	Schedule H-7	32,008	6,718	25,290
21	379	Meas. & Reg. Sta. Equip. - CG	1,607	-	1,607	Schedule H-7	-	-	-	Schedule H-7	1,607	-	1,607
22	380	Services	322,693	111,287	211,405	Schedule H-7	2,300	830	1,471	Schedule H-7	324,993	112,117	212,876
23	381	Meters	134,242	39,483	94,759	Schedule H-7	2,843	1,385	1,458	Schedule H-7	137,085	40,868	96,217
24	381.1	AMR	136,830	43,478	93,352	Schedule H-7	1,124	77	1,047	Schedule H-7	137,954	43,555	94,400
25	382	Meter Installations	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
26	383	House Regulators	49,478	8,623	40,855	Schedule H-7	685	191	494	Schedule H-7	50,163	8,815	41,349
27	385	Indust. Meas. & Reg. Sta. Equip.	5,536	2,086	3,449	Schedule H-7	742	471	271	Schedule H-7	6,278	2,557	3,721
28	387	Other Equipment	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
29		Total Distribution Plant	1,485,890	603,661	882,229		18,214	6,963	11,251		1,504,103	610,624	893,480
30		General Plant											
31	389	Land & Land Rights	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
32	390	Structures and Improvements	65,992	-	-	Schedule H-7	923	-	-	Schedule H-7	66,915	-	-
33	391	Office Furniture & Equipment	14,950	-	-	Schedule H-7	1,922	-	-	Schedule H-7	16,872	-	-
34	392	Transportation Equipment	237,077	-	-	Schedule H-7	32,791	-	-	Schedule H-7	269,868	-	-
35	393	Stores Equipment	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
36	394	Tools & Work Equipment	4,601	-	-	Schedule H-7	58	-	-	Schedule H-7	4,660	-	-
37	395	Laboratory Equipment	40,165	-	-	Schedule H-7	2,190	-	-	Schedule H-7	42,355	-	-
38	396	Power Operated Equipment	28,755	-	-	Schedule H-7	4,028	-	-	Schedule H-7	32,784	-	-
39	397	Communication Equipment	8,031	-	-	Schedule H-7	2,062	-	-	Schedule H-7	10,093	-	-
40	398	Misc. Equipment	3,451	-	-	Schedule H-7	-	-	-	Schedule H-7	3,451	-	-
41	399	Other Tangible Property	-	-	-	Schedule H-7	-	-	-	Schedule H-7	-	-	-
42		Total General Plant	403,024	-	-		43,974	-	-		446,998	-	-
43		Total Plant in Service - Zia Operations	2,066,044	-	-		63,120	-	-		2,129,164	-	-
44		Home Office Depr. Allocated to Zia Operation:	95,200	-	-		2,852	-	-	Workpaper B-2	98,052	-	-
45		Total Depreciation Expenses	2,161,244	-	-		65,972	-	-		2,227,216	-	-

**Zia Natural Gas Company**  
**Total Operating Expenses and Other Operating Revenues- Jurisdictional**  
**by Functional Classification**  
**Year Ended August 31, 2017**

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
Line Number	Acct. No.	Description	Base Year				Adjustment				Test Year		
			Total	Office	Operations	Reference	Total	Office	Operations	Operations	Total	Office	Operations
			\$	\$	\$	\$	\$	\$	\$		\$	\$	\$
46		<u>Other Operating Revenues</u>											
47		Interest on Unpaid Bills	26,172			Sched. K-1 OTR	-			Sched. K-1 OTR	26,172		
48		Read-In Meter Fee	-			Sched. K-1 OTR	-			Sched. K-1 OTR	-		
49		Connects, Reconnects and Service Charges	179,615			Sched. K-1 OTR	242,068			Sched. K-1 OTR	421,683		
50		Returned or Dishonored Check	7,314			Sched. K-1 OTR	4,886			Sched. K-1 OTR	12,200		
51		Rents from Utility Property	3,000			Sched. K-1 OTR	-			Sched. K-1 OTR	3,000		
52		Merchandising	(412)			Sched. K-1 OTR	-			Sched. K-1 OTR	(412)		
53		Non-Tariff Revenues	7,387			Sched. K-1 OTR	-			Sched. K-1 OTR	7,387		
54		Gain/Loss on Asset	33,300			Sched. K-1 OTR	-			Sched. K-1 OTR	33,300		
55		Other Gas Revenues	15,443			Sched. K-1 OTR	-			Sched. K-1 OTR	15,443		
56											-		
57		Total Other Operating Revenues	271,819				246,954				518,772		
100		<u>Taxes Other Than Income Taxes</u>											
101		Property Taxes	469,525			Sched. H-8	5,250			Sched. H-8	474,775		
102		Property Taxes - Home Office	5,110				-				5,110		



**Zia Natural Gas Company**  
**Total Operating Expenses and Other Operating Revenues- Jurisdictional**  
**by Functional Classification**  
**Year Ended August 31, 2017**

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
Line Number	Acct. No.	Description	Base Year				Adjustment				Test Year		
			Total	Office	Operations	Reference	Total	Office	Operations	Operations	Total	Office	Operations
			\$	\$	\$	\$	\$	\$	\$		\$	\$	\$
58		<u>Operating Expenses - Zia Operations</u>											
59	100-149	Labor and Benefits (Includes Payroll Taxes)											
60		Total Labor and Benefits	2,688,284	1,008,958	1,679,326	Sched. H-1	318,982	147,206	171,776	Sched. H-1 & H-4	3,007,266	1,156,165	1,851,102
61	150-199	Vehicle and Equipment											
62		Total Vehicle and Equipment	242,192	19,517	222,675	Sched. H-1	-			Sched. H-1	242,192	19,517	222,675
63		Billing and IT Expense	593,089	593,089	-	Sched. H-1	-			Sched. H-1	593,089	593,089	-
64	205	Office Supplies	79,134	79,056	78	Sched. H-1	-			Sched. H-1	79,134	79,056	78
65	206-249	Materials and Supplies											
66		Total Materials and Supplies	305,641	27,317	278,324	Sched. H-1	-			Sched. H-1	305,641	27,317	278,324
67	250-299	Utilities											
68		Total Utilities	204,831	153,462	51,369	Sched. H-1	-			Sched. H-1	204,831	153,462	51,369
69	300-349	Outside Services	190,904	185,887	5,017	Sched. H-1	-			Sched. H-1	190,904	185,887	5,017
70	351	Regulatory Commission Expenses	7,880	7,880	-	Sched. H-1	100,000	100,000		Sched. H-1	107,880	107,880	-
71	352-399	Legal Services	60,504	60,504	-	Sched. H-1	16,125	16,125		Sched. H-1	76,629	76,629	-
72	400-449	Travel and Entertainment	25,371	16,703	8,669	Sched. H-1	-			Sched. H-1	25,371	16,703	8,669
73	450-499	Rents and Leases	113,986	104,586	9,400	Sched. H-1	-			Sched. H-1	113,986	104,586	9,400
74	500-549	Public Relations and Business Development	164,530	164,530	-	Sched. H-1	(71,852)	(71,852)	0	Sched. H-1	92,678	92,678	-
75	550-559	Permits and Fees	64,353	63,677	676	Sched. H-1	-			Sched. H-1	64,353	63,677	676
76	600-649	Outside Operating, Maintenance, and Repairs	129,039	631	128,408	Sched. H-1	-			Sched. H-1	129,039	631	128,408
77	900-999	Miscellaneous Charges	124,068	99,589	24,479	Sched. H-1	-			Sched. H-1	124,068	99,589	24,479
78	705	Property and Auto Liability Insurance	516,417	516,417	-	Sched. H-1	37,550	37,550	0	Sched. H-1	553,967	553,967	-
79	723	Interest on Customer Deposits	12,112	12,112	-	Sched. H-1	2,709	2,709	0	Sched. H-1	14,821	14,821	-
80		Bad Debt	73,510	73,510	-	Sched. H-1	-			Sched. H-1	73,510	73,510	-
81		Total Utility Operating Expenses	5,595,846	3,187,424	2,408,422		403,514	231,739	171,776		5,999,360	3,419,162	2,580,198
82		<u>Operating Expenses - Home Office</u>	72.68%				79.69%						
83		Labor and Benefits (Includes Payroll Taxes)	1,544,450			WP-H6	134,673			WP-H6	1,679,123		
84		Vehicle and Equipment	8,903			WP-H6	-			WP-H6	8,903		
85		Office Supplies	29,054			WP-H6	-			WP-H6	29,054		
86		Materials and Supplies	7,364			WP-H6	-			WP-H6	7,364		
87		Utilities	9,921			WP-H6	-			WP-H6	9,921		
88		Outside Services	119,665			WP-H6	-			WP-H6	119,665		
89		Legal Services	2,746			WP-H6	-			WP-H6	2,746		
90		Travel and Entertainment	17,985			WP-H6	-			WP-H6	17,985		
91		Rent and Leases	90,184			WP-H6	-			WP-H6	90,184		
92		Permits and Fees	595			WP-H6	-			WP-H6	595		
93		Public Relations	0			WP-H6	-			WP-H6	-		
94		Business Development	0			WP-H6	-			WP-H6	-		
95		Miscellaneous	31,900			WP-H6	-			WP-H6	31,900		
96		Taxes Other than Payroll Taxes	5,110			WP-H6	-			WP-H6	5,110		
97		Property and Auto Liability Insurance	65,336			WP-H6	-			WP-H6	65,336		
98		Depreciation	95,200			WP-H6	2,852			WP-H6	98,052		
99		Total Home Office Operating Expenses	2,028,412				137,525				2,165,937		

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

Page 1 of 12

[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
1		<u>Operating Expenses - Zia Operations</u>				
2	100-149	Labor and Benefits (Includes Payroll Taxes)				
3		Office	Sched. L-5	1,008,958		
4		Operations	Sched. L-5	<u>1,679,326</u>		
5		Total Labor and Benefits		2,688,284		
6	150-199	Vehicle and Equipment				
7		Office	Sched. L-5	19,517		
8		Operations	Sched. L-5	<u>222,675</u>		
9		Total Vehicle and Equipment		242,192		
10		Billing and IT Expense	Sched. L-5	593,089		
11	205	Office Supplies	Sched. L-5	79,134		
12	206-249	Materials and Supplies				
13		Office	Sched. L-5	27,317		
14		Operations	Sched. L-5	<u>278,324</u>		
15		Total Materials and Supplies		305,641		
16	250-299	Utilities				
17		Office	Sched. L-5	153,462		
18		Operations	Sched. L-5	<u>51,369</u>		
19		Total Utilities		204,831		
20	300-349	Outside Services	Sched. L-5	190,904		
21	351	Regulatory Commission Expenses	Sched. L-5	7,880		
22	352-399	Legal Services	Sched. L-5	60,504		
23	400-449	Travel and Entertainment	Sched. L-5	25,371		
24	450-499	Rents and Leases	Sched. L-5	113,986		
25	500-549	Public Relations and Business Development	Sched. L-5	164,530		
26	550-559	Permits and Fees	Sched. L-5	64,353		
27	600-649	Outside Operating, Maintenance, and Repairs	Sched. L-5	129,039		
28	900-999	Miscellaneous Charges	Sched. L-5	124,068		
29	705	Property and Auto Liability Insurance	Sched. L-5	516,417		
30	723	Interest on Customer Deposits	Sched. L-5	12,112		
31		Bad Debt	Sched. L-5	<u>73,510</u>		
32		Total Utility Operating Expenses		5,595,846		
		<u>Operating Expenses - Home Office</u>				
33		Labor and Benefits (Includes Payroll Taxes)	Sched. L-5	1,544,450		
34		Vehicle and Equipment	Sched. L-5	8,903		
35		Office Supplies	Sched. L-5	29,054		
36		Materials and Supplies	Sched. L-5	7,364		
37		Utilities	Sched. L-5	9,921		
38		Outside Services	Sched. L-5	119,665		
39		Legal Services	Sched. L-5	2,746		
40		Travel and Entertainment	Sched. L-5	17,985		
41		Rent and Leases	Sched. L-5	90,184		
42		Permits and Fees	Sched. L-5	595		
43		Public Relations	Sched. L-5	0		
44		Business Development	Sched. L-5	0		
45		Miscellaneous	Sched. L-5	31,900		
46		Property and Auto Liability Insurance	Sched. L-5	<u>65,336</u>		
47		Total Home Office Operating Expenses		1,928,102		
48		Total Operating Expenses		7,523,948		
49		Supervised Expenses		2,953,822		

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

Page 2 of 12

[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total Company	Transmission			
			Commodity	Dona Ana		Other Zia	
				Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
1		<u>Operating Expenses - Zia Operations</u>					
2	100-149	Labor and Benefits (Includes Payroll Taxes)					
3		Office		13,300	13,300	45,023	45,023
4		Operations		27,698	27,698	93,762	93,762
5		Total Labor and Benefits	0	40,998	40,998	138,785	138,785
6	150-199	Vehicle and Equipment					
7		Office		257	257	871	871
8		Operations		3,673	3,673	12,433	12,433
9		Total Vehicle and Equipment	0	3,930	3,930	13,304	13,304
10		Billing and IT Expense					
11	205	Office Supplies		1,043	1,043	3,531	3,531
12	206-249	Materials and Supplies					
13		Office		360	360	1,219	1,219
14		Operations		4,591	4,591	15,540	15,540
15		Total Materials and Supplies	0	4,951	4,951	16,759	16,759
16	250-299	Utilities					
17		Office		2,023	2,023	6,848	6,848
18		Operations		847	847	2,868	2,868
19		Total Utilities	0	2,870	2,870	9,716	9,716
20	300-349	Outside Services		2,516	2,516	8,519	8,519
21	351	Regulatory Commission Expenses	7,880				
22	352-399	Legal Services		798	798	2,700	2,700
23	400-449	Travel and Entertainment		334	334	1,132	1,132
24	450-499	Rents and Leases		1,503	1,503	5,086	5,086
25	500-549	Public Relations and Business Development					
26	550-559	Permits and Fees		1,002	1,002	2,989	2,989
27	600-649	Outside Operating, Maintenance, and Repairs		2,128	2,128	7,205	7,205
28	900-999	Miscellaneous Charges		1,635	1,635	5,536	5,536
29	705	Property and Auto Liability Insurance		8,038	8,038	23,987	23,987
30	723	Interest on Customer Deposits					
31		Bad Debt					
32		Total Utility Operating Expenses	7,880	71,747	71,747	239,248	239,248
		<u>Operating Expenses - Home Office</u>					
33		Labor and Benefits (Includes Payroll Taxes)		23,554	23,554	79,734	79,734
34		Vehicle and Equipment		144	144	489	489
35		Office Supplies		383	383	1,296	1,296
36		Materials and Supplies		119	119	404	404
37		Utilities		139	139	471	471
38		Outside Services		1,577	1,577	5,340	5,340
39		Legal Services		36	36	123	123
40		Travel and Entertainment		237	237	803	803
41		Rent and Leases		1,189	1,189	4,024	4,024
42		Permits and Fees		9	9	28	28
43		Public Relations		0	0	0	0
44		Business Development		0	0	0	0
45		Miscellaneous		420	420	1,423	1,423
46		Property and Auto Liability Insurance		1,017	1,017	3,035	3,035
47		Total Home Office Operating Expenses	0	28,826	28,826	97,168	97,168
48		Total Operating Expenses	7,880	100,572	100,572	336,417	336,417
49		Supervised Expenses	0	38,937	38,937	131,808	131,808

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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	[A]	[B]		[L]	[M]	[N]	[O]	[P]	[Q]
Line Number	Acct. No.	Description	Distribution						
			Dona Ana		Other Zia		Services		
			Demand	Customer	Demand	Customer	Dona Ana	Other Zia	
			\$	\$	\$	\$	\$	\$	
1		<u>Operating Expenses - Zia Operations</u>							
2	100-149	Labor and Benefits (Includes Payroll Taxes)							
3		Office	85,381	98,630	109,370	126,342	58,005	110,194	
4		Operations	177,812	205,403	227,771	263,115	120,799	229,487	
5		Total Labor and Benefits	263,192	304,033	337,141	389,457	178,804	339,681	
6	150-199	Vehicle and Equipment							
7		Office	1,652	1,908	2,116	2,444	1,122	2,132	
8		Operations	23,577	27,236	30,202	34,888	16,018	30,429	
9		Total Vehicle and Equipment	25,229	29,144	32,318	37,332	17,140	32,561	
10		Billing and IT Expense							
11	205	Office Supplies	6,697	7,736	8,578	9,909	4,549	8,643	
12	206-249	Materials and Supplies							
13		Office	2,312	2,670	2,961	3,421	1,570	2,983	
14		Operations	29,470	34,043	37,750	43,608	20,021	38,034	
15		Total Materials and Supplies	31,781	36,713	40,711	47,028	21,591	41,018	
16	250-299	Utilities							
17		Office	12,986	15,001	16,635	19,216	8,823	16,760	
18		Operations	5,439	6,283	6,967	8,048	3,695	7,020	
19		Total Utilities	18,425	21,285	23,602	27,265	12,518	23,780	
20	300-349	Outside Services	16,155	18,662	20,694	23,905	10,975	20,850	
21	351	Regulatory Commission Expenses							
22	352-399	Legal Services	5,120	5,914	6,559	7,576	3,478	6,608	
23	400-449	Travel and Entertainment	2,147	2,480	2,750	3,177	1,459	2,771	
24	450-499	Rents and Leases	9,646	11,143	12,356	14,273	6,553	12,449	
25	500-549	Public Relations and Business Development							
26	550-559	Permits and Fees	6,409	7,403	8,875	10,252	5,157	9,217	
27	600-649	Outside Operating, Maintenance, and Repairs	13,663	15,783	17,502	20,218	9,282	17,634	
28	900-999	Miscellaneous Charges	10,499	12,128	13,449	15,536	7,133	13,550	
29	705	Property and Auto Liability Insurance	51,430	59,410	71,218	82,269	41,386	73,966	
30	723	Interest on Customer Deposits							
31		Bad Debt							
32		Total Utility Operating Expenses	460,393	531,833	595,753	688,197	320,026	602,726	
		<u>Operating Expenses - Home Office</u>							
33		Labor and Benefits (Includes Payroll Taxes)	151,207	174,670	193,692	223,747	102,725	195,150	
34		Vehicle and Equipment	927	1,071	1,188	1,372	630	1,197	
35		Office Supplies	2,459	2,840	3,149	3,638	1,670	3,173	
36		Materials and Supplies	766	885	981	1,133	520	988	
37		Utilities	892	1,031	1,143	1,321	606	1,152	
38		Outside Services	10,126	11,698	12,972	14,984	6,880	13,069	
39		Legal Services	232	268	298	344	158	300	
40		Travel and Entertainment	1,522	1,758	1,950	2,252	1,034	1,964	
41		Rent and Leases	7,632	8,816	9,776	11,293	5,185	9,850	
42		Permits and Fees	59	68	82	95	48	85	
43		Public Relations	0	0	0	0	0	0	
44		Business Development	0	0	0	0	0	0	
45		Miscellaneous	2,699	3,118	3,458	3,994	1,834	3,484	
46		Property and Auto Liability Insurance	6,507	7,516	9,010	10,408	5,236	9,358	
47		Total Home Office Operating Expenses	185,029	213,740	237,698	274,582	126,526	239,771	
48		Total Operating Expenses	645,422	745,574	833,451	962,779	446,551	842,497	
49		Supervised Expenses	249,961	288,748	320,192	369,877	169,815	322,604	

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators \$	Customer Accounting \$	Las Vegas Direct	Other Direct \$	Allocation Basis
1		<u>Operating Expenses - Zia Operations</u>					
2	100-149	Labor and Benefits (Includes Payroll Taxes)					
3		Office	98,793	202,586	3,013	0	Supervised Expenses
4		Operations	205,743	0	6,275	0	Transmission and Distribution Plant
5		Total Labor and Benefits	304,536	202,586	9,288	0	L3 thru L4
6	150-199	Vehicle and Equipment					
7		Office	1,911	3,919	58	0	Supervised Expenses
8		Operations	27,281	0	832	0	Transmission and Distribution Plant
9		Total Vehicle and Equipment	29,192	3,919	890	0	L7 thru L8
10		Billing and IT Expense		593,089			Direct
11	205	Office Supplies	7,748	15,889	236	0	Supervised Expenses
12	206-249	Materials and Supplies					
13		Office	2,675	5,485	82	0	Supervised Expenses
14		Operations	34,099	0	1,040	0	Transmission and Distribution Plant
15		Total Materials and Supplies	36,774	5,485	1,122	0	L13 thru L14
16	250-299	Utilities					
17		Office	15,026	30,813	458	0	Supervised Expenses
18		Operations	6,293	0	192	0	Transmission and Distribution Plant
19		Total Utilities	21,320	30,813	650	0	L17 thru L18
20	300-349	Outside Services	18,692	38,331	570	0	Supervised Expenses
21	351	Regulatory Commission Expenses					Direct - Commodity
22	352-399	Legal Services	5,924	12,148	181	0	Supervised Expenses
23	400-449	Travel and Entertainment	2,484	5,094	76	0	Supervised Expenses
24	450-499	Rents and Leases	11,161	22,887	340	0	Supervised Expenses
25	500-549	Public Relations and Business Development		164,530			100% Cust Accts.
26	550-559	Permits and Fees	7,751	1,111	197	0	Net Plant
27	600-649	Outside Operating, Maintenance, and Repairs	15,809	0	482	0	Transmission and Distribution Plant
28	900-999	Miscellaneous Charges	12,148	24,911	371	0	Supervised Expenses
29	705	Property and Auto Liability Insurance	62,198	8,912	1,579	0	Net Plant
30	723	Interest on Customer Deposits				12,112	Direct to Residential
31		Bad Debt		73,510			Customer Accounts
32		Total Utility Operating Expenses	535,738	1,203,216	15,982	12,112	L5 + L9 + L10 + L11 + L15 + L19+ Sum of Lines 20 thru 31
		<u>Operating Expenses - Home Office</u>					
33		Labor and Benefits (Includes Payroll Taxes)	174,959	116,388	5,336	0	Line 5
34		Vehicle and Equipment	1,073	144	33	0	Line9
35		Office Supplies	2,845	5,834	87	0	Line 11
36		Materials and Supplies	886	132	27	0	Line 15
37		Utilities	1,033	1,492	31	0	Line 19
38		Outside Services	11,717	24,027	357	0	Line 20
39		Legal Services	269	551	8	0	Line 22
40		Travel and Entertainment	1,761	3,611	54	0	Line 23
41		Rent and Leases	8,830	18,108	269	0	Line 24
42		Permits and Fees	72	10	2	0	Line 26
43		Public Relations	0	0	0	0	Line 25
44		Business Development	0	0	0	0	Line 25
45		Miscellaneous	3,123	6,405	95	0	Line 28
46		Property and Auto Liability Insurance	7,869	1,128	200	0	Net Plant
47		Total Home Office Operating Expenses	214,437	177,830	6,500	0	Sum of Lines 33 thru 46
48		Total Operating Expenses	750,175	1,381,046	22,482	12,112	
49		Supervised Expenses	289,225	593,089	8,821	0	

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
50		<u>Depreciation and Amortization Expense</u>				
51		Intangible				
52	301	Organization	Sched. L-5	12,312		
53	302	Franchises & Consents	Sched. L-5	0		
54	303	Miscellaneous Intangible Plant	Sched. L-5	0		
55		Total Intangible Plant		12,312		
56		Transmission				
57	365.2	Rights of Way	Sched. L-5	0	0	0
58	366	Structures & Improvements	Sched. L-5	0	0	0
59	367	Mains	Sched. L-5	148,288	0	148,288
60	368	Compressor Station Equipment	Sched. L-5	0	0	0
61	369	Measuring & Reg. Station Eq.	Sched. L-5	16,530	1,925	14,604
62	371	Other Equipment	Sched. L-5	0	0	0
63		Total Transmission Plant		164,818		
64		Distribution				
65	374	Land & Land Rights	Sched. L-5	0	0	0
66	375	Structures & Improvements	Sched. L-5	0	0	0
67	376	Mains	Sched. L-5	805,542	392,364	413,178
68	377	Compressor Station Equipment	Sched. L-5	0	0	0
69	378	Meas. & Reg. Sta. Equip.	Sched. L-5	29,962	6,338	23,624
70	379	Meas. & Reg. Sta. Equip. - CG	Sched. L-5	1,607	0	1,607
71	380	Services	Sched. L-5	322,693	111,287	211,405
72	381	Meters	Sched. L-5	134,242		
73	381.1	AMR	Sched. L-5	136,830		
74	382	Meter Installations	Sched. L-5	0		
75	383	House Regulators	Sched. L-5	49,478		
76	385	Indust. Meas. & Reg. Sta. Equip.	Sched. L-5	5,536		
77	387	Other Equipment	Sched. L-5	0		
78		Total Distribution Plant		1,485,890		
79		General				
80	389	Land & Land Rights	Sched. L-5	0		
81	390	Structures and Improvements	Sched. L-5	65,992		
82	391	Office Furniture & Equipment	Sched. L-5	14,950		
83	392	Transportation Equipment	Sched. L-5	237,077		
84	393	Stores Equipment	Sched. L-5	0		
85	394	Tools & Work Equipment	Sched. L-5	4,601		
86	395	Laboratory Equipment	Sched. L-5	40,165		
87	396	Power Operated Equipment	Sched. L-5	28,755		
88	397	Communication Equipment	Sched. L-5	8,031		
89	398	Misc. Equipment	Sched. L-5	3,451		
90	399	Other Tangible Property	Sched. L-5	0		
91		General Plant		403,024		
92		Total Depreciation - Zia Operations		2,066,044		
93		Depreciation - Home Office	Sched. L-5	95,200		
94		Total Depreciation Expense		2,161,244		

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total Company	Transmission			
			Commodity	Dona Ana		Other Zia	
				Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
50		<u>Depreciation and Amortization Expense</u>					
51		Intangible					
52	301	Organization		162	162	549	549
53	302	Franchises & Consents		0	0	0	0
54	303	Miscellaneous Intangible Plant		0	0	0	0
55		Total Intangible Plant	0	162	162	549	549
56		Transmission					
57	365.2	Rights of Way		0	0	0	0
58	366	Structures & Improvements		0	0	0	0
59	367	Mains		0	0	71,766	71,766
60	368	Compressor Station Equipment		0	0	0	0
61	369	Measuring & Reg. Station Eq.		481	481	3,401	3,401
62	371	Other Equipment		0	0	0	0
63		Total Transmission Plant	0	481	481	75,167	75,167
64		Distribution					
65	374	Land & Land Rights					
66	375	Structures & Improvements					
67	376	Mains		24,929	24,929		
68	377	Compressor Station Equipment					
69	378	Meas. & Reg. Sta. Equip.					
70	379	Meas. & Reg. Sta. Equip. - CG					
71	380	Services					
72	381	Meters					
73	381.1	AMR					
74	382	Meter Installations					
75	383	House Regulators					
76	385	Indust. Meas. & Reg. Sta. Equip.					
77	387	Other Equipment					
78		Total Distribution Plant	0	24,929	24,929	0	0
79		General					
80	389	Land & Land Rights		0	0	0	0
81	390	Structures and Improvements		870	870	2,945	2,945
82	391	Office Furniture & Equipment		197	197	667	667
83	392	Transportation Equipment		3,125	3,125	10,579	10,579
84	393	Stores Equipment		0	0	0	0
85	394	Tools & Work Equipment		61	61	205	205
86	395	Laboratory Equipment		529	529	1,792	1,792
87	396	Power Operated Equipment		379	379	1,283	1,283
88	397	Communication Equipment		106	106	358	358
89	398	Misc. Equipment		45	45	154	154
90	399	Other Tangible Property		0	0	0	0
91		General Plant	0	5,313	5,313	17,984	17,984
92		Total Depreciation - Zia Operations		30,885	30,885	93,700	93,700
93		Depreciation - Home Office		1,255	1,255	4,248	4,248
94		Total Depreciation Expense	0	32,140	32,140	97,948	97,948

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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	[A]	[B]	[L]	[M]	[N]	[O]	[P]	[Q]
Line Number	Acct. No.	Description	Distribution					
			Dona Ana		Other Zia		Services	
			Demand	Customer	Demand	Customer	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$
50		<u>Depreciation and Amortization Expense</u>						
51		Intangible						
52	301	Organization	1,042	1,204	1,335	1,542	708	1,345
53	302	Franchises & Consents	0	0	0	0	0	0
54	303	Miscellaneous Intangible Plant	0	0	0	0	0	0
55		Total Intangible Plant	1,042	1,204	1,335	1,542	708	1,345
56		Transmission						
57	365.2	Rights of Way						
58	366	Structures & Improvements						
59	367	Mains						
60	368	Compressor Station Equipment						
61	369	Measuring & Reg. Station Eq.	447	516	3,156	3,645		
62	371	Other Equipment						
63		Total Transmission Plant	447	516	3,156	3,645		
64		Distribution						
65	374	Land & Land Rights	0	0	0	0		
66	375	Structures & Improvements	0	0	0	0		
67	376	Mains	158,923	183,584	191,714	221,463		
68	377	Compressor Station Equipment	0	0	0	0		
69	378	Meas. & Reg. Sta. Equip.	2,941	3,397	10,961	12,662		
70	379	Meas. & Reg. Sta. Equip. - CG	0	0	746	862		
71	380	Services					111,287	211,405
72	381	Meters						
73	381.1	AMR						
74	382	Meter Installations						
75	383	House Regulators						
76	385	Indust. Meas. & Reg. Sta. Equip.						
77	387	Other Equipment	0	0	0	0		
78		Total Distribution Plant	161,864	186,981	203,422	234,987	111,287	211,405
79		General						
80	389	Land & Land Rights	0	0	0	0	0	0
81	390	Structures and Improvements	5,584	6,451	7,154	8,264	3,794	7,207
82	391	Office Furniture & Equipment	1,265	1,461	1,621	1,872	859	1,633
83	392	Transportation Equipment	20,062	23,175	25,699	29,687	13,630	25,893
84	393	Stores Equipment	0	0	0	0	0	0
85	394	Tools & Work Equipment	389	450	499	576	265	503
86	395	Laboratory Equipment	3,399	3,926	4,354	5,030	2,309	4,387
87	396	Power Operated Equipment	2,433	2,811	3,117	3,601	1,653	3,141
88	397	Communication Equipment	680	785	871	1,006	462	877
89	398	Misc. Equipment	292	337	374	432	198	377
90	399	Other Tangible Property	0	0	0	0	0	0
91		General Plant	34,105	39,397	43,688	50,467	23,170	44,017
92		Total Depreciation - Zia Operations	197,458	228,097	251,600	290,641	135,165	256,767
93		Depreciation - Home Office	8,056	9,306	10,320	11,921	5,473	10,397
94		Total Depreciation Expense	205,514	237,404	261,919	302,562	140,638	267,164



**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators \$	Customer Accounting \$	Las Vegas Direct	Other Direct \$	Allocation Basis
50		<u>Depreciation and Amortization Expense</u>					
51		Intangible					
52	301	Organization	1,206	2,472	37	0	Account 301
53	302	Franchises & Consents	0	0	0	0	Account 302
54	303	Miscellaneous Intangible Plant	0	0	0	0	Account 303
55		Total Intangible Plant	1,206	2,472	37	0	Sum of Lines 52 thru 54
56		Transmission					
57	365.2	Rights of Way			0		Account 365.2
58	366	Structures & Improvements			0		Account 366
59	367	Mains			4,756		Account 367
60	368	Compressor Station Equipment			0		Account 368
61	369	Measuring & Reg. Station Eq.			1,002		Account 369
62	371	Other Equipment			0		Account 371
63		Total Transmission Plant			5,758		Sum of Lines 57 thru 62
64		Distribution					
65	374	Land & Land Rights					Account 374.2
66	375	Structures & Improvements					Account 375
67	376	Mains					Account 376
68	377	Compressor Station Equipment					Account 377
69	378	Meas. & Reg. Sta. Equip.					Account 378
70	379	Meas. & Reg. Sta. Equip. - CG					Account 379
71	380	Services					Account 380
72	381	Meters	134,242				Account 381
73	381.1	AMR	136,830				Account 381.1
74	382	Meter Installations	0				Account 382
75	383	House Regulators	49,478				Account 383
76	385	Indust. Meas. & Reg. Sta. Equip.	5,536				Account 385
77	387	Other Equipment					Account 387
78		Total Distribution Plant	326,086	0	0	0	Sum of Lines 65 thru 77
79		General					
80	389	Land & Land Rights	0	0	0	0	Account 389
81	390	Structures and Improvements	6,462	13,250	197	0	Account 390
82	391	Office Furniture & Equipment	1,464	3,002	45	0	Account 391
83	392	Transportation Equipment	23,214	47,602	708	0	Account 392
84	393	Stores Equipment	0	0	0	0	Account 393
85	394	Tools & Work Equipment	451	924	14	0	Account 394
86	395	Laboratory Equipment	3,933	8,065	120	0	Account 395
87	396	Power Operated Equipment	2,816	5,774	86	0	Account 396
88	397	Communication Equipment	786	1,613	24	0	Account 397
89	398	Misc. Equipment	338	693	10	0	Account 398
90	399	Other Tangible Property	0	0	0	0	Account 399
91		General Plant	39,462	80,922	1,204	0	Sum of Lines 80 thru 90
92		Total Depreciation - Zia Operations	366,754	83,394	6,998	0	Sum of Lines 55, 63, 78 and 91
93		Depreciation - Home Office	9,322	19,115	284	0	Home Office Plant
94		Total Depreciation Expense	376,075	102,509	7,283	0	Sum of Lines 51 thru 93

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
95		<u>Taxes Other Than Income Taxes</u>				
96		Property Taxes	Sched. L-5	469,525		
97		Payroll Taxes (included with Labor Costs)				
98		Property Taxes - Home Office	Sched. L-5	5,110		
99		Payroll Taxes - Home Office (Included with Labor Costs)				
100		Total Taxes Other than Income Taxes		474,635		
101		<u>Other Operating Revenues</u>				
102		Interest on Unpaid Bills	Sched. L-5	26,172		
103		Read-In Meter Fee	Sched. L-5	0		
104		Connects and Reconnects	Sched. L-5	179,615		
105		Returned or Dishonored Check	Sched. L-5	7,314		
106		Rents from Utility Property	Sched. L-5	3,000		
107		Merchandising	Sched. L-5	(412)		
108		Non-Tariff Revenues	Sched. L-5	7,387		
109		Gain/Loss on Asset	Sched. L-5	33,300		
110		Other Gas Revenues	Sched. L-5	15,443		
111		Transportation Revenues	Sched. K-1	2,217		
112		Margin Revenue from Texas Customers	Sched. A-2.1	7,608		
113		Total Other Operating Revenues		281,644		
114		<u>Summary</u>				
115		Rate Base	Sched. L-2, Line 101	46,082,627		
116		Rate of Return	Sched. A-5.1	9.3800%		
117		Total Cost of Service				
118		Operation & Maintenance Expenses	Sched. L-4, Line 32	7,523,948		
119		Depreciation Expenses	Sched. L-4, Line 94	2,161,244		
120		Taxes Other Than Income Taxes	Sched. L-4, Line 100	474,635		
121		Return		4,322,550		
122		Income Taxes (1)	Note (1)	2,276,763		
123		Other Operating Revenues	Sched. L-4, Line 113	(281,644)		
124		Total Cost of Service		16,477,497		
(1)		<b>Calculation of Income Taxes</b>				
125		Return		4,322,550		
126		Less Interest Expense				
127		Total Rate Base		46,082,627		
128		Weighted Cost of Long Term Debt		0.00%		
129		Total Interest Expense		-		
130		Net Taxable Equity Return		4,322,550		
		<u>Income Taxes</u>				
131		State Income Taxes		4.90%		
132		Federal Income Taxes		29.60%		
133		Taxable Income Factor		1.52672		
134		Incremental Taxes @		34.50%		
135		Total Income Taxes		2,276,763		

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total Company	Transmission			
			Commodity	Dona Ana		Other Zia	
				Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
95		<u>Taxes Other Than Income Taxes</u>					
96		Property Taxes		7,308	7,308	21,809	21,809
97		Payroll Taxes (included with Labor Costs)					
98		Property Taxes - Home Office		67	67	228	228
99		Payroll Taxes - Home Office (Included with Labor Costs)					
100		Total Taxes Other than Income Taxes	0	7,375	7,375	22,037	22,037
101		<u>Other Operating Revenues</u>					
102		Interest on Unpaid Bills					
103		Read-In Meter Fee					
104		Connects and Disconnects					
105		Returned or Dishonored Check					
106		Rents from Utility Property		48	48	164	164
107		Merchandising		(5)	(5)	(18)	(18)
108		Non-Tariff Revenues					
109		Gain/Loss on Asset		439	439	1,486	1,486
110		Other Gas Revenues		204	204	689	689
111		Transportation Revenues		35	35	103	103
112		Margin Revenue from Texas Customers					
113		Total Other Operating Revenues	0	720	720	2,424	2,424
114		<u>Summary</u>					
115		Rate Base	0	727,638	727,638	2,173,217	2,173,217
116		Rate of Return	9.3800%	9.3800%	9.3800%	9.3800%	9.3800%
117		Total Cost of Service					
118		Operation & Maintenance Expenses	7,880	100,572	100,572	336,417	336,417
119		Depreciation Expenses	0	32,140	32,140	97,948	97,948
120		Taxes Other Than Income Taxes	0	7,375	7,375	22,037	22,037
121		Return	0	68,252	68,252	203,848	203,848
122		Income Taxes (1)	0	35,950	35,950	107,370	107,370
123		Other Operating Revenues	0	(720)	(720)	(2,424)	(2,424)
124		Total Cost of Service	7,880	243,570	243,570	765,196	765,196
(1)		<u>Calculation of Income Taxes</u>					
125		Return					
126		Less Interest Expense					
127		Total Rate Base					
128		Weighted Cost of Long Term Debt					
129		Total Interest Expense					
130		Net Taxable Equity Return					
		<u>Income Taxes</u>					
131		State Income Taxes					
132		Federal Income Taxes					
133		Taxable Income Factor					
134		Incremental Taxes @					
135		Total Income Taxes					

## Schedule L-6 (a)

	[A]	[B]	[L]	[M]	[N]	[O]	[P]	[Q]
Line Number	Acct. No.	Description	Distribution				Services	
			Dona Ana		Other Zia			
			Demand	Customer	Demand	Customer	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$
95		<u>Taxes Other Than Income Taxes</u>						
96		Property Taxes	46,760	54,016	64,751	74,799	37,628	67,250
97		Payroll Taxes (included with Labor Costs)						
98		Property Taxes - Home Office	432	500	554	640	294	558
99		Payroll Taxes - Home Office (Included with Labor Costs)						
100		Total Taxes Other than Income Taxes	47,192	54,515	65,305	75,439	37,922	67,808
101		<u>Other Operating Revenues</u>						
102		Interest on Unpaid Bills						
103		Read-In Meter Fee						
104		Connects and Reconnects						
105		Returned or Dishonored Check						
106		Rents from Utility Property	311	360	399	461	211	402
107		Merchandising	(35)	(40)	(45)	(52)	(24)	(45)
108		Non-Tariff Revenues						
109		Gain/Loss on Asset	2,818	3,255	3,610	4,170	1,914	3,637
110		Other Gas Revenues	1,307	1,510	1,674	1,934	888	1,687
111		Transportation Revenues	221	255	306	353	178	318
112		Margin Revenue from Texas Customers						
113		Total Other Operating Revenues	4,622	5,339	5,944	6,866	3,168	5,998
114		<u>Summary</u>						
115		Rate Base	4,655,973	5,378,451	6,444,588	7,444,610	3,743,283	6,692,132
116		Rate of Return	9.3800%	9.3800%	9.3800%	9.3800%	9.3800%	9.3800%
117		Total Cost of Service						
118		Operation & Maintenance Expenses	645,422	745,574	833,451	962,779	446,551	842,497
119		Depreciation Expenses	205,514	237,404	261,919	302,562	140,638	267,164
120		Taxes Other Than Income Taxes	47,192	54,515	65,305	75,439	37,922	67,808
121		Return	436,730	504,499	604,502	698,304	351,120	627,722
122		Income Taxes (1)	230,033	265,728	318,402	367,809	184,941	330,632
123		Other Operating Revenues	(4,622)	(5,339)	(5,944)	(6,866)	(3,168)	(5,998)
124		Total Cost of Service	1,560,269	1,802,380	2,077,636	2,400,028	1,158,004	2,129,825
(1)		<b>Calculation of Income Taxes</b>						
125		Return						
126		Less Interest Expense						
127		Total Rate Base						
128		Weighted Cost of Long Term Debt						
129		Total Interest Expense						
130		Net Taxable Equity Return						
		<u>Income Taxes</u>						
131		State Income Taxes						
132		Federal Income Taxes						
133		Taxable Income Factor						
134		Incremental Taxes @						
135		Total Income Taxes						

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Base Year Ended August 31, 2017**

Schedule L-6 (a)

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[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators \$	Customer Accounting \$	Las Vegas Direct	Other Direct \$	Allocation Basis
95		<u>Taxes Other Than Income Taxes</u>					
96		Property Taxes	56,550	8,103	1,436	0	Net Plant
97		Payroll Taxes (included with Labor Costs)					
98		Property Taxes - Home Office	500	1,026	15	0	Home Office Net Plant
99		Payroll Taxes - Home Office (Included with Labor Costs)					
100		Total Taxes Other than Income Taxes	57,051	9,129	1,451	0	Sum of Lines 96 thru 99
101		<u>Other Operating Revenues</u>					
102		Interest on Unpaid Bills				26,172	Direct to Residential
103		Read-In Meter Fee				0	Direct to Residential
104		Connects and Reconnects		179,615			Customer Accounts
105		Returned or Dishonored Check				7,314	Direct to Residential
106		Rents from Utility Property	360	60	11	0	Total Plant
107		Merchandising	(40)	(83)	(1)	0	Supervised Expenses
108		Non-Tariff Revenues		7,387			Customer Accounts
109		Gain/Loss on Asset	3,261	6,686	99	0	Account 392
110		Other Gas Revenues	1,512	3,101	46	0	Supervised Expenses
111		Transportation Revenues	267	38	7	0	Net Plant
112		Margin Revenue from Texas Customers				7,608	Direct
113		Total Other Operating Revenues	5,360	196,804	162	41,094	Sum of Lines 102 thru 112
114		<u>Summary</u>					
115		Rate Base	5,629,390	149,416	143,074	0	
116		Rate of Return	9.3800%	9.3800%	9.3800%	9.3800%	
117		Total Cost of Service					
118		Operation & Maintenance Expenses	750,175	1,381,046	22,482	12,112	Line 48
119		Depreciation Expenses	376,075	102,509	7,283	0	Line 94
120		Taxes Other Than Income Taxes	57,051	9,129	1,451	0	Line 100
121		Return	528,037	14,015	13,420	0	Line 115 x Line 116
122		Income Taxes (1)	278,126	7,382	7,069	0	Rate Base
123		Other Operating Revenues	(5,360)	(196,804)	(162)	(41,094)	Line 113
124		Total Cost of Service	1,984,104	1,317,277	51,542	(28,982)	Sum of Lines 118 thru 123
(1)		<b>Calculation of Income Taxes</b>					
125		Return					Line 121
126		Less Interest Expense					
127		Total Rate Base					Line 115
128		Weighted Cost of Long Term Debt					
129		Total Interest Expense					Line 127 x Line 128
130		Net Taxable Equity Return					Line 125 - Line 129
		<u>Income Taxes</u>					
131		State Income Taxes					Schedule H-9
132		Federal Income Taxes					Schedule H-9
133		Taxable Income Factor					1/(1-(Line 132 - (Line 131 X Line 132) + Line 131))
134		Incremental Taxes @					(Line 132 - Line 131 X Line 132) + Line 131
135		Total Income Taxes					(Line 133 - 1) X Line 130

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
1		<u>Operating Expenses - Zia Operations</u>				
2	100-149	Labor and Benefits (Includes Payroll Taxes)				
3		Office	Sched. L-5	1,156,165		
4		Operations	Sched. L-5	1,851,102		
5		Total Labor and Benefits		3,007,266		
6	150-199	Vehicle and Equipment				
7		Office	Sched. L-5	19,517		
8		Operations	Sched. L-5	222,675		
9		Total Vehicle and Equipment		242,192		
10		Billing and IT Expense	Sched. L-5	593,089		
11	205	Office Supplies	Sched. L-5	79,134		
12	206-249	Materials and Supplies				
13		Office	Sched. L-5	27,317		
14		Operations	Sched. L-5	278,324		
15		Total Materials and Supplies		305,641		
16	250-299	Utilities				
17		Office	Sched. L-5	153,462		
18		Operations	Sched. L-5	51,369		
19		Total Utilities		204,831		
20	300-349	Outside Services	Sched. L-5	190,904		
21	351	Regulatory Commission Expenses	Sched. L-5	107,880		
22	352-399	Legal Services	Sched. L-5	76,629		
23	400-449	Travel and Entertainment	Sched. L-5	25,371		
24	450-499	Rents and Leases	Sched. L-5	113,986		
25	500-549	Public Relations and Business Development	Sched. L-5	92,678		
26	550-559	Permits and Fees	Sched. L-5	64,353		
27	600-649	Outside Operating, Maintenance, and Repairs	Sched. L-5	129,039		
28	900-999	Miscellaneous Charges	Sched. L-5	124,068		
29	705	Property and Auto Liability Insurance	Sched. L-5	553,967		
30	723	Interest on Customer Deposits	Sched. L-5	14,821		
31		Bad Debt	Sched. L-5	73,510		
32		Total Utility Operating Expenses		5,999,360		
		<u>Operating Expenses - Home Office</u>				
33		Labor and Benefits (Includes Payroll Taxes)	Sched. L-5	1,679,123		
34		Vehicle and Equipment	Sched. L-5	8,903		
35		Office Supplies	Sched. L-5	29,054		
36		Materials and Supplies	Sched. L-5	7,364		
37		Utilities	Sched. L-5	9,921		
38		Outside Services	Sched. L-5	119,665		
39		Legal Services	Sched. L-5	2,746		
40		Travel and Entertainment	Sched. L-5	17,985		
41		Rent and Leases	Sched. L-5	90,184		
42		Permits and Fees	Sched. L-5	595		
43		Public Relations	Sched. L-5	0		
44		Business Development	Sched. L-5	0		
45		Miscellaneous	Sched. L-5	31,900		
46		Property and Auto Liability Insurance	Sched. L-5	65,336		
47		Total Home Office Operating Expenses		2,062,775		
48		Total Operating Expenses		8,062,135		
49		Supervised Expenses		3,125,598		

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total Company	Transmission			
			Commodity	Dona Ana		Other Zia	
				Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
1		<u>Operating Expenses - Zia Operations</u>					
2	100-149	Labor and Benefits (Includes Payroll Taxes)					
3		Office		15,358	15,358	52,049	52,049
4		Operations		30,348	30,348	102,851	102,851
5		Total Labor and Benefits	0	45,707	45,707	154,900	154,900
6	150-199	Vehicle and Equipment					
7		Office		259	259	879	879
8		Operations		3,651	3,651	12,372	12,372
9		Total Vehicle and Equipment	0	3,910	3,910	13,251	13,251
10		Billing and IT Expense					
11	205	Office Supplies		1,051	1,051	3,563	3,563
12	206-249	Materials and Supplies					
13		Office		363	363	1,230	1,230
14		Operations		4,563	4,563	15,464	15,464
15		Total Materials and Supplies	0	4,926	4,926	16,694	16,694
16	250-299	Utilities					
17		Office		2,039	2,039	6,909	6,909
18		Operations		842	842	2,854	2,854
19		Total Utilities	0	2,881	2,881	9,763	9,763
20	300-349	Outside Services		2,536	2,536	8,594	8,594
21	351	Regulatory Commission Expenses	107,880				
22	352-399	Legal Services		1,018	1,018	3,450	3,450
23	400-449	Travel and Entertainment		337	337	1,142	1,142
24	450-499	Rents and Leases		1,514	1,514	5,132	5,132
25	500-549	Public Relations and Business Development					
26	550-559	Permits and Fees		997	997	2,970	2,970
27	600-649	Outside Operating, Maintenance, and Repairs		2,116	2,116	7,170	7,170
28	900-999	Miscellaneous Charges		1,648	1,648	5,585	5,585
29	705	Property and Auto Liability Insurance		8,579	8,579	25,570	25,570
30	723	Interest on Customer Deposits					
31		Bad Debt					
32		Total Utility Operating Expenses	107,880	77,219	77,219	257,783	257,783
		<u>Operating Expenses - Home Office</u>					
33		Labor and Benefits (Includes Payroll Taxes)		25,521	25,521	86,489	86,489
34		Vehicle and Equipment		144	144	487	487
35		Office Supplies		386	386	1,308	1,308
36		Materials and Supplies		119	119	402	402
37		Utilities		140	140	473	473
38		Outside Services		1,590	1,590	5,387	5,387
39		Legal Services		36	36	124	124
40		Travel and Entertainment		239	239	810	810
41		Rent and Leases		1,198	1,198	4,060	4,060
42		Permits and Fees		9	9	27	27
43		Public Relations		0	0	0	0
44		Business Development		0	0	0	0
45		Miscellaneous		424	424	1,436	1,436
46		Property and Auto Liability Insurance		1,012	1,012	3,016	3,016
47		Total Home Office Operating Expenses	0	30,816	30,816	104,019	104,019
48		Total Operating Expenses	107,880	108,036	108,036	361,802	361,802
49		Supervised Expenses	0	41,520	41,520	140,711	140,711

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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	[A]	[B]	[L]	[M]	[N]	[O]	[P]	[Q]
Line Number	Acct. No.	Description	Distribution					
			Dona Ana		Other Zia		Services	
			Demand	Customer	Demand	Customer	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$
1		<u>Operating Expenses - Zia Operations</u>						
2	100-149	Labor and Benefits (Includes Payroll Taxes)						
3		Office	99,296	114,704	127,045	146,759	67,552	128,260
4		Operations	196,212	226,659	251,044	289,999	133,484	253,446
5		Total Labor and Benefits	295,509	341,363	378,089	436,758	201,035	381,706
6	150-199	Vehicle and Equipment						
7		Office	1,676	1,936	2,145	2,477	1,140	2,165
8		Operations	23,603	27,265	30,199	34,885	16,057	30,488
9		Total Vehicle and Equipment	25,279	29,202	32,343	37,362	17,197	32,653
10		Billing and IT Expense						
11	205	Office Supplies	6,796	7,851	8,696	10,045	4,624	8,779
12	206-249	Materials and Supplies						
13		Office	2,346	2,710	3,002	3,467	1,596	3,030
14		Operations	29,502	34,080	37,746	43,603	20,070	38,107
15		Total Materials and Supplies	31,848	36,790	40,748	47,071	21,666	41,137
16	250-299	Utilities						
17		Office	13,180	15,225	16,863	19,480	8,966	17,024
18		Operations	5,445	6,290	6,967	8,048	3,704	7,033
19		Total Utilities	18,625	21,515	23,830	27,527	12,671	24,058
20	300-349	Outside Services	16,396	18,940	20,977	24,233	11,154	21,178
21	351	Regulatory Commission Expenses						
22	352-399	Legal Services	6,581	7,602	8,420	9,727	4,477	8,501
23	400-449	Travel and Entertainment	2,179	2,517	2,788	3,221	1,482	2,815
24	450-499	Rents and Leases	9,790	11,309	12,525	14,469	6,660	12,645
25	500-549	Public Relations and Business Development						
26	550-559	Permits and Fees	6,424	7,421	8,873	10,250	5,171	9,242
27	600-649	Outside Operating, Maintenance, and Repairs	13,678	15,800	17,500	20,216	9,305	17,668
28	900-999	Miscellaneous Charges	10,655	12,309	13,633	15,749	7,249	13,764
29	705	Property and Auto Liability Insurance	55,300	63,881	76,383	88,236	44,510	79,560
30	723	Interest on Customer Deposits						
31		Bad Debt						
32		Total Utility Operating Expenses	499,059	576,500	644,807	744,863	347,201	653,705
		<u>Operating Expenses - Home Office</u>						
33		Labor and Benefits (Includes Payroll Taxes)	164,999	190,602	211,108	243,866	112,249	213,128
34		Vehicle and Equipment	929	1,073	1,189	1,373	632	1,200
35		Office Supplies	2,495	2,883	3,193	3,688	1,698	3,223
36		Materials and Supplies	767	886	982	1,134	522	991
37		Utilities	902	1,042	1,154	1,333	614	1,165
38		Outside Services	10,277	11,872	13,149	15,190	6,992	13,275
39		Legal Services	236	272	302	349	160	305
40		Travel and Entertainment	1,545	1,784	1,976	2,283	1,051	1,995
41		Rent and Leases	7,745	8,947	9,910	11,448	5,269	10,005
42		Permits and Fees	59	69	82	95	48	85
43		Public Relations	0	0	0	0	0	0
44		Business Development	0	0	0	0	0	0
45		Miscellaneous	2,740	3,165	3,505	4,049	1,864	3,539
46		Property and Auto Liability Insurance	6,522	7,534	9,009	10,407	5,250	9,383
47		Total Home Office Operating Expenses	199,217	230,130	255,559	295,215	136,348	258,295
48		Total Operating Expenses	698,276	806,630	900,366	1,040,078	483,549	911,999
49		Supervised Expenses	268,440	310,094	343,456	396,751	182,620	346,741



**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators \$	Customer Accounting \$	Las Vegas Direct	Other Direct \$	Allocation Basis
1		<u>Operating Expenses - Zia Operations</u>					
2	100-149	Labor and Benefits (Includes Payroll Taxes)					
3		Office	114,869	219,385	3,479	0	Supervised Expenses
4		Operations	226,984	0	6,875	0	Transmission and Distribution Plant
5		Total Labor and Benefits	341,852	219,385	10,355	0	L3 thru L4
6	150-199	Vehicle and Equipment					
7		Office	1,939	3,703	59	0	Supervised Expenses
8		Operations	27,305	0	827	0	Transmission and Distribution Plant
9		Total Vehicle and Equipment	29,244	3,703	886	0	L7 thru L8
10		Billing and IT Expense		593,089			Direct
11	205	Office Supplies	7,862	15,016	238	0	Supervised Expenses
12	206-249	Materials and Supplies					
13		Office	2,714	5,183	82	0	Supervised Expenses
14		Operations	34,128	0	1,034	0	Transmission and Distribution Plant
15		Total Materials and Supplies	36,842	5,183	1,116	0	L13 thru L14
16	250-299	Utilities					
17		Office	15,247	29,120	462	0	Supervised Expenses
18		Operations	6,299	0	191	0	Transmission and Distribution Plant
19		Total Utilities	21,546	29,120	653	0	L17 thru L18
20	300-349	Outside Services	18,967	36,224	575	0	Supervised Expenses
21	351	Regulatory Commission Expenses					Direct - Commodity
22	352-399	Legal Services	7,613	14,541	231	0	Supervised Expenses
23	400-449	Travel and Entertainment	2,521	4,814	76	0	Supervised Expenses
24	450-499	Rents and Leases	11,325	21,629	343	0	Supervised Expenses
25	500-549	Public Relations and Business Development		92,678			100% Cust Accts.
26	550-559	Permits and Fees	7,761	1,081	195	0	Net Plant
27	600-649	Outside Operating, Maintenance, and Repairs	15,823	0	479	0	Transmission and Distribution Plant
28	900-999	Miscellaneous Charges	12,327	23,542	373	0	Supervised Expenses
29	705	Property and Auto Liability Insurance	66,811	9,306	1,682	0	Net Plant
30	723	Interest on Customer Deposits				14,821	Direct to Residential
31		Bad Debt		73,510			Customer Accounts
32		Total Utility Operating Expenses	580,494	1,142,823	17,202	14,821	L5 + L9 + L10 + L11 + L15 + L19+ Sum of Lines 20 thru 31
		<u>Operating Expenses - Home Office</u>					
33		Labor and Benefits (Includes Payroll Taxes)	190,875	122,495	5,782	0	Line 5
34		Vehicle and Equipment	1,075	136	33	0	Line9
35		Office Supplies	2,887	5,513	87	0	Line 11
36		Materials and Supplies	888	125	27	0	Line 15
37		Utilities	1,044	1,410	32	0	Line 19
38		Outside Services	11,889	22,707	360	0	Line 20
39		Legal Services	273	521	8	0	Line 22
40		Travel and Entertainment	1,787	3,413	54	0	Line 23
41		Rent and Leases	8,960	17,113	271	0	Line 24
42		Permits and Fees	72	10	2	0	Line 26
43		Public Relations	0	0	0	0	Line 25
44		Business Development	0	0	0	0	Line 25
45		Miscellaneous	3,169	6,053	96	0	Line 28
46		Property and Auto Liability Insurance	7,880	1,098	198	0	Net Plant
47		Total Home Office Operating Expenses	230,798	180,593	6,950	0	Sum of Lines 33 thru 46
48		Total Operating Expenses	811,292	1,323,416	24,152	14,821	
49		Supervised Expenses	310,538	593,089	9,406	0	

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
50		<u>Depreciation and Amortization Expense</u>				
51		Intangible				
52	301	Organization	Sched. L-5	12,312		
53	302	Franchises & Consents	Sched. L-5	0		
54	303	Miscellaneous Intangible Plant	Sched. L-5	0		
55		Total Intangible Plant		12,312		
56		Transmission				
57	365.2	Rights of Way	Sched. L-5	0	0	0
58	366	Structures & Improvements	Sched. L-5	0	0	0
59	367	Mains	Sched. L-5	149,404	0	149,404
60	368	Compressor Station Equipment	Sched. L-5	0	0	0
61	369	Measuring & Reg. Station Eq.	Sched. L-5	16,346	1,925	14,421
62	371	Other Equipment	Sched. L-5	0	0	0
63		Total Transmission Plant		165,750		
64		Distribution				
65	374	Land & Land Rights	Sched. L-5	0	0	0
66	375	Structures & Improvements	Sched. L-5	0	0	0
67	376	Mains	Sched. L-5	814,015	395,994	418,021
68	377	Compressor Station Equipment	Sched. L-5	0	0	0
69	378	Meas. & Reg. Sta. Equip.	Sched. L-5	32,008	6,718	25,290
70	379	Meas. & Reg. Sta. Equip. - CG	Sched. L-5	1,607	0	1,607
71	380	Services	Sched. L-5	324,993	112,117	212,876
72	381	Meters	Sched. L-5	137,085		
73	381.1	AMR	Sched. L-5	137,954		
74	382	Meter Installations	Sched. L-5	0		
75	383	House Regulators	Sched. L-5	50,163		
76	385	Indust. Meas. & Reg. Sta. Equip.	Sched. L-5	6,278		
77	387	Other Equipment	Sched. L-5	0		
78		Total Distribution Plant		1,504,103		
79		General				
80	389	Land & Land Rights	Sched. L-5	0		
81	390	Structures and Improvements	Sched. L-5	66,915		
82	391	Office Furniture & Equipment	Sched. L-5	16,872		
83	392	Transportation Equipment	Sched. L-5	269,868		
84	393	Stores Equipment	Sched. L-5	0		
85	394	Tools & Work Equipment	Sched. L-5	4,660		
86	395	Laboratory Equipment	Sched. L-5	42,355		
87	396	Power Operated Equipment	Sched. L-5	32,784		
88	397	Communication Equipment	Sched. L-5	10,093		
89	398	Misc. Equipment	Sched. L-5	3,451		
90	399	Other Tangible Property	Sched. L-5	0		
91		General Plant		446,998		
92		Total Depreciation - Zia Operations		2,129,164		
93		Depreciation - Home Office	Sched. L-5	98,052		
94		Total Depreciation Expense		2,227,216		

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total Company	Transmission			
			Commodity	Dona Ana		Other Zia	
				Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
50		<u>Depreciation and Amortization Expense</u>					
51		Intangible					
52	301	Organization		164	164	554	554
53	302	Franchises & Consents		0	0	0	0
54	303	Miscellaneous Intangible Plant		0	0	0	0
55		Total Intangible Plant	0	164	164	554	554
56		Transmission					
57	365.2	Rights of Way		0	0	0	0
58	366	Structures & Improvements		0	0	0	0
59	367	Mains		0	0	72,309	72,309
60	368	Compressor Station Equipment		0	0	0	0
61	369	Measuring & Reg. Station Eq.		481	481	3,358	3,358
62	371	Other Equipment		0	0	0	0
63		Total Transmission Plant	0	481	481	75,667	75,667
64		Distribution					
65	374	Land & Land Rights					
66	375	Structures & Improvements					
67	376	Mains		25,009	25,009		
68	377	Compressor Station Equipment					
69	378	Meas. & Reg. Sta. Equip.					
70	379	Meas. & Reg. Sta. Equip. - CG					
71	380	Services					
72	381	Meters					
73	381.1	AMR					
74	382	Meter Installations					
75	383	House Regulators					
76	385	Indust. Meas. & Reg. Sta. Equip.					
77	387	Other Equipment					
78		Total Distribution Plant	0	25,009	25,009	0	0
79		General					
80	389	Land & Land Rights		0	0	0	0
81	390	Structures and Improvements		889	889	3,012	3,012
82	391	Office Furniture & Equipment		224	224	760	760
83	392	Transportation Equipment		3,585	3,585	12,149	12,149
84	393	Stores Equipment		0	0	0	0
85	394	Tools & Work Equipment		62	62	210	210
86	395	Laboratory Equipment		563	563	1,907	1,907
87	396	Power Operated Equipment		435	435	1,476	1,476
88	397	Communication Equipment		134	134	454	454
89	398	Misc. Equipment		46	46	155	155
90	399	Other Tangible Property		0	0	0	0
91		General Plant	0	5,938	5,938	20,123	20,123
92		Total Depreciation - Zia Operations		31,592	31,592	96,345	96,345
93		Depreciation - Home Office		1,303	1,303	4,414	4,414
94		Total Depreciation Expense	0	32,894	32,894	100,759	100,759

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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	[A]	[B]	[L]	[M]	[N]	[O]	[P]	[Q]
Line Number	Acct. No.	Description	Distribution					
			Dona Ana		Other Zia		Services	
			Demand	Customer	Demand	Customer	Dona Ana	Other Zia
			\$	\$	\$	\$	\$	\$
50		<u>Depreciation and Amortization Expense</u>						
51		Intangible						
52	301	Organization	1,057	1,221	1,353	1,563	719	1,366
53	302	Franchises & Consents	0	0	0	0	0	0
54	303	Miscellaneous Intangible Plant	0	0	0	0	0	0
55		Total Intangible Plant	1,057	1,221	1,353	1,563	719	1,366
56		Transmission						
57	365.2	Rights of Way						
58	366	Structures & Improvements						
59	367	Mains						
60	368	Compressor Station Equipment						
61	369	Measuring & Reg. Station Eq.	447	516	3,116	3,600		
62	371	Other Equipment						
63		Total Transmission Plant	447	516	3,116	3,600		
64		Distribution						
65	374	Land & Land Rights	0	0	0	0		
66	375	Structures & Improvements	0	0	0	0		
67	376	Mains	160,533	185,443	193,962	224,059		
68	377	Compressor Station Equipment	0	0	0	0		
69	378	Meas. & Reg. Sta. Equip.	3,117	3,601	11,734	13,555		
70	379	Meas. & Reg. Sta. Equip. - CG	0	0	746	862		
71	380	Services					112,117	212,876
72	381	Meters						
73	381.1	AMR						
74	382	Meter Installations						
75	383	House Regulators						
76	385	Indust. Meas. & Reg. Sta. Equip.						
77	387	Other Equipment	0	0	0	0		
78		Total Distribution Plant	163,650	189,044	206,442	238,476	112,117	212,876
79		General						
80	389	Land & Land Rights	0	0	0	0	0	0
81	390	Structures and Improvements	5,747	6,639	7,353	8,494	3,910	7,423
82	391	Office Furniture & Equipment	1,449	1,674	1,854	2,142	986	1,872
83	392	Transportation Equipment	23,177	26,774	29,654	34,256	15,768	29,938
84	393	Stores Equipment	0	0	0	0	0	0
85	394	Tools & Work Equipment	400	462	512	591	272	517
86	395	Laboratory Equipment	3,638	4,202	4,654	5,376	2,475	4,699
87	396	Power Operated Equipment	2,816	3,253	3,602	4,161	1,915	3,637
88	397	Communication Equipment	867	1,001	1,109	1,281	590	1,120
89	398	Misc. Equipment	296	342	379	438	202	383
90	399	Other Tangible Property	0	0	0	0	0	0
91		General Plant	38,390	44,347	49,118	56,740	26,117	49,588
92		Total Depreciation - Zia Operations	203,544	235,129	260,029	300,379	138,953	263,830
93		Depreciation - Home Office	8,421	9,728	10,774	12,446	5,729	10,877
94		Total Depreciation Expense	211,965	244,856	270,804	312,825	144,682	274,708

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators \$	Customer Accounting \$	Las Vegas Direct	Other Direct \$	Allocation Basis
50		<u>Depreciation and Amortization Expense</u>					
51		Intangible					
52	301	Organization	1,223	2,336	37	0	Account 301
53	302	Franchises & Consents	0	0	0	0	Account 302
54	303	Miscellaneous Intangible Plant	0	0	0	0	Account 303
55		Total Intangible Plant	1,223	2,336	37	0	Sum of Lines 52 thru 54
56		Transmission					
57	365.2	Rights of Way			0		Account 365.2
58	366	Structures & Improvements			0		Account 366
59	367	Mains			4,786		Account 367
60	368	Compressor Station Equipment			0		Account 368
61	369	Measuring & Reg. Station Eq.			989		Account 369
62	371	Other Equipment			0		Account 371
63		Total Transmission Plant			5,775		Sum of Lines 57 thru 62
64		Distribution					
65	374	Land & Land Rights					Account 374.2
66	375	Structures & Improvements					Account 375
67	376	Mains					Account 376
68	377	Compressor Station Equipment					Account 377
69	378	Meas. & Reg. Sta. Equip.					Account 378
70	379	Meas. & Reg. Sta. Equip. - CG					Account 379
71	380	Services					Account 380
72	381	Meters	137,085				Account 381
73	381.1	AMR	137,954				Account 381.1
74	382	Meter Installations	0				Account 382
75	383	House Regulators	50,163				Account 383
76	385	Indust. Meas. & Reg. Sta. Equip.	6,278				Account 385
77	387	Other Equipment					Account 387
78		Total Distribution Plant	331,480	0	0	0	Sum of Lines 65 thru 77
79		General					
80	389	Land & Land Rights	0	0	0	0	Account 389
81	390	Structures and Improvements	6,648	12,697	201	0	Account 390
82	391	Office Furniture & Equipment	1,676	3,202	51	0	Account 391
83	392	Transportation Equipment	26,812	51,208	812	0	Account 392
84	393	Stores Equipment	0	0	0	0	Account 393
85	394	Tools & Work Equipment	463	884	14	0	Account 394
86	395	Laboratory Equipment	4,208	8,037	127	0	Account 395
87	396	Power Operated Equipment	3,257	6,221	99	0	Account 396
88	397	Communication Equipment	1,003	1,915	30	0	Account 397
89	398	Misc. Equipment	343	655	10	0	Account 398
90	399	Other Tangible Property	0	0	0	0	Account 399
91		General Plant	44,411	84,819	1,345	0	Sum of Lines 80 thru 90
92		Total Depreciation - Zia Operations	377,114	87,155	7,157	0	Sum of Lines 55, 63, 78 and 91
93		Depreciation - Home Office	9,742	18,606	295	0	Home Office Plant
94		Total Depreciation Expense	386,856	105,761	7,452	0	Sum of Lines 51 thru 93

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[C]	[D]	[E]	[F]
Line Number	Acct. No.	Description	Reference	Total Company		
				Total	Dona Ana	Other Zia
				\$	\$	\$
95		<u>Taxes Other Than Income Taxes</u>				
96		Property Taxes	Sched. L-5	474,775		
97		Payroll Taxes (included with Labor Costs)				
98		Property Taxes - Home Office	Sched. L-5	5,110		
99		Payroll Taxes - Home Office (Included with Labor Costs)				
100		Total Taxes Other than Income Taxes		479,885		
101		<u>Other Operating Revenues</u>				
102		Interest on Unpaid Bills	Sched. L-5	26,172		
103		Read-In Meter Fee	Sched. L-5	0		
104		Connects and Reconnects	Sched. L-5	421,683		
105		Returned or Dishonored Check	Sched. L-5	12,200		
106		Rents from Utility Property	Sched. L-5	3,000		
107		Merchandising	Sched. L-5	(412)		
108		Non-Tariff Revenues	Sched. L-5	7,387		
109		Gain/Loss on Asset	Sched. L-5	33,300		
110		Other Gas Revenues	Sched. L-5	15,443		
111		Transportation Revenues	Sched. K-1	2,217		
112		Margin Revenue from Texas Customers	Sched. A-2.1	7,608		
113		Total Other Operating Revenues		528,597		
114		<u>Summary</u>				
115		Rate Base	Sched. L-2, Line 101	46,913,872		
116		Rate of Return	Sched. A-5.1	9.3800%		
117		Total Cost of Service				
118		Operation & Maintenance Expenses	Sched. L-4, Line 32	8,062,135		
119		Depreciation Expenses	Sched. L-4, Line 94	2,227,216		
120		Taxes Other Than Income Taxes	Sched. L-4, Line 100	479,885		
121		Return		4,400,521		
122		Income Taxes (1)	Note (1)	2,317,832		
123		Other Operating Revenues	Sched. L-4, Line 113	(528,597)		
124		Total Cost of Service		16,958,992		
(1)		<b>Calculation of Income Taxes</b>				
125		Return		4,400,521		
126		Less Interest Expense				
127		Total Rate Base		46,913,872		
128		Weighted Cost of Long Term Debt		0.00%		
129		Total Interest Expense		-		
130		Net Taxable Equity Return		4,400,521		
		<u>Income Taxes</u>				
131		State Income Taxes		4.90%		
132		Federal Income Taxes		29.60%		
133		Taxable Income Factor		1.52672		
134		Incremental Taxes @		34.50%		
135		Total Income Taxes		2,317,832		

**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[G]	[H]	[I]	[J]	[K]
Line Number	Acct. No.	Description	Total Company	Transmission			
			Commodity	Dona Ana		Other Zia	
				Demand	Commodity	Demand	Commodity
			\$	\$	\$	\$	\$
95		<u>Taxes Other Than Income Taxes</u>					
96		Property Taxes		7,353	7,353	21,915	21,915
97		Payroll Taxes (included with Labor Costs)					
98		Property Taxes - Home Office		68	68	230	230
99		Payroll Taxes - Home Office (Included with Labor Costs)					
100		Total Taxes Other than Income Taxes	0	7,421	7,421	22,145	22,145
101		<u>Other Operating Revenues</u>					
102		Interest on Unpaid Bills					
103		Read-In Meter Fee					
104		Connects and Disconnects					
105		Returned or Dishonored Check					
106		Rents from Utility Property		48	48	163	163
107		Merchandising		(5)	(5)	(19)	(19)
108		Non-Tariff Revenues					
109		Gain/Loss on Asset		442	442	1,499	1,499
110		Other Gas Revenues		205	205	695	695
111		Transportation Revenues		34	34	102	102
112		Margin Revenue from Texas Customers					
113		Total Other Operating Revenues	0	725	725	2,442	2,442
114		<u>Summary</u>					
115		Rate Base	200,000	733,796	733,796	2,188,787	2,188,787
116		Rate of Return	9.3800%	9.3800%	9.3800%	9.3800%	9.3800%
117		Total Cost of Service					
118		Operation & Maintenance Expenses	107,880	108,036	108,036	361,802	361,802
119		Depreciation Expenses	0	32,894	32,894	100,759	100,759
120		Taxes Other Than Income Taxes	0	7,421	7,421	22,145	22,145
121		Return	18,760	68,830	68,830	205,308	205,308
122		Income Taxes (1)	9,881	36,254	36,254	108,139	108,139
123		Other Operating Revenues	0	(725)	(725)	(2,442)	(2,442)
124		Total Cost of Service	136,522	252,710	252,710	795,712	795,712
(1)		<b>Calculation of Income Taxes</b>					
125		Return					
126		Less Interest Expense					
127		Total Rate Base					
128		Weighted Cost of Long Term Debt					
129		Total Interest Expense					
130		Net Taxable Equity Return					
		<u>Income Taxes</u>					
131		State Income Taxes					
132		Federal Income Taxes					
133		Taxable Income Factor					
134		Incremental Taxes @					
135		Total Income Taxes					

## Schedule L-6 (b)



**Zia Natural Gas Company**  
**Functional Classification of Expenses**  
**Taxes Other Than Income Taxes**  
**And Other Operating Revenues**  
**Test Year Ended August 31, 2017**

Schedule L-6 (b)

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[A]		[B]	[R]	[S]	[T]	[U]	[V]
Line Number	Acct. No.	Description	Meters & Regulators \$	Customer Accounting \$	Las Vegas Direct	Other Direct \$	Allocation Basis
95		<u>Taxes Other Than Income Taxes</u>					
96		Property Taxes	57,260	7,976	1,441	0	Net Plant
97		Payroll Taxes (included with Labor Costs)					
98		Property Taxes - Home Office	508	970	15	0	Home Office Net Plant
99		Payroll Taxes - Home Office (Included with Labor Costs)					
100		Total Taxes Other than Income Taxes	57,768	8,946	1,457	0	Sum of Lines 96 thru 99
101		<u>Other Operating Revenues</u>					
102		Interest on Unpaid Bills				26,172	Direct to Residential
103		Read-In Meter Fee				0	Direct to Residential
104		Connects and Reconnects		421,683			Customer Accounts
105		Returned or Dishonored Check				12,200	Direct to Residential
106		Rents from Utility Property	361	58	11	0	Total Plant
107		Merchandising	(41)	(78)	(1)	0	Supervised Expenses
108		Non-Tariff Revenues		7,387			Customer Accounts
109		Gain/Loss on Asset	3,308	6,319	100	0	Account 392
110		Other Gas Revenues	1,534	2,930	46	0	Supervised Expenses
111		Transportation Revenues	267	37	7	0	Net Plant
112		Margin Revenue from Texas Customers				7,608	Direct
113		Total Other Operating Revenues	5,430	438,335	163	45,980	Sum of Lines 102 thru 112
114		<u>Summary</u>					
115		Rate Base	5,713,184	138,497	143,968	0	
116		Rate of Return	9.3800%	9.3800%	9.3800%	9.3800%	
117		Total Cost of Service					
118		Operation & Maintenance Expenses	811,292	1,323,416	24,152	14,821	Line 48
119		Depreciation Expenses	386,856	105,761	7,452	0	Line 94
120		Taxes Other Than Income Taxes	57,768	8,946	1,457	0	Line 100
121		Return	535,897	12,991	13,504	0	Line 115 x Line 116
122		Income Taxes (1)	282,266	6,843	7,113	0	Rate Base
123		Other Operating Revenues	(5,430)	(438,335)	(163)	(45,980)	Line 113
124		Total Cost of Service	2,068,649	1,019,621	53,515	(31,159)	Sum of Lines 118 thru 123
(1)		<b>Calculation of Income Taxes</b>					
125		Return					Line 121
126		Less Interest Expense					
127		Total Rate Base					Line 115
128		Weighted Cost of Long Term Debt					
129		Total Interest Expense					Line 127 x Line 128
130		Net Taxable Equity Return					Line 125 - Line 129
		<u>Income Taxes</u>					
131		State Income Taxes					Schedule H-9
132		Federal Income Taxes					Schedule H-9
133		Taxable Income Factor					1/(1-(Line 132 - (Line 131 X Line 132) + Line 131))
134		Incremental Taxes @					(Line 132 - Line 131 X Line 132) + Line 131
135		Total Income Taxes					(Line 133 - 1) X Line 130

**Zia Natural Gas Company**  
**Allocation of Total Expenses - Functional Classification**

**Schedule L-7**

See Schedule L-6

**Zia Natural Gas Company**  
**Allocation of Cost of Service**  
**Base Year Ended August 31, 2017**

Schedule L-8 (a)

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	<u>Total Cost of Service</u>													
2	Direct Commodity	7,880	1,198	2,759	84	596	127	1,068	214	5	406	131	1,292	Commodity
3	Transmission - Dona Ana													
4	Demand	243,570	181,393		9,076		16,863		5,098		31,140			50% Firm Winter Period Sales, 50% Peak
5	Commodity	243,570	143,800		10,100		15,267		25,728		48,675			Commodity
6	Total Transmission - Dona Ana	487,140	325,193		19,176		32,130		30,825		79,815			Line 4 + Line 5
7	Transmission - Other Zia													
8	Demand	765,196		381,321		81,484		128,152		7		8,295	165,936	50% Firm Winter Period Sales, 50% Peak
9	Commodity	765,196		360,838		77,883		139,679		716		17,143	168,937	Commodity
10	Total Transmission - Other Zia	1,530,392		742,159		159,368		267,831		723		25,438	334,874	Line 8 + Line 9
11	Distribution - Dona Ana													
12	Demand	1,560,269	1,161,977		58,140		108,022		32,654		199,476			50% Firm Winter Period Sales, 50% Peak
13	Customer	1,802,380	1,596,929		42,745		28,294		131,932		2,479			Distribution - Customer
14	Total Distribution - Dona Ana	3,362,650	2,758,906		100,886		136,316		164,586		201,955			Line 12 + Line 13
15	Distribution - Other Zia													
16	Demand	2,077,636		1,321,948		282,502		444,368		25		28,792		50% Firm Winter Period Sales, 50% Peak, Ex Wholesale
17	Customer	2,400,028		2,104,745		175,722		117,273		1,459		829		Distribution - Customer, Excluding Wholesale
18	Total Distribution - Other Zia	4,477,664		3,426,693		458,224		561,641		1,484		29,621		Line 16 + Line 17
19	Services - Dona Ana	1,158,004	1,026,005		27,463		18,179		84,765		1,593			Services
20	Services - Other Zia	2,129,825		1,867,786		155,938		104,070		1,294		736		Services
21	Meters and Regulators	1,984,104	479,539	944,932	19,254	118,336	50,978	315,901	39,618	655	9,927	4,963		Meters & Regulators
22	Customer Accounting	1,317,277	355,954	701,408	19,056	117,119	12,614	78,163	29,408	486	1,842	921	307	Customer Accounting
23	Direct - Wholesale	51,542											51,542	
24	Direct													
25	Interest on Unpaid Bills	(26,172)	(8,811)	(17,361)										Direct - Residential
26	Interest on Customer Deposits	12,112	4,077	8,035										Direct - Residential
27	Return Check Fees	(7,314)	(2,462)	(4,852)										Direct - Residential
28	Margin from Texas Customers	(7,608)		(5,279)		(782)		(1,050)		(3)		(70)	(424)	Direct - Other Zia T&D
29	Total Direct	(28,982)	(7,195)	(19,458)	0	(782)	0	(1,050)	0	(3)	0	(70)	(424)	Sum of Lines 25 thru 27
30	Total Cost of Service	16,477,497	4,939,600	7,666,280	185,919	1,008,799	250,344	1,327,624	349,416	4,645	295,538	61,741	387,591	

**Zia Natural Gas Company**  
**Allocation of Cost of Service**  
**Test Year Ended August 31, 2017**

Schedule L-8 (b)

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	<u>Total Cost of Service</u>													
2	Direct Commodity	136,522	20,758	47,798	1,458	10,317	2,204	18,503	3,714	95	7,026	2,271	22,378	Commodity
3	Transmission - Dona Ana													
4	Demand	252,710	188,200		9,417		17,496		5,289		32,308			50% Firm Winter Period Sales, 50% Peak
5	Commodity	252,710	149,196		10,479		15,840		26,693		50,502			Commodity
6	Total Transmission - Dona Ana	505,420	337,396		19,896		33,336		31,982		82,810			Line 4 + Line 5
7	Transmission - Other Zia													
8	Demand	795,712		396,528		84,734		133,263		7	8,626	172,554		50% Firm Winter Period Sales, 50% Peak
9	Commodity	795,712		375,228		80,989		145,249		745	17,827	175,675		Commodity
10	Total Transmission - Other Zia	1,591,424		771,756		165,723		278,512		752	26,453	348,228		Line 8 + Line 9
11	Distribution - Dona Ana													
12	Demand	1,630,752	1,214,468		60,767		112,901		34,129		208,487			50% Firm Winter Period Sales, 50% Peak
13	Customer	1,883,800	1,669,068		44,676		29,572		137,892		2,591			Distribution - Customer
14	Total Distribution - Dona Ana	3,514,552	2,883,536		105,443		142,474		172,021		211,078			Line 12 + Line 13
15	Distribution - Other Zia													
16	Demand	2,166,394		1,378,423		294,571		463,352		26	30,022			50% Firm Winter Period Sales, 50% Peak, Ex Wholesale
17	Customer	2,502,558		2,194,661		183,229		122,283		1,521	865			Distribution - Customer, Excluding Wholesale
18	Total Distribution - Other Zia	4,668,952		3,573,084		477,800		585,635		1,547	30,887			Line 16 + Line 17
19	Services - Dona Ana	1,208,175	1,070,456		28,653		18,966		88,437		1,662			Services
20	Services - Other Zia	2,223,321		1,949,779		162,784		108,639		1,351		768		Services
21	Meters and Regulators	2,068,649	499,973	985,197	20,074	123,379	53,151	329,362	41,306	683	10,350	5,175		Meters & Regulators
22	Customer Accounting	1,019,621	275,522	542,916	14,750	90,654	9,763	60,501	22,763	376	1,426	713	238	Customer Accounting
23	Direct - Wholesale	53,515											53,515	
24	Direct													
25	Interest on Unpaid Bills	(26,172)	(8,811)	(17,361)										Direct - Residential
26	Interest on Customer Deposits	14,821	4,989	9,832										Direct - Residential
27	Return Check Fees	(12,200)	(4,107)	(8,093)										Direct - Residential
28	Margin from Texas Customers	(7,608)		(5,280)		(782)		(1,050)		(3)		(70)	(423)	Direct - Other Zia T&D
29	Total Direct	(31,159)	(7,928)	(20,903)	0	(782)	0	(1,050)	0	(3)	0	(70)	(423)	Sum of Lines 25 thru 27
30	Total Cost of Service	16,958,992	5,079,712	7,849,626	190,274	1,029,875	259,894	1,380,101	360,223	4,802	314,352	66,197	423,936	

**Zia Natural Gas Company**  
**Allocation of Total Revenue - Jurisdictional**

**Schedule L-9**

See Schedule A-2

**Zia Natural Gas Company**  
**Allocation of Total Revenue - Demand, Commodity, Customer**

**Schedule L-10**

See Schedule A-2

**Zia Natural Gas Company**  
**Allocation of Total Revenue to Rate Classes**

**Schedule L-11**

See Schedule A-2

**Zia Natural Gas Company  
Unit Cost of Service  
Base Year Ended August 31, 2017**

Schedule M-1 (a)

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference	
			Dona Ana	Other Zia	Dona Ana	Other Zia	Dona Ana	Other Zia	Dona Ana	Other Zia	Dona Ana	Other Zia			
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
1	Direct Commodity - \$	7,880	1,198	2,759	84	596	127	1,068	214	5	406	131	1,292	Line 2, Schedule L-8	
2	\$/mscf	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	Line 1 / Line 21 ,Schedule N-1 / 12	
3	Customer Related	6,569,059	1,854,302	3,494,669	65,773	390,611	81,771	497,084	153,790	2,433	13,362	6,551	8,714	Sum of Lines 19, 20, 21, 22, 23 and 25-27, Sch L-8 (1)	
4	\$/bill/month	14.50	13.33	12.75	17.66	17.07	82.93	81.36	26.76	25.61	185.58	181.96	726.13	Line 3 / Line 30 ,Schedule N-1 / 12	
5	Distribution - Customer	4,202,408	1,596,929	2,104,745	42,745	175,722	28,294	117,273	131,932	1,459	2,479	829	0	Line 13 + Line 17 ,Schedule L-8	
6	\$/bill/month	9.28	11.48	7.68	11.48	7.68	28.70	19.19	22.96	15.35	34.44	23.03	-	Line 5 / Line 30 ,Schedule N-1	
7	\$/mscf	1.19	2.98	1.70	1.14	0.66	0.50	0.25	1.38	0.60	0.01	0.01	-	Line 5 / Line 21 ,Schedule N-1	
7	Transmission - Demand	1,030,122	181,393	381,321	9,076	81,484	16,863	128,152	5,098	7	31,140	8,295	187,292	Line 4+ Line 8 + Line 23 ,Schedule L-8 (1)	
8	\$/mscf	0.2921	0.3383	0.3088	0.2410	0.3058	0.2962	0.2681	0.0531	0.0029	0.1716	0.1414	0.3240	Line 7 / Line 21 ,Schedule N-1	
9	Distribution - Demand	3,637,905	1,161,977	1,321,948	58,140	282,502	108,022	444,368	32,654	25	199,476	28,792	0	Line 12 + Line 16 ,Schedule L-8	
10	\$/mscf	1.0316	2.1670	1.0707	1.5438	1.0600	1.8975	0.9297	0.3404	0.0102	1.0990	0.4908	0.0000	Line 9 / Line 21 ,Schedule N-1	
10	Transmission - Commodity	1,030,122	143,800	360,838	10,100	77,883	15,267	139,679	25,728	716	48,675	17,143	190,293	Line 5+ Line 9 + Line 23 ,Schedule L-8 (1)	
11	\$/mscf	0.2921	0.2682	0.2922	0.2682	0.2922	0.2682	0.2922	0.2682	0.2922	0.2682	0.2922	0.3292	Line 10 / Line 21 ,Schedule N-1	
12	Customer Costs - \$/bill.month	23.78	24.81	20.42	29.14	24.74	111.63	100.55	49.72	40.96	220.02	204.99	726.13	Line 4 + Line 6	
13	Combined Class			21.90		25.36		102.09		49.57		215.01		Line 4 + Line 6	
14	excl Distribution - \$/bill/month	14.50	13.33	12.75	17.66	17.07	82.93	81.36	26.76	25.61	185.58	181.96	726.13	Line 4	
15	Commodity Costs - \$/mscf	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Line 2	
16	Transmission Costs - \$/mscf	0.5842	0.6065	0.6011	0.5092	0.5980	0.5644	0.5604	0.3213	0.2952	0.4397	0.4337	0.6532	Line 8 + Line 11	
17	Distribution Costs - \$/mscf	1.0316	2.1670	1.0707	1.5438	1.0600	1.8975	0.9297	0.3404	0.0102	1.0990	0.4908	0.0000	Line 10	
18	incl Distribution Customer - \$/mscf	2.2232	5.1452	2.7753	2.6788	1.7194	2.3945	1.1751	1.7156	0.6056	1.1127	0.5050	0.0000	Line 7 + Line 10	
19	Customer Costs - \$	10,771,467	3,451,231	5,599,414	108,519	566,333	110,065	614,357	285,723	3,891	15,841	7,380	8,714	Line 3 + Line 5	
20	Demand Costs - \$	4,668,027	1,343,371	1,703,269	67,216	363,987	124,885	572,520	37,752	32	230,616	37,087	187,292	Line 7 + Line 9	
21	Commodity Costs - \$	1,038,002	144,998	363,597	10,184	78,479	15,394	140,747	25,942	721	49,081	17,274	191,585	Line 1 + Line 10	
22	Total Cost of Service - \$	16,477,497	4,939,600	7,666,280	185,919	1,008,799	250,344	1,327,624	349,416	4,645	295,538	61,741	387,591	Sum of Lines 19 thru 21	

23 (1) Reflects allocation of Wholesale Direct between meters and transmission mains investment.



**Zia Natural Gas Company**  
**Unit Cost of Service**  
**Test Year Ended August 31, 2017**

Schedule M-1 (b)

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference	
			Dona Ana	Other Zia	Dona Ana	Other Zia	Dona Ana	Other Zia	Dona Ana	Other Zia	Dona Ana	Other Zia			
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			\$
1	Direct Commodity - \$	136,522	20,758	47,798	1,458	10,317	2,204	18,503	3,714	95	7,026	2,271	22,378	Line 2, Schedule L-8	
2	\$/mscf	0.0387	0.0387	0.0387	0.0387	0.0387	0.0387	0.0387	0.0387	0.0387	0.0387	0.0387	0.0387	Line 1 / Line 21 ,Schedule N-1 / 12	
3	Customer Related	6,497,775	1,838,022	3,456,988	63,478	376,035	81,880	497,451	152,506	2,408	13,438	6,586	8,983	Sum of Lines 19, 20, 21, 22, 23 and 25-27, Sch L-8 (1)	
4	\$/bill/month	14.35	13.21	12.61	17.05	16.43	83.04	81.42	26.54	25.34	186.63	182.95	748.59	Line 3 / Line 30 ,Schedule N-1 / 12	
5	Distribution - Customer	4,386,359	1,669,068	2,194,661	44,676	183,229	29,572	122,283	137,892	1,521	2,591	865	0	Line 13 + Line 17 ,Schedule L-8	
6	\$/bill/month	9.68	12.00	8.01	12.00	8.01	29.99	20.01	23.99	16.01	35.99	24.02	-	Line 5 / Line 30 ,Schedule N-1	
7	\$/mscf	1.24	3.11	1.78	1.19	0.69	0.52	0.26	1.44	0.62	0.01	0.01	-	Line 5 / Line 21 ,Schedule N-1	
7	Transmission - Demand	1,070,595	188,200	396,528	9,417	84,734	17,496	133,263	5,289	7	32,308	8,626	194,727	Line 4+ Line 8 + Line 23 ,Schedule L-8 (1)	
8	\$/mscf	0.3036	0.3510	0.3212	0.2500	0.3180	0.3073	0.2788	0.0551	0.0031	0.1780	0.1470	0.3369	Line 7 / Line 21 ,Schedule N-1	
9	Distribution - Demand	3,797,146	1,214,468	1,378,423	60,767	294,571	112,901	463,352	34,129	26	208,487	30,022	0	Line 12 + Line 16 ,Schedule L-8	
10	\$/mscf	1.0767	2.2649	1.1164	1.6135	1.1053	1.9832	0.9695	0.3558	0.0107	1.1487	0.5118	0.0000	Line 9 / Line 21 ,Schedule N-1	
10	Transmission - Commodity	1,070,595	149,196	375,228	10,479	80,989	15,840	145,249	26,693	745	50,502	17,827	197,848	Line 5+ Line 9 + Line 23 ,Schedule L-8 (1)	
11	\$/mscf	0.3036	0.2782	0.3039	0.2782	0.3039	0.2782	0.3039	0.2782	0.3039	0.2782	0.3039	0.3423	Line 10 / Line 21 ,Schedule N-1	
12	Customer Costs - \$/bill.month	24.03	25.21	20.62	29.04	24.43	113.04	101.43	50.53	41.35	222.62	206.97	748.59	Line 4 + Line 6	
13	Combined Class			22.16		25.08		103.04		50.38		217.41		Line 4 + Line 6	
14	excl Distribution - \$/bill/month	14.35	13.21	12.61	17.05	16.43	83.04	81.42	26.54	25.34	186.63	182.95	748.59	Line 4	
15	Commodity Costs - \$/mscf	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	Line 2	
16	Transmission Costs - \$/mscf	0.6072	0.6292	0.6251	0.5283	0.6219	0.5856	0.5827	0.3334	0.3070	0.4562	0.4509	0.6791	Line 8 + Line 11	
17	Distribution Costs - \$/mscf	1.0767	2.2649	1.1164	1.6135	1.1053	1.9832	0.9695	0.3558	0.0107	1.1487	0.5118	0.0000	Line 10	
18	incl Distribution Customer - \$/mscf	2.3205	5.3777	2.8939	2.7998	1.7929	2.5027	1.2253	1.7931	0.6315	1.1630	0.5265	0.0000	Line 7 + Line 10	
19	Customer Costs - \$	10,884,133	3,507,090	5,651,649	108,154	559,263	111,453	619,735	290,398	3,929	16,029	7,451	8,983	Line 3 + Line 5	
20	Demand Costs - \$	4,867,742	1,402,668	1,774,951	70,183	379,305	130,397	596,615	39,418	34	240,795	38,648	194,727	Line 7 + Line 9	
21	Commodity Costs - \$	1,207,117	169,954	423,026	11,937	91,306	18,044	163,751	30,407	839	57,528	20,098	220,226	Line 1 + Line 10	
22	Total Cost of Service - \$	16,958,992	5,079,712	7,849,626	190,274	1,029,875	259,894	1,380,101	360,223	4,802	314,352	66,197	423,936	Sum of Lines 19 thru 21	

23 (1) Reflects allocation of Wholesale Direct between meters and transmission mains investment.

## Schedule N-1 (a)

36 Costs are allocated to customer classes on a functional level. The basis of allocation for each cost of service element  
37 is shown in Schedules L-2 and L-6.

## Schedule N-1 (b)

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	Allocation Bases													
2	Firm Winter Peak Demand Load Factor		26.56%	30.70%	39.44%	31.30%	31.10%	36.70%	0.00%	0.00%	85.00%	85.00%	34.34%	Exhibit TJS-7
3	Peak Day - mscf/Day	28,599	5,531	11,019	262	2,333	502	3,568			585	189	4,612	Line 21 / 365 / Line 2
4	Allocation Factor - Total	100.0000%	19.3381%	38.5279%	0.9148%	8.1565%	1.7536%	12.4757%			2.0456%	0.6611%	16.1268%	Line 3 / Line 3 Column B
5	Allocation Factor - Dona Ana	100.0000%	80.4011%		3.8034%		7.2908%		0.0000%		8.5047%			Line 3 / Line 3 Column B - Dona Ana Only
6	Allocation Factor - Other Zia	100.0000%		50.7293%		10.7396%		16.4267%	0.0000%			0.8705%	21.2340%	Line 3 / Line 3 Column B - Other Zia Only
7	Allocation Factor - Other Zia, Ex. Wholesale	100.0000%		64.4051%		13.6348%		20.8550%	0.0000%			1.1052%		Line 3 / Line 3 Column B - Other Zia Only, Ex Wholesale
8	Winter Period Throughput													
9	Winter (Nov-Mar) Throughput - mscf	2,452,284	405,403	910,638	21,583	196,469	38,773	317,620	24,756	35	100,928	24,146	411,933	Weather Normalization Workpapers
10	Allocation Factor - Total	100.0000%	16.5317%	37.1343%	0.8801%	8.0117%	1.5811%	12.9520%	1.0095%	0.0014%	4.1157%	0.9846%	16.7979%	Line 9 / Line 9 Column B
11	Allocation Factor - Dona Ana	100.0000%	68.5447%		3.6492%		6.5557%		4.1857%		17.0647%			Line 9 / Line 9 Column B - Dona Ana Only
12	Allocation Factor - Other Zia	100.0000%		48.9369%		10.5581%		17.0686%	0.0019%			1.2976%	22.1369%	Line 9 / Line 9 Column B - Other Zia Only
13	Allocation Factor - Other Zia, Ex. Wholesale	100.0000%		62.8500%		13.5598%		21.9213%	0.0024%			1.6665%		Line 9 / Line 9 Column B - Other Zia Only, Ex Wholesale
14	Firm Winter Period Sales													
15	Winter (Nov-Mar) Sales - mscf	2,452,284	405,403	910,638	21,583	196,469	38,773	317,620	24,756	35	100,928	24,146	411,933	Weather Normalization Workpapers
16	Allocation Factor - Total	100.0000%	16.5317%	37.1343%	0.8801%	8.0117%	1.5811%	12.9520%	1.0095%	0.0014%	4.1157%	0.9846%	16.7979%	Line 15 / Line 15 Column B
17	Allocation Factor - Dona Ana	100.0000%	68.5447%		3.6492%		6.5557%		4.1857%		17.0647%			Line 15 / Line 15 Column B - Dona Ana Only
18	Allocation Factor - Other Zia	100.0000%		48.9369%		10.5581%		17.0686%	0.0019%			1.2976%	22.1369%	Line 15 / Line 15 Column B - Other Zia Only
19	Allocation Factor - Other Zia, Ex. Wholesale	100.0000%		62.8500%		13.5598%		21.9213%	0.0024%			1.6665%		Line 15 / Line 15 Column B - Other Zia Only, Ex Wholesale
20	Commodity													
21	Annual Throughput - mscf	3,526,565	536,205	1,234,707	37,661	266,500	56,929	477,949	95,935	2,450	181,501	58,661	578,067	Exhibit TJS-6
22	Allocation Factor - Total	100.0000%	15.2047%	35.0116%	1.0679%	7.5569%	1.6143%	13.5528%	2.7204%	0.0695%	5.1467%	1.6634%	16.3918%	Line 21 / Line 21 Column B
23	Allocation Factor - Dona Ana	100.0000%	59.0384%		4.1466%		6.2681%		10.5628%		19.9841%			Line 21 / Line 21 Column B - Dona Ana Only
24	Allocation Factor - Other Zia	100.0000%		47.1562%		10.1782%		18.2540%	0.0936%			2.2404%	22.0777%	Line 21 / Line 21 Column B - Other Zia Only
25	Allocation Factor - Other Zia, Ex. Wholesale	100.0000%		60.5169%		13.0620%		23.4258%	0.1201%			2.8751%		Line 21 / Line 21 Column B - Other Zia Only, Ex Wholesale
26	Distribution - Customer												NA	
27	Average Number of Customers	37,744	11,594	22,846	310	1,907	82	509	479	8	6	3		Exhibit TJS-6
28	Weighting Factor		1.00	1.00	1.00	1.00	2.50	2.50	2.00	2.00	3.00	3.00		Weighting Factor Analysis
29	Weighted Number of Customers	39,136	11,594	22,846	310	1,907	205	1,273	958	16	18	9		Line 27 x Line 28
30	Allocation Factor - Total	100.0000%	29.6243%	58.3748%	0.7930%	4.8736%	0.5249%	3.2526%	2.4475%	0.0405%	0.0460%	0.0230%		Line 29 / Line 29 Column B
31	Allocation Factor - Dona Ana	100.0000%	88.6011%		2.3716%		1.5698%		7.3199%		0.1376%			Line 29 / Line 29 Column B - Dona Ana Only
32	Allocation Factor - Other Zia, Ex. Wholesale	100.0000%		87.6967%		7.3217%		4.8863%		0.0608%		0.0345%		Line 29 / Line 29 Column B - Other Zia Only
33	Services												NA	
34	Average Number of Customers	37,744	11,594	22,846	310	1,907	82	509	479	8	6	3		Exhibit TJS-6
35	Weighting Factor		1.0	1.0	1.0	1.0	2.5	2.5	2.0	2.0	3.0	3.0		Weighting Factor Analysis
36	Weighted Number of Customers	39,136	11,594	22,846	310	1,907	205	1,273	958	16	18	9		Line 34 x Line 35
37	Allocation Factor - Total	100.0000%	29.6243%	58.3748%	0.7930%	4.8736%	0.5249%	3.2526%	2.4475%	0.0405%	0.0460%	0.0230%		Line 36 / Line 36 Column B
38	Allocation Factor - Dona Ana	100.0000%	88.6011%		2.3716%		1.5698%		7.3199%		0.1376%			Line 36 / Line 36 Column B - Dona Ana Only
39	Allocation Factor - Other Zia, Ex. Wholesale	100.0000%		87.6967%		7.3217%		4.8863%		0.0608%		0.0345%	0.0000%	Line 36 / Line 36 Column B - Other Zia Only
24	Meters & Regulators												Direct	
25	Average Number of Customers	37,744	11,594	22,846	310	1,907	82	509	479	8	6	3		Exhibit TJS-6
26	Weighting Factor		1.0	1.0	1.5	1.5	15.0	15.0	2.0	2.0	40.0	40.0		Weighting Factor Analysis
27	Weighted Number of Customers	47,969	11,594	22,846	466	2,861	1,233	7,638	958	16	240	120		Line 25 x Line 26
28	Meters & Regulators Cost Allocator	100.0000%	24.1690%	47.6251%	0.9704%	5.9642%	2.5693%	15.9216%	1.9968%	0.0330%	0.5003%	0.2502%		Line 27 / Line 27 Column B
29	Customer Accounting													
30	Average Number of Customers	37,745	11,594	22,846	310	1,907	82	509	479	8	6	3	1	Exhibit TJS-6
31	Weighting Factor		1.0	1.0	2.0	2.0	5.0	5.0	2.0	2.0	10.0	10.0	10.0	Weighting Factor Analysis
32	Weighted Number of Customers	42,905	11,594	22,846	621	3,815	411	2,546	958	16	60	30	10	Line 30 x Line 31
33	Customer Accounts Cost Allocator	100.0000%	27.0220%	53.2468%	1.4466%	8.8910%	0.9575%	5.9337%	2.2325%	0.0369%	0.1398%	0.0699%	0.0233%	Line 32 / Line 32 Column B
34	Use per Customer	93	46	54	121	140	693	939	200	309	30,250	19,554	578,067	Line 21 / Line 27
35	Per Residential Customer		1	1	2	3	13	18	4	6	588	380	11,242	Line 34 / Line 34 Column C
36	Costs are allocated to customer classes on a functional level. The basis of allocation for each cost of service element is shown in Schedules L-2 and L-6.													
37														

**Zia Natural Gas Company**

**Classification Factors Used to Assign Plant and Expenses to Functions**

**Schedule N-2**

See Schedule L Series, Column [V]

**Zia Natural Gas Company**  
**Demand and Commodity Loss Factors**

**Schedule N-3**

Not applicable

## Schedule O-1 (a)

[illegible]

**Zia Natural Gas Company**  
**Rate of Return Under Current and Proposed Rate Design**  
**Test Year Ended August 31, 2017**

Schedule O-1 (b)

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Total Gas Utility	Residential		Small Commercial		Large Commercial		Irrigation		Industrial		Wholesale Las Vegas	Basis of Allocation or Reference
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	<u>Return Under Existing Rates</u>													
2	Rate Base	46,913,872	14,162,131	21,722,798	513,397	2,762,296	721,098	3,808,767	992,851	12,942	896,989	185,937	1,134,666	Schedule L-4 Line 25
3	Sales Revenues	28,302,612	5,289,554	11,673,626	320,840	2,217,874	439,664	3,603,363	762,361	18,641	1,095,419	413,321	2,467,949	Direct
4	Cost of Gas	<u>13,940,823</u>	<u>2,119,667</u>	<u>4,880,905</u>	<u>148,878</u>	<u>1,053,498</u>	<u>225,044</u>	<u>1,889,376</u>	<u>379,240</u>	<u>9,685</u>	<u>717,491</u>	<u>231,891</u>	<u>2,285,148</u>	Direct
5	Sales Revenues Excluding Gas Cost	14,361,789	3,169,888	6,792,721	171,963	1,164,375	214,620	1,713,987	383,121	8,956	377,928	181,430	182,801	Line 3 - Line 4
6	Net Cost of Service	16,958,992	5,079,712	7,849,626	190,274	1,029,875	259,894	1,380,101	360,223	4,802	314,352	66,197	423,936	Schedule L-8 Line 30
7	Revenue Deficiency	2,597,203	1,909,824	1,056,905	18,312	(134,501)	45,274	(333,886)	(22,898)	(4,154)	(63,576)	(115,233)	241,136	Line 6 - Line 5
8	Percent	9.1765%	36.1056%	9.0538%	5.7074%	-6.0644%	10.2974%	-9.2660%	-3.0036%	-22.2852%	-5.8038%	-27.8799%	9.7707%	Line 7 / Line 3
9	Increase Under Proposed Rate Design (1)	2,594,623	687,785	1,350,828	26,430	161,564	17,774	107,013	3,324	(1,157)	42,663	(42,759)	241,157	Schedule P-2
10	Percent	9.1674%	13.0027%	11.5716%	8.2377%	7.2846%	4.0427%	2.9698%	0.4361%	-6.2092%	3.8947%	-10.3453%	9.7716%	Line 9 / Line 3
11	Incremental Taxes at 34.50%	895,145	237,286	466,036	9,118	55,740	6,132	36,919	1,147	(399)	14,719	(14,752)	83,199	Line 9 x Schedule H-9, Line 9
12	Incremental Return	1,699,478	450,499	884,792	17,312	105,825	11,642	70,093	2,178	(758)	27,945	(28,007)	157,958	Line 9 - Line 11
13	Return Under Proposed Rate Design	4,398,831	527,972	2,230,118	53,474	453,026	49,627	646,051	110,305	3,177	153,724	64,911	106,446	Line 12 + Line 17
14	Rate of Return Under Proposed Rate Design	9.38%	3.73%	10.27%	10.42%	16.40%	6.88%	16.96%	11.11%	24.55%	17.14%	34.91%	9.38%	Line 13 / Line 2
15	Combined Class			7.69%		15.46%		15.36%		11.28%		20.19%		
16	Overall District		5.1781%	11.9233%										
17	Return Under Current Rates	2,699,353	77,473	1,345,325	36,163	347,201	37,985	575,958	108,128	3,935	125,780	92,919	(51,512)	(Line 2 X 9.38%) - Line 7 X (100 - 34.50%)
18	Rate of Return Under Current Rates	5.75%	0.55%	6.19%	7.04%	12.57%	5.27%	15.12%	10.89%	30.40%	14.02%	49.97%	-4.54%	Line 17 / Line 2
19	Combined Class			3.96%		11.70%		13.55%		11.14%		20.20%		
20	Overall District		2.23%	8.30%										

21 (1) Proposed increase includes an additional \$1,651 to be collected from Texas residential customers.  
22 These customers are included as a revenue credit.

23	<b>Summary</b>	
24	Revenue Deficiency	\$ 2,597,203
25	Margin Increase Under Proposed Rate Design	
26	Total New Mexico Direct Sales	\$ 2,594,623
27	Texas Residential Customers	1,651
28	Total	\$ 2,596,274
29	Difference	(929)

**Zia Natural Gas Company**  
**Allocation of Total Expenses - Functional Classification**

**Schedule P-1**

See Schedule O-1



**Zia Natural Gas Company**  
**Proof of Revenue Analysis**

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Line No.	Description	Total New Mexico Direct Sales	New Mexico							Texas (2)	
			Residential Service (1)	Small Commercial	Large Commercial	Irrigation		Industrial		City of Las Vegas	Residential
						Sm. Comm.	Lg. Comm.	Lg. Comm.	Sp. Contr.		
		Sum of Columns [C] thru [J]									
1	Test Year Units - Existing Rates										
2	Number of Customers	37,745	34,439	2,218	591	481	6	6	3	1	28
3	Volume - mscf	3,526,565	1,770,912	304,161	534,878	96,300	2,085	121,945	118,217	578,067	1,287
4	Existing Rates										
5	Cost of Gas - \$/mscf		3.9531	3.9531	3.9531	3.9531	3.9531	3.9531	3.9531	3.9531	3.9531
6	Distribution Charge - \$/mscf		2.43600	2.43600	2.43600	2.43600	2.43600	2.43600	1.53000		2.43600
7	Transmission Charge - \$/mscf		0.63200	0.63200	0.63200	0.63200	0.63200	0.63200	0.00000	0.31000	0.63200
8	Customer Charge - \$/month		10.96	15.15	40.53	15.15	40.53	40.53	40.00	300.00	10.96
9	Revenues Under Existing Rates										
10	Cost of Gas - \$	13,940,823	7,000,572	1,202,376	2,114,420	380,682	8,242	482,060	467,322	2,285,148	5,086
11	Distribution Charge - \$	7,075,437	4,313,942	740,937	1,302,963	234,587	5,079	297,058	180,872	-	3,134
12	Transmission Charge - \$	1,967,938	1,119,216	192,230	338,043	60,862	1,318	77,069	-	179,201	813
13	Customer Charge - \$	5,318,413	4,529,450	403,172	287,601	87,476	2,756	2,918	1,440	3,600	3,661
14	Total - \$	28,302,612	16,963,180	2,538,714	4,043,027	763,607	17,395	859,106	649,634	2,467,949	12,694

45 (1) Billing units exclude Texas residential customers.  
46 (2) Assumes Texas residential customers are billed under proposed New Mexico rate.

**Zia Natural Gas Company**  
**Comparison of Rates for Service Under Present and Proposed Rate Schedules**  
**Schedule P-3**

See Schedule P-2

**Zia Natural Gas Company**  
**Explanation of Proposed Changes to Existing Rate Schedules**

**Schedule P-4**

See Direct Testimony of Thomas J. Sullivan

**Zia Natural Gas Company  
Peak Demand Information**

**Schedule Q-1  
Page 1 of 3**

**Zia Natural Gas Company  
Peak Day by Month**

Date	Hobbs/Jal		Lincoln Co.		Maxwell		Dona Ana		Total	
	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day
Sep-12	1,394	1,448	1,911	1,937	792	800	2,102	2,182	6,199	6,367
Oct-12	3,174	3,420	3,457	3,500	2,438	2,375	3,176	3,269	12,245	12,564
Nov-12	4,277	4,614	5,278	5,317	3,939	3,833	4,887	5,059	18,381	18,823
Dec-12	8,148	8,719	7,964	8,088	5,290	5,138	6,539	6,747	27,941	28,692
Jan-13	9,793	10,218	9,654	9,758	6,364	6,178	7,557	7,775	33,368	33,929
Feb-13	7,128	7,720	6,657	6,737	4,722	4,591	5,170	5,343	23,677	24,391
Mar-13	5,236	5,550	5,739	5,811	4,213	4,095	4,073	4,229	19,261	19,685
Apr-13	3,950	4,133	3,805	3,847	3,888	3,772	2,250	2,362	13,893	14,114
May-13	3,629	3,867	3,212	3,254	2,656	2,583	1,962	2,042	11,459	11,746
Jun-13	1,307	1,381	1,940	1,975	683	708	1,717	1,781	5,647	5,845
Jul-13	1,137	1,222	1,467	1,493	605	627	1,821	1,901	5,030	5,243
Aug-13	1,107	1,171	1,513	1,536	555	572	2,283	2,377	5,458	5,656
Sep-13	1,309	1,394	1,784	1,800	898	935	1,933	2,003	5,924	6,132
Oct-13	2,468	2,736	3,156	3,202	2,610	2,530	3,375	3,503	11,609	11,971
Nov-13	8,394	8,940	7,808	7,912	5,046	4,878	6,472	6,716	27,720	28,446
Dec-13	10,436	11,014	7,336	7,438	6,052	5,872	6,770	6,994	30,594	31,318
Jan-14	10,678	11,094	8,624	8,749	5,476	5,315	6,260	6,509	31,038	31,667
Feb-14	11,158	11,424	8,496	8,601	6,034	5,858	5,573	5,749	31,261	31,632
Mar-14	7,599	7,935	5,310	5,375	3,640	3,532	2,886	3,003	19,435	19,845
Apr-14	3,952	4,105	3,740	3,792	3,410	3,307	2,278	2,381	13,380	13,585
May-14	2,140	2,229	3,283	3,354	2,859	2,785	2,253	2,338	10,535	10,706
Jun-14	1,235	1,295	1,226	1,245	798	837	1,374	1,434	4,633	4,811
Jul-14	1,386	1,495	1,414	1,433	633	647	1,701	1,778	5,134	5,353
Aug-14	1,155	1,243	1,684	1,716	627	653	2,117	2,221	5,583	5,833
Sep-14	1,540	1,649	1,592	1,657	931	970	2,294	2,390	6,357	6,666
Oct-14	1,651	1,752	2,281	2,337	2,104	2,043	3,095	3,226	9,131	9,358
Nov-14	8,548	9,029	6,878	7,056	5,973	5,794	5,981	6,195	27,380	28,074
Dec-14	7,184	7,602	10,135	10,450	6,085	5,904	7,137	7,392	30,541	31,348
Jan-15	9,581	10,142	7,812	8,042	5,351	5,196	6,398	6,684	29,142	30,064
Feb-15	10,588	11,196	7,879	8,087	5,881	5,710	5,171	5,368	29,519	30,361
Mar-15	8,289	8,767	5,966	6,130	4,971	4,829	4,265	4,442	23,491	24,168
Apr-15	2,756	2,929	3,360	3,451	2,868	2,797	2,363	2,450	11,347	11,627
May-15	2,340	2,479	2,601	2,676	1,961	1,901	1,961	2,045	8,863	9,101
Jun-15	1,224	1,296	1,183	1,215	772	802	1,591	1,657	4,770	4,970
Jul-15	1,142	1,206	1,120	1,150	657	681	1,614	1,700	4,533	4,737
Aug-15	1,191	1,258	1,304	1,341	648	674	2,012	2,122	5,155	5,395
Sep-15	1,283	1,310	1,068	1,097	646	674	2,496	2,626	5,493	5,707
Oct-15	2,134	2,186	3,306	3,375	2,292	2,417	3,038	3,203	10,770	11,181
Nov-15	6,932	7,083	6,405	6,569	4,437	4,308	5,700	5,995	23,474	23,955
Dec-15	9,872	10,749	8,611	8,878	5,838	5,676	7,084	7,418	31,405	32,721
Jan-16	8,717	9,522	8,050	8,305	5,254	5,108	6,816	7,141	28,837	30,076
Feb-16	6,609	7,216	8,499	8,726	5,532	5,364	6,338	6,676	26,978	27,982
Mar-16	3,297	3,565	4,701	4,834	3,714	3,601	3,197	3,374	14,909	15,374
Apr-16	5,007	5,419	5,627	5,782	3,201	3,115	3,201	3,385	17,036	17,701
May-16	2,769	3,013	4,229	4,333	3,191	3,090	2,725	2,877	12,914	13,313
Jun-16	1,191	1,320	1,637	1,678	1,024	996	1,902	1,985	5,754	5,979
Jul-16	1,203	1,310	1,560	1,601	611	626	1,671	1,760	5,045	5,297
Aug-16	1,242	1,356	1,613	1,658	650	679	1,933	2,038	5,438	5,731
Test Year										
Sep-16	1,286	1,424	1,361	1,399	871	915	1,796	1,871	5,314	5,609
Oct-16	1,524	1,577	2,197	2,260	1,445	1,504	2,995	3,134	8,161	8,475
Nov-16	5,322	5,457	7,615	7,859	4,437	4,301	6,171	6,432	23,545	24,049
Dec-16	8,465	8,864	7,115	7,301	5,459	5,297	6,399	6,702	27,438	28,164
Jan-17	10,660	11,143	8,397	8,622	5,965	5,790	5,974	6,288	30,996	31,843
Feb-17	6,872	7,242	6,416	6,604	4,213	4,085	4,126	4,330	21,627	22,261

**Zia Natural Gas Company  
Peak Demand Information**

**Schedule Q-1  
Page 2 of 3**

**Zia Natural Gas Company  
Peak Day by Month**

Date	Hobbs/Jal		Lincoln Co.		Maxwell		Dona Ana		Total	
	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day
Mar-17	4,150	4,376	4,637	4,780	3,636	3,532	3,424	3,602	15,847	16,290
Apr-17	3,432	3,511	4,516	4,633	3,678	3,576	2,444	2,561	14,070	14,281
May-17	1,723	1,758	2,218	2,266	1,807	1,754	1,905	2,002	7,653	7,780
Jun-17	1,320	1,344	1,668	1,716	864	910	1,467	1,542	5,319	5,512
Jul-17	1,221	1,274	1,178	1,212	607	625	1,623	1,715	4,629	4,826
Aug-17	1,362	1,430	1,690	1,742	614	637	1,568	1,668	5,234	5,477
Future Peak Day										
Sep-17	1,362	1,445	1,543	1,578	828	859	2,124	2,214	5,857	6,096
Oct-17	2,190	2,334	2,879	2,935	2,178	2,174	3,136	3,267	10,383	10,710
Nov-17	6,695	7,025	6,797	6,943	4,766	4,623	5,842	6,079	24,100	24,669
Dec-17	8,821	9,390	8,232	8,431	5,745	5,577	6,786	7,051	29,584	30,449
Jan-18	9,886	10,424	8,507	8,695	5,682	5,517	6,601	6,879	30,676	31,516
Feb-18	8,471	8,960	7,589	7,751	5,276	5,122	5,276	5,493	26,612	27,325
Mar-18	5,714	6,039	5,271	5,386	4,035	3,918	3,569	3,730	18,589	19,072
Apr-18	3,819	4,019	4,210	4,301	3,409	3,313	2,507	2,628	13,945	14,262
May-18	2,520	2,669	3,109	3,177	2,495	2,423	2,161	2,261	10,285	10,529
Jun-18	1,255	1,327	1,531	1,566	828	851	1,610	1,680	5,225	5,423
Jul-18	1,218	1,301	1,348	1,378	623	641	1,686	1,771	4,874	5,091
Aug-18	1,211	1,292	1,561	1,599	619	643	1,983	2,085	5,374	5,618
Sep-18	1,362	1,445	1,543	1,578	828	859	2,124	2,214	5,857	6,096
Oct-18	2,190	2,334	2,879	2,935	2,178	2,174	3,136	3,267	10,383	10,710
Nov-18	6,695	7,025	6,797	6,943	4,766	4,623	5,842	6,079	24,100	24,669
Dec-18	8,821	9,390	8,232	8,431	5,745	5,577	6,786	7,051	29,584	30,449
Jan-19	9,886	10,424	8,507	8,695	5,682	5,517	6,601	6,879	30,676	31,516
Feb-19	8,471	8,960	7,589	7,751	5,276	5,122	5,276	5,493	26,612	27,325
Mar-19	5,714	6,039	5,271	5,386	4,035	3,918	3,569	3,730	18,589	19,072
Apr-19	3,819	4,019	4,210	4,301	3,409	3,313	2,507	2,628	13,945	14,262
May-19	2,520	2,669	3,109	3,177	2,495	2,423	2,161	2,261	10,285	10,529
Jun-19	1,255	1,327	1,531	1,566	828	851	1,610	1,680	5,225	5,423
Jul-19	1,218	1,301	1,348	1,378	623	641	1,686	1,771	4,874	5,091
Aug-19	1,211	1,292	1,561	1,599	619	643	1,983	2,085	5,374	5,618
Sep-19	1,362	1,445	1,543	1,578	828	859	2,124	2,214	5,857	6,096
Oct-19	2,190	2,334	2,879	2,935	2,178	2,174	3,136	3,267	10,383	10,710
Nov-19	6,695	7,025	6,797	6,943	4,766	4,623	5,842	6,079	24,100	24,669
Dec-19	8,821	9,390	8,232	8,431	5,745	5,577	6,786	7,051	29,584	30,449
Jan-20	9,886	10,424	8,507	8,695	5,682	5,517	6,601	6,879	30,676	31,516
Feb-20	8,471	8,960	7,589	7,751	5,276	5,122	5,276	5,493	26,612	27,325
Mar-20	5,714	6,039	5,271	5,386	4,035	3,918	3,569	3,730	18,589	19,072
Apr-20	3,819	4,019	4,210	4,301	3,409	3,313	2,507	2,628	13,945	14,262
May-20	2,520	2,669	3,109	3,177	2,495	2,423	2,161	2,261	10,285	10,529
Jun-20	1,255	1,327	1,531	1,566	828	851	1,610	1,680	5,225	5,423
Jul-20	1,218	1,301	1,348	1,378	623	641	1,686	1,771	4,874	5,091
Aug-20	1,211	1,292	1,561	1,599	619	643	1,983	2,085	5,374	5,618
Sep-20	1,362	1,445	1,543	1,578	828	859	2,124	2,214	5,857	6,096
Oct-20	2,190	2,334	2,879	2,935	2,178	2,174	3,136	3,267	10,383	10,710
Nov-20	6,695	7,025	6,797	6,943	4,766	4,623	5,842	6,079	24,100	24,669
Dec-20	8,821	9,390	8,232	8,431	5,745	5,577	6,786	7,051	29,584	30,449
Jan-21	9,886	10,424	8,507	8,695	5,682	5,517	6,601	6,879	30,676	31,516
Feb-21	8,471	8,960	7,589	7,751	5,276	5,122	5,276	5,493	26,612	27,325
Mar-21	5,714	6,039	5,271	5,386	4,035	3,918	3,569	3,730	18,589	19,072
Apr-21	3,819	4,019	4,210	4,301	3,409	3,313	2,507	2,628	13,945	14,262
May-21	2,520	2,669	3,109	3,177	2,495	2,423	2,161	2,261	10,285	10,529
Jun-21	1,255	1,327	1,531	1,566	828	851	1,610	1,680	5,225	5,423
Jul-21	1,218	1,301	1,348	1,378	623	641	1,686	1,771	4,874	5,091
Aug-21	1,211	1,292	1,561	1,599	619	643	1,983	2,085	5,374	5,618

**Zia Natural Gas Company  
Peak Demand Information**

**Schedule Q-1  
Page 3 of 3**

Date	Zia Natural Gas Company Peak Day by Month									
	Hobbs/Jal		Lincoln Co.		Maxwell		Dona Ana		Total	
	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day	MSCF/day	DTH/day
Sep-21	1,362	1,445	1,543	1,578	828	859	2,124	2,214	5,857	6,096
Oct-21	2,190	2,334	2,879	2,935	2,178	2,174	3,136	3,267	10,383	10,710
Nov-21	6,695	7,025	6,797	6,943	4,766	4,623	5,842	6,079	24,100	24,669
Dec-21	8,821	9,390	8,232	8,431	5,745	5,577	6,786	7,051	29,584	30,449
Jan-22	9,886	10,424	8,507	8,695	5,682	5,517	6,601	6,879	30,676	31,516
Feb-22	8,471	8,960	7,589	7,751	5,276	5,122	5,276	5,493	26,612	27,325
Mar-22	5,714	6,039	5,271	5,386	4,035	3,918	3,569	3,730	18,589	19,072
Apr-22	3,819	4,019	4,210	4,301	3,409	3,313	2,507	2,628	13,945	14,262
May-22	2,520	2,669	3,109	3,177	2,495	2,423	2,161	2,261	10,285	10,529
Jun-22	1,255	1,327	1,531	1,566	828	851	1,610	1,680	5,225	5,423
Jul-22	1,218	1,301	1,348	1,378	623	641	1,686	1,771	4,874	5,091
Aug-22	1,211	1,292	1,561	1,599	619	643	1,983	2,085	5,374	5,618

## Plant In Service Information

Schedule Q-2

Page 1 of 4

	[A]	[B]	[C]	[D]
Line No.	Account	Balance Year Ending December 31, 2013	Balance Year Ending December 31, 2014	Balance Year Ending December 31, 2015
1	INTANGIBLE PLANT			
2	301 Organization			
3	302 Franchise and Consents			
4	303 Miscellaneous Intangible Plant	787,133	492,480	492,480
5	TOTAL Intangible Plant	787,133	492,480	492,480
6	TRANSMISSION PLANT			
7	365.1 Land and Land Rights			
8	365.2 Rights-of-Way	815,506	815,506	815,506
9	366 Structures and Improvements			
10	367 Mains	7,460,366	7,460,366	7,460,366
11	368 Compressor Station Equipment			
12	369 Measuring and Regulating Station Equipment	645,823	654,647	654,647
13	370 Communication Equipment			
14	371 Other Equipment	256,488	256,488	256,488
15	TOTAL Transmission Plant	9,178,183	9,187,007	9,187,007
16	DISTRIBUTION PLANT			
17	374 Land and Land Rights	188,870	188,870	211,950
18	375 Structures and Improvements			
19	376 Mains	36,134,644	37,991,316	39,207,574
20	377 Compressor Station Equipment			
21	378 Measuring and Regulating Station Equipment-General	1,452,852	1,505,254	1,535,937
22	379 Measuring and Regulating Station Equipment-City Gate	83,255	80,367	80,367
23	380 Services	13,349,290	14,185,221	15,200,322
24	381 Meters	6,915,039	7,134,966	7,326,162
25	381.1 Meters - AMR			
26	382 Meter Installations			
27	383 House Regulators	1,480,155	1,558,925	1,660,371
28	384 House Regulator Installations			
29	385 Industrial Measuring and Regulating Station Equipment	146,825	158,606	167,694
30	386 Other Property on Customer's Premises			
31	387 Other Equipment			
32	TOTAL Distribution Plant	59,750,931	62,803,525	65,390,377
33	GENERAL PLANT			
34	389 Land and Land Rights	420,680	420,680	420,680
35	390 Structures and Improvements	3,236,552	3,236,552	3,249,205
	390.1 Building Improvements			
36	391 Office Furniture and Equipment	272,514	275,427	248,563
37	392 Transportation Equipment	2,002,108	2,301,935	2,336,728
38	393 Stores Equipment			
39	394 Tools, Shop, and Garage Equipment	164,043	164,043	164,043
40	395 Laboratory Equipment	437,292	495,883	533,424
41	396 Power Operated Equipment	1,081,143	1,086,757	1,110,988
42	397 Communication Equipment	73,308	80,102	106,966
43	398 Miscellaneous Equipment	8,688	24,399	24,399
44	Subtotal	7,696,327	8,085,779	8,194,996
45	399 Other Tangible Property			
46	TOTAL General Plant	7,696,327	8,085,779	8,194,996
47	TOTAL	77,412,574	80,568,791	83,264,860
48	Gas Plant Purchased			
49	(Less) Gas Plant Sold			
50	Experimental Gas Plant Unclassified			
51	TOTAL Gas Plant In Service	77,412,574	80,568,791	83,264,860



## Plant In Service Information

Schedule Q-2

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	[A]	[E]	[F]	[G]
Line No.	Account	Balance Year Ending December 31, 2016	Base Year Balance August 31, 2017	Test Year Balance August 31, 2017
1	INTANGIBLE PLANT			
2	301 Organization		-	-
3	302 Franchise and Consents		-	-
4	303 Miscellaneous Intangible Plant	492,480	492,480	492,480
5	TOTAL Intangible Plant	492,480	492,480	492,480
6	TRANSMISSION PLANT			
7	365.1 Land and Land Rights		-	-
8	365.2 Rights-of-Way	815,506	815,506	815,506
9	366 Structures and Improvements		-	-
10	367 Mains	7,460,366	7,460,366	7,470,200
11	368 Compressor Station Equipment		-	-
12	369 Measuring and Regulating Station Equipment	813,029	817,321	817,321
13	370 Communication Equipment		-	-
14	371 Other Equipment	256,488	256,488	256,488
15	TOTAL Transmission Plant	9,345,389	9,349,681	9,359,514
16	DISTRIBUTION PLANT			
17	374 Land and Land Rights	211,951	216,436	216,436
18	375 Structures and Improvements		-	-
19	376 Mains	40,091,831	40,451,076	40,700,766
20	377 Compressor Station Equipment		-	-
21	378 Measuring and Regulating Station Equipment-General	1,575,371	1,590,480	1,600,384
22	379 Measuring and Regulating Station Equipment-City Gate	80,367	80,367	80,367
23	380 Services	15,806,772	16,118,256	16,249,637
24	381 Meters	7,424,262	4,756,667	4,797,967
25	381.1 Meters - AMR		2,759,089	2,759,089
26	382 Meter Installations		-	-
27	383 House Regulators	1,702,231	1,751,685	1,755,717
28	384 House Regulator Installations		-	-
29	385 Industrial Measuring and Regulating Station Equipment	198,776	199,728	219,726
30	386 Other Property on Customer's Premises		-	-
31	387 Other Equipment		-	-
32	TOTAL Distribution Plant	67,091,561	67,923,782	68,380,089
33	GENERAL PLANT			
34	389 Land and Land Rights	420,680	420,680	420,680
35	390 Structures and Improvements	3,270,129	3,248,921	3,280,686
	390.1 Building Improvements		26,546	26,546
36	391 Office Furniture and Equipment	248,563	239,995	239,995
37	392 Transportation Equipment	2,547,516	2,182,902	2,340,518
38	393 Stores Equipment		-	-
39	394 Tools, Shop, and Garage Equipment	166,497	168,363	168,363
40	395 Laboratory Equipment	557,194	567,761	577,305
41	396 Power Operated Equipment	1,110,988	1,115,973	1,141,265
42	397 Communication Equipment	106,966	106,966	117,275
43	398 Miscellaneous Equipment	28,003	28,003	28,003
44	Subtotal	8,456,536	8,106,110	8,340,636
45	399 Other Tangible Property			
46	TOTAL General Plant	8,456,536	8,106,110	8,340,636
47	TOTAL	85,385,966	85,872,052	86,572,719
48	Gas Plant Purchased			
49	(Less) Gas Plant Sold			
50	Experimental Gas Plant Unclassified			
51	TOTAL Gas Plant In Service	85,385,966	85,872,052	86,572,719

	[A]	[H]	[I]	[J]
Line No.	Account	Balance Year Ending December 31, 2017	Balance Year Ending December 31, 2018	Balance Year Ending December 31, 2019
1	INTANGIBLE PLANT		Schedule J-1	
2	301 Organization	-	-	-
3	302 Franchise and Consents	-	-	-
4	303 Miscellaneous Intangible Plant	492,480	492,480	492,480
5	TOTAL Intangible Plant	492,480	492,480	492,480
6	TRANSMISSION PLANT			
7	365.1 Land and Land Rights	-	-	-
8	365.2 Rights-of-Way	815,506	815,506	815,506
9	366 Structures and Improvements	-	-	-
10	367 Mains	7,470,200	7,531,200	7,480,200
11	368 Compressor Station Equipment	-	-	-
12	369 Measuring and Regulating Station Equipment	817,321	987,321	817,321
13	370 Communication Equipment	-	-	-
14	371 Other Equipment	256,488	256,488	256,488
15	TOTAL Transmission Plant	9,359,514	9,590,514	9,369,514
16	DISTRIBUTION PLANT			
17	374 Land and Land Rights	216,436	226,436	226,436
18	375 Structures and Improvements	-	-	-
19	376 Mains	40,700,766	41,639,399	42,639,399
20	377 Compressor Station Equipment	-	-	-
21	378 Measuring and Regulating Station Equipment-General	1,600,384	1,638,671	1,658,671
22	379 Measuring and Regulating Station Equipment-City Gate	80,367	80,367	80,367
23	380 Services	16,249,637	16,848,305	17,448,305
24	381 Meters	4,797,967	4,882,311	4,942,311
25	381.1 Meters - AMR	2,759,089	2,812,538	2,862,538
26	382 Meter Installations	-	-	-
27	383 House Regulators	1,755,717	1,786,388	1,816,388
28	384 House Regulator Installations	-	-	-
29	385 Industrial Measuring and Regulating Station Equipment	219,726	235,720	239,726
30	386 Other Property on Customer's Premises	-	-	-
31	387 Other Equipment	-	-	-
32	TOTAL Distribution Plant	68,380,089	70,150,135	71,914,141
33	GENERAL PLANT			
34	389 Land and Land Rights	420,680	420,680	420,680
35	390 Structures and Improvements	3,280,686	3,280,686	3,280,686
	390.1 Building Improvements	26,546		
36	391 Office Furniture and Equipment	239,995	239,995	239,995
37	392 Transportation Equipment	2,340,518	2,514,518	2,714,518
38	393 Stores Equipment	-	-	-
39	394 Tools, Shop, and Garage Equipment	168,363	168,363	168,363
40	395 Laboratory Equipment	577,305	645,575	592,305
41	396 Power Operated Equipment	1,141,265	1,198,076	1,258,076
42	397 Communication Equipment	117,275	117,275	117,275
43	398 Miscellaneous Equipment	28,003	28,003	28,003
44	Subtotal	8,340,636	8,613,171	8,819,901
45	399 Other Tangible Property	-		
46	TOTAL General Plant	8,340,636	8,613,171	8,819,901
47	TOTAL	86,572,719	88,846,300	90,596,036
48	Gas Plant Purchased			
49	(Less) Gas Plant Sold			
50	Experimental Gas Plant Unclassified			
51	TOTAL Gas Plant In Service	86,572,719	88,846,300	90,596,036

	[A]	[K]	[L]
Line No.	Account	Balance Year Ending December 31, 2020	Balance Year Ending December 31, 2021
1	INTANGIBLE PLANT	** CPI 10 yr avg. 1.47%	
2	301 Organization	-	-
3	302 Franchise and Consents	-	-
4	303 Miscellaneous Intangible Plant	492,480	492,480
5	TOTAL Intangible Plant	492,480	492,480
6	TRANSMISSION PLANT		
7	365.1 Land and Land Rights	-	-
8	365.2 Rights-of-Way	815,506	815,506
9	366 Structures and Improvements	-	-
10	367 Mains	7,480,346	7,480,495
11	368 Compressor Station Equipment	-	-
12	369 Measuring and Regulating Station Equipment	817,321	817,321
13	370 Communication Equipment	-	-
14	371 Other Equipment	256,488	256,488
15	TOTAL Transmission Plant	9,369,661	9,369,810
16	DISTRIBUTION PLANT		
17	374 Land and Land Rights	226,583	226,731
18	375 Structures and Improvements	-	-
19	376 Mains	43,654,059	44,683,594
20	377 Compressor Station Equipment	-	-
21	378 Measuring and Regulating Station Equipment-General	1,678,965	1,699,555
22	379 Measuring and Regulating Station Equipment-City Gate	80,367	80,367
23	380 Services	18,057,101	18,674,822
24	381 Meters	5,003,190	5,064,963
25	381.1 Meters - AMR	2,913,271	2,964,747
26	382 Meter Installations	-	-
27	383 House Regulators	1,846,828	1,877,714
28	384 House Regulator Installations	-	-
29	385 Industrial Measuring and Regulating Station Equipment	240,019	240,316
30	386 Other Property on Customer's Premises	-	-
31	387 Other Equipment	-	-
32	TOTAL Distribution Plant	73,700,382	75,512,810
33	GENERAL PLANT		
34	389 Land and Land Rights	420,680	420,680
35	390 Structures and Improvements	3,280,686	3,280,686
	390.1 Building Improvements		
36	391 Office Furniture and Equipment	239,995	239,995
37	392 Transportation Equipment	2,917,450	3,123,357
38	393 Stores Equipment	-	-
39	394 Tools, Shop, and Garage Equipment	168,363	168,363
40	395 Laboratory Equipment	592,525	592,748
41	396 Power Operated Equipment	1,318,955	1,380,727
42	397 Communication Equipment	117,275	117,275
43	398 Miscellaneous Equipment	28,003	28,003
44	Subtotal	9,083,932	9,351,835
45	399 Other Tangible Property		
46	TOTAL General Plant	9,083,932	9,351,835
47	TOTAL	92,646,455	94,726,934
48	Gas Plant Purchased		
49	(Less) Gas Plant Sold		
50	Experimental Gas Plant Unclassified		
51	TOTAL Gas Plant In Service	92,646,455	94,726,934

**Zia Natural Gas Company**  
**Property Retirements and Property Investments Information**

**Schedule Q-3**  
**Page 1 of 1**

Zia Natural Gas Company does not have Other Property  
or Property Investments. - See F Series

**Operation and Maintenance Expense Information**

	[A]	[B]	[C]	[D]	[E]	[F]
Line No.	Description	Balance Year Ending December 31, 2013	Balance Year Ending December 31, 2014	Balance Year Ending December 31, 2015	Balance Year Ending December 31, 2016	Base Year Balance August 31, 2017
1	Labor and Benefits (Includes Payroll Taxes)	3,380,433	3,583,218	3,589,128	3,453,317	2,897,554
2	Inventory/Labor Clearing Accounts	(267,502)	(299,555)	(295,574)	(155,705)	(209,270)
3	Vehicle and Equipment	302,295	312,978	236,076	232,242	242,192
4	Billing and IT Expense	470,855	463,955	595,955	596,042	593,089
5	Office Supplies	81,431	97,325	63,356	76,847	79,134
6	Materials and Supplies	235,465	276,571	266,813	281,962	305,641
7	Utilities	188,586	209,218	207,883	204,453	204,831
8	Outside Services	224,345	185,384	182,723	196,329	190,904
9	Regulatory Commission Expenses	-	-	-	-	7,880
10	Legal Services	2,008	1,123	9,647	59,545	60,504
11	Travel and Entertainment	71,475	70,238	59,000	45,638	25,371
12	Rents and Leases	110,556	113,084	113,080	112,286	113,986
13	Public Relations and Business Development	145,282	142,588	157,564	135,606	164,530
14	Permits and Fees	57,993	55,470	65,737	65,083	64,353
15	Outside Operating, Maintenance, and Repairs	122,411	86,820	166,099	103,728	129,039
16	Miscellaneous Charges	143,401	155,765	142,727	136,428	124,068
17	Property and Auto Liability Insurance	310,046	310,736	310,673	443,726	516,417
18	Interest on Customer Deposits	7,253	6,827	10,454	11,877	12,112
19	Bad Debt Write-Offs	41,058	84,297	82,930	69,974	73,510
20	Home Office Allocated Charge	1,348,080	1,348,080	1,348,080	1,796,038	2,028,412
21	Depreciation and Amortization	1,748,869	1,840,674	2,013,010	2,034,601	2,066,044
22	Taxes Other Than Income Taxes (Excl. Payroll Taxes)	411,538	428,169	447,026	469,995	469,525
23	TOTAL	9,135,878	9,472,963	9,772,390	10,370,014	10,159,827

Operation and Maintenance Expense Information

[A]

[G]

[H]

[I]

[J]

[K]

[L]

Line No.	Description	Test Year Balance August 31, 2017	Balance Year Ending December 31, 2017	Balance Year Ending December 31, 2018	Balance Year Ending December 31, 2019	Balance Year Ending December 31, 2020	Balance Year Ending December 31, 2021
1	Labor and Benefits (Includes Payroll Taxes)	3,243,536	3,324,624	3,407,740	3,492,934	3,580,257	3,669,763
2	Inventory/Labor Clearing Accounts	(236,270)	(242,177)	(248,231)	(254,437)	(260,798)	(267,318)
3	Vehicle and Equipment	242,192	248,246	254,453	260,814	267,334	274,018
4	Billing and IT Expense	593,089	607,917	623,115	638,692	654,660	671,026
5	Office Supplies	79,134	81,113	83,140	85,219	87,349	89,533
6	Materials and Supplies	305,641	313,282	321,114	329,142	337,370	345,805
7	Utilities	204,831	209,952	215,200	220,580	226,095	231,747
8	Outside Services	190,904	195,677	200,569	205,583	210,722	215,990
9	Regulatory Commission Expenses	107,880	110,000	112,750	115,569	18,458	18,919
10	Legal Services	76,629	78,545	80,508	82,521	84,584	86,699
11	Travel and Entertainment	32,670	33,487	34,324	35,182	36,061	36,963
12	Rents and Leases	113,986	116,836	119,757	122,750	125,819	128,965
13	Public Relations and Business Development	92,678	94,995	97,370	99,804	102,300	104,857
14	Permits and Fees	64,353	65,962	67,611	69,301	71,034	72,810
15	Outside Operating, Maintenance, and Repairs	129,039	132,265	135,571	138,961	142,435	145,996
16	Miscellaneous Charges	124,068	127,169	130,349	133,607	136,948	140,371
17	Property and Auto Liability Insurance	553,967	567,816	582,011	596,561	611,475	626,762
18	Interest on Customer Deposits	14,821	15,192	15,571	15,961	16,360	16,769
19	Bad Debt Write-Offs	73,510	75,348	77,231	79,162	81,141	83,170
20	Home Office Allocated Charge	2,165,937	2,220,085	2,275,588	2,332,477	2,390,789	2,450,559
21	Depreciation and Amortization	2,129,164	2,182,393	2,236,953	2,292,877	2,350,199	2,408,954
22	Taxes Other Than Income Taxes (Excl. Payroll Taxes)	474,775	486,644	498,810	511,281	524,063	537,164
23	TOTAL	10,776,534	11,045,370	11,321,504	11,604,542	11,794,656	12,089,522

**Residential**

Year	Year End	Year Average	Sales (MSCF)	MSCF Sales	Gross Revenue
	Count			per Customer	
2012	32,989	32,806	1,591,737	49	16,006,804
2013	33,705	33,278	1,823,341	55	17,589,937
2014	33,981	33,729	1,633,009	48	17,520,547
2015	34,373	34,079	1,769,112	52	17,784,666
2016	34,534	34,310	1,636,291	48	15,355,651
Base per Books	34,455	34,467	1,537,533	45	15,284,650
Future - Assume normal weather, current rates					
2018	34,934	34,710	1,772,199	51	17,007,833
2019	35,134	34,910	1,772,199	51	17,034,137
2020	35,334	35,110	1,772,199	51	17,060,441
2021	35,534	35,310	1,772,199	50	17,086,745
2022	35,734	35,510	1,772,199	50	17,113,049

**Small Commercial**

Year	Year End	Year Average	Sales (MSCF)	MSCF Sales	Gross
	Count			per Customer	Revenue
2012	2,512	2,479	375,002	151	3,208,819
2013	2,604	2,540	444,019	175	3,627,379
2014	2,690	2,636	434,443	165	3,968,439
2015	2,709	2,688	442,238	165	3,891,924
2016	2,720	2,699	401,331	149	3,135,513
Base per Books	2,682	2,699	363,329	135	3,024,775
Future - Assume normal weather, current rates					
2018	2,720	2,699	400,461	148	3,293,256
2019	2,740	2,719	403,464	148	3,317,955
2020	2,760	2,739	406,490	148	3,342,840
2021	2,780	2,759	409,539	148	3,367,911
2022	2,800	2,779	412,611	149	3,393,170

**Large Commercial**

Year	Year End	Year Average	Sales (MSCF)	MSCF Sales	Gross
	Count			per Customer	Revenue
2012	620	613	591,017	964	4,746,084
2013	613	611	687,664	1,126	5,279,249
2014	611	610	646,471	1,060	5,469,691
2015	608	605	675,698	1,117	5,423,649
2016	607	602	644,110	1,070	4,545,275
Base per Books	600	603	602,366	999	4,493,667
Future - Assume normal weather, current rates					
2018	603	603	658,908	1,093	4,910,495
2019	603	603	658,908	1,093	4,910,495
2020	603	603	658,908	1,093	4,910,495
2021	603	603	658,908	1,093	4,910,495
2022	603	603	658,908	1,093	4,910,495

**Transportation**

Zia Natural Gas Company  
Customer Information

Schedule Q-5  
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Year	Year End Count	Year Average	Sales (MSCF)	MSCF Sales per Customer	Gross Revenue
2012	1	1	3,026	3,026	2,699
2013	1	1	1,905	1,905	1,989
2014	1	1	2,203	2,203	2,179
2015	1	1	2,822	2,822	2,570
2016	1	1	3,368	3,368	2,915
Base per Books	1	1	2,299	2,299	2,217
Future - Assume normal weather, current rates					
2018	1	1	2,299	2,299	2,217
2019	1	1	2,299	2,299	2,217
2020	1	1	2,299	2,299	2,217
2021	1	1	2,299	2,299	2,217
2022	1	1	2,299	2,299	2,217

**Sale for Resale**

Year	Year End Count	Year Average	Sales (MSCF)	MSCF Sales per Customer	Gross Revenue
2012	1	1	554,579	554,579	3,011,109
2013	1	1	623,975	623,975	2,997,280
2014	1	1	584,864	584,864	3,134,115
2015	1	1	587,172	587,172	2,989,019
2016	1	1	551,947	551,947	2,444,947
Base per Books	1	1	522,963	522,963	2,361,861
Future - Assume normal weather, current rates					
2018	1	1	578,067	578,067	2,467,949
2019	1	1	578,067	578,067	2,467,949
2020	1	1	578,067	578,067	2,467,949
2021	1	1	578,067	578,067	2,467,949
2022	1	1	578,067	578,067	2,467,949



See Exhibit TJS-3

## **Scheduled Maintenance Information**

**Schedule Q-7**

**Page 1 of 1**

As a gas distribution utility only, we do not have scheduled maintenance on our facility which would affect service to our customers. We do not have shut down our facilities in order to maintain them.

Zia Natural Gas has had no major customer service interruptions in the base period  
or for the prior four (4) years.

**Zia Natural Gas Company**  
**Natural Gas Receipts and Deliveries**

Schedule R-1  
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**Gas Receipts**

Area	Hobbs/Jal						Lincoln County		Maxwell		Dona Ana				ZNGC	
Pipeline	DCP Midstream		El Paso Natural Gas		Enterprise Products		El Paso Natural Gas		Raton Gas Transmission		El Paso Natural Gas		EPNG via Las Cruces		Total	
Month	MSCF	MMBTU	MSCF	MMBTU	MSCF	MMBTU	MSCF	MMBTU	MSCF	MMBTU	MSCF	MMBTU	MSCF	MMBTU	MSCF	MMBTU
Sep-16	30,941	34,066	793	826	16	16	29,083	29,886	17,563	18,288	36,578	38,475	242	254	115,216	121,811
Oct-16	36,860	37,989	951	993	17	17	40,592	41,650	30,439	31,818	54,074	56,675	15,905	16,670	178,838	185,812
Nov-16	74,441	76,746	2,243	2,342	55	55	105,404	108,486	67,076	67,433	58,151	60,955	43,541	45,611	350,911	361,628
Dec-16	155,195	159,006	5,938	6,169	131	131	151,155	155,240	119,230	115,749	73,067	76,638	70,678	74,111	575,394	587,044
Jan-17	150,634	159,475	5,877	6,074	168	168	165,093	169,626	122,809	119,087	68,498	71,917	68,643	72,100	581,722	598,447
Feb-17	93,098	99,109	3,203	3,311	96	96	112,996	116,251	82,818	80,344	53,893	56,497	30,494	31,966	376,598	387,574
Mar-17	66,482	69,516	1,840	1,933	85	85	81,526	83,833	68,159	66,178	55,673	58,647	8,340	8,787	282,105	288,979
Apr-17	53,895	55,841	1,248	1,297	25	25	58,131	59,613	53,191	51,622	49,803	52,323	2,233	2,344	218,526	223,065
May-17	42,113	43,602	915	947	18	18	41,343	42,424	36,134	36,611	42,170	44,406	530	558	163,223	168,566
Jun-17	33,267	34,478	746	768	15	15	26,306	27,006	18,239	18,922	29,764	31,381	838	885	109,175	113,455
Jul-17	32,070	33,529	742	770	12	12	26,061	26,790	16,979	17,557	30,139	31,890	201	212	106,204	110,760
Aug-17	33,611	35,465	768	801	15	15	27,465	28,220	16,895	17,097	39,321	41,631	564	597	118,639	123,826
Totals	802,607	838,822	25,264	26,231	653	653	865,155	889,025	649,532	640,706	591,131	621,435	242,209	254,095	3,176,551	3,270,967

**Gas Deliveries**

District 210 Monthly Sales Volume										
Hobbs and Jal Monthly Sales Volume										
	Resid	Sm Com	Lg Com	Total	Resid	Sm Com	Lg Com	Total	Transport	Total
Month	CCF@13.45	CCF@13.45	CCF@13.45	CCF@13.45	MSCF	MSCF	MSCF	MSCF	MSCF	MSCF
Sep-16	153,797	25,506	147,254	326,557	14,043	2,329	13,446	29,818	280	30,098
Oct-16	194,882	30,795	175,285	400,962	17,795	2,812	16,005	36,612	239	36,851
Nov-16	408,783	77,572	282,495	768,850	37,326	7,083	25,795	70,204	189	70,393
Dec-16	949,826	224,282	569,170	1,743,278	86,729	20,479	51,971	159,179	90	159,269
Jan-17	903,472	207,841	602,844	1,714,157	82,496	18,978	55,046	156,520	191	156,711
Feb-17	562,094	118,430	381,336	1,061,860	51,325	10,814	34,820	96,959	162	97,121
Mar-17	358,061	67,089	326,221	751,371	32,695	6,126	29,787	68,608	187	68,795
Apr-17	248,351	41,010	267,653	557,014	22,677	3,745	24,439	50,861	152	51,013
May-17	208,632	32,184	212,537	453,353	19,050	2,939	19,407	41,396	174	41,570
Jun-17	151,052	25,539	168,099	344,690	13,793	2,332	15,349	31,474	211	31,685
Jul-17	143,596	25,328	155,498	324,422	13,112	2,313	14,199	29,624	205	29,829
Aug-17	151,436	25,210	175,574	352,220	13,828	2,302	16,032	32,162	219	32,381
Totals	4,433,982	900,786	3,463,966	8,798,734	404,869	82,252	316,296	803,417	2,299	805,716

**Zia Natural Gas Company  
Natural Gas Receipts and Deliveries**

Schedule R-1  
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District 220 Monthly Sales Volume								
Lincoln County Monthly Sales Volume								
	Resid	Sm Com	Lg Com	Total	Resid	Sm Com	Lg Com	Total
Month	CCF@11.80	CCF@11.80	CCF@11.80	CCF@11.80	MSCF	MSCF	MSCF	MSCF
<b>Sep-16</b>	220,260	53,233	81,267	354,760	17,645	4,264	6,510	<b>28,419</b>
<b>Oct-16</b>	333,489	70,590	97,148	501,227	26,715	5,655	7,782	<b>40,152</b>
<b>Nov-16</b>	951,749	171,339	164,331	1,287,419	76,243	13,726	13,164	<b>103,133</b>
<b>Dec-16</b>	1,344,171	258,557	221,798	1,824,526	107,680	20,713	17,768	<b>146,161</b>
<b>Jan-17</b>	1,624,871	309,907	258,744	2,193,522	130,166	24,826	20,728	<b>175,720</b>
<b>Feb-17</b>	979,518	193,207	163,453	1,336,178	78,468	15,478	13,094	<b>107,040</b>
<b>Mar-17</b>	709,187	151,950	105,894	967,031	56,812	12,173	8,483	<b>77,468</b>
<b>Apr-17</b>	498,263	101,693	168,755	768,711	39,915	8,146	13,519	<b>61,580</b>
<b>May-17</b>	323,820	73,854	101,846	499,520	25,941	5,916	8,159	<b>40,016</b>
<b>Jun-17</b>	188,033	53,077	79,251	320,361	15,063	4,252	6,349	<b>25,664</b>
<b>Jul-17</b>	183,467	54,690	75,543	313,700	14,697	4,381	6,052	<b>25,130</b>
<b>Aug-17</b>	188,967	52,835	72,903	314,705	15,138	4,233	5,840	<b>25,211</b>
<b>Totals</b>	<b>7,545,795</b>	<b>1,544,932</b>	<b>1,590,933</b>	<b>10,681,660</b>	<b>604,483</b>	<b>123,763</b>	<b>127,448</b>	<b>855,694</b>

District 230 Monthly Sales Volume										
Maxwell System Monthly Sales Volume										
	Resid	Sm Com	Lg Com	Total	Resid	Sm Com	Lg Com	Total	CLV	Total
Month	CCF@12.15	CCF@12.15	CCF@12.15	CCF@12.15	MSCF	MSCF	MSCF	MSCF	MSCF	MSCF
<b>Sep-16</b>	19,051	9,363	8,213	36,627	1,571	772	677	3,020	14,863	<b>17,883</b>
<b>Oct-16</b>	36,039	14,255	18,173	68,467	2,973	1,176	1,499	5,648	25,652	<b>31,300</b>
<b>Nov-16</b>	87,909	31,712	52,415	172,036	7,251	2,616	4,323	14,190	58,358	<b>72,548</b>
<b>Dec-16</b>	152,479	60,330	91,402	304,211	12,577	4,976	7,539	25,092	93,365	<b>118,457</b>
<b>Jan-17</b>	171,635	68,741	106,325	346,701	14,157	5,670	8,770	28,597	97,411	<b>126,008</b>
<b>Feb-17</b>	104,842	40,922	66,132	211,896	8,648	3,375	5,455	17,478	66,648	<b>84,126</b>
<b>Mar-17</b>	79,773	32,220	51,448	163,441	6,580	2,658	4,244	13,482	54,023	<b>67,505</b>
<b>Apr-17</b>	70,938	28,003	42,574	141,515	5,851	2,310	3,512	11,673	43,795	<b>55,468</b>
<b>May-17</b>	40,297	20,663	25,352	86,312	3,324	1,704	2,091	7,119	27,047	<b>34,166</b>
<b>Jun-17</b>	18,184	14,732	19,183	52,099	1,500	1,215	1,582	4,297	15,088	<b>19,385</b>
<b>Jul-17</b>	16,366	17,282	19,083	52,731	1,350	1,426	1,574	4,350	12,771	<b>17,121</b>
<b>Aug-17</b>	16,275	8,492	15,438	40,205	1,342	700	1,273	3,315	13,942	<b>17,257</b>
<b>Totals</b>	<b>813,788</b>	<b>346,715</b>	<b>515,738</b>	<b>1,676,241</b>	<b>67,124</b>	<b>28,598</b>	<b>42,539</b>	<b>138,261</b>	<b>522,963</b>	<b>661,224</b>

**Zia Natural Gas Company  
Natural Gas Receipts and Deliveries**

Schedule R-1  
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District 250 Monthly Sales Volume										
Dona Ana County Monthly Sales Volume										
	Resid	Sm Com	Lg Com	Total	Resid	Sm Com	Lg Com	Total	Spec Cont	Total
Month	CCF@13.00	CCF@13.00	CCF@13.00	CCF@13.00	MSCF	MSCF	MSCF	MSCF	MSCF	MSCF
Sep-16	172,759	145,773	65,812	384,344	15,247	12,865	5,808	33,920	2,847	36,767
Oct-16	196,823	132,015	91,472	420,310	17,371	11,651	8,073	37,095	32,748	69,843
Nov-16	516,970	56,368	147,738	721,076	45,625	4,975	13,039	63,639	34,726	98,365
Dec-16	1,063,847	74,028	199,465	1,337,340	93,890	6,533	17,604	118,027	24,925	142,952
Jan-17	1,179,190	69,955	197,650	1,446,795	104,070	6,174	17,444	127,688	7,580	135,268
Feb-17	754,165	83,433	116,407	954,005	66,559	7,363	10,274	84,196	662	84,858
Mar-17	399,145	209,322	102,973	711,440	35,227	18,474	9,088	62,789	0	62,789
Apr-17	265,610	263,124	71,013	599,747	23,441	23,222	6,267	52,930	0	52,930
May-17	209,173	191,339	81,188	481,700	18,461	16,887	7,165	42,513	0	42,513
Jun-17	152,871	95,211	79,276	327,358	13,492	8,403	6,997	28,892	0	28,892
Jul-17	160,330	77,434	81,738	319,502	14,150	6,834	7,214	28,198	2,551	30,749
Aug-17	153,233	60,445	80,566	294,244	13,524	5,335	7,110	25,969	12,178	38,147
Totals	5,224,116	1,458,447	1,315,298	7,997,861	461,057	128,716	116,083	705,856	118,217	824,073

**Zia Natural Gas Company**  
**Load Research and Conservation Plan**

**Schedule R-2**  
**Page 1 of 1**

Zia Natural Gas Company is not required to supply a Load Research and Conservation Plan.

## **DESCRIPTION OF COMPANY OPERATIONS**

Zia is an operating division of Natural Gas Processing Co. (“NGP”), a Wyoming corporation headquartered in Worland, Wyoming. NGP provides executive management and staff services to its two utility operating divisions, Zia and Wyoming Gas Company. NGP is the corporate entity regulated by the Commission, having received its original Certificate of Public Convenience and Necessity in 1988 with the acquisition of the former Ruidoso Natural Gas Company. See, Certification of Stipulation, issued December 15, 1988, Case No. 2226.<sup>1</sup>

Zia operates in four separate service areas in five different counties in New Mexico. In Lea and Eddy Counties, in the southeast corner of New Mexico, Zia operates the Hobbs District, which provides distribution service in Hobbs, Jal, Malaga and to approximately 30 customers directly across the state line in Texas. For the Hobbs area, Zia receives its gas supply through a 9.5 mile, high pressure distribution pipeline that is connected directly to DCP Midstream Marketing, LP, a natural gas gathering, processing and marketing company. In the Jal area, Zia receives its gas supply from a direct interconnect with El Paso Natural Gas Company’s (EPNG) interstate pipeline, and in the Malaga area, Zia has a direct interconnect with Enterprise Field Services, a gathering and processing company.

In Lincoln County, Zia provides transmission and distribution service in Ruidoso, Ruidoso Downs, Alto, Capitan, Carrizozo and surrounding areas, collectively known as the Ruidoso District. Zia receives its gas supply through a 44-mile transmission pipeline running north from Capitan to a direct interconnect with EPNG’s interstate pipeline.

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<sup>1</sup> Zia’s other distribution systems were also acquired by asset purchases, including the acquisition of the assets of Hobbs Gas Company, Jal Gas Company, the Village of Maxwell’s and Town of Springer’s municipal systems, the unregulated transmission pipeline operated by Duke Energy, the Capitan-Carrizozo Natural Gas Association, the Village of Hatch’s municipal system, and the Rio Grande Natural Gas Association. The Village of Cimarron had no natural gas distribution system, and Zia extended distribution service there after it acquired the transmission pipeline operated by Duke Energy.



In Colfax County, in northeastern New Mexico, Zia provides transmission and distribution service in the Village of Maxwell, the Town of Cimarron, the Town of Springer and areas around Raton, as well as sale for resale service to the City of Las Vegas. This is known as the Maxwell District. The gas supply is accessed through Zia's 50-mile transmission pipeline which is connected to Raton Gas Transmission Company ("RGT") just south of the Raton city limits. RGT is an interstate pipeline regulated by the Federal Energy Regulatory Commission ("FERC"). RGT in turn is interconnected to Colorado Interstate Gas Company ("CIG"), a FERC regulated interstate pipeline, which also owns storage facilities.

In Dona Ana County, in the southern part of the state, Zia operates its Dona Ana System, which provides service to areas in Dona Ana County outside the City of Las Cruces. Zia's service area extends from the Village of Hatch south along the Rio Grande Valley to an area just north of Anthony, New Mexico. Zia provides service within the Village of Hatch, the Town of Mesilla, and other unincorporated areas generally west of I-25, including the Picacho Hills subdivision.<sup>2</sup> Zia's gas supply is delivered at two different points on its system. Zia owns a four-inch high pressure distribution pipeline which is interconnected with EPNG at a point known as the Chamberino delivery point, south of the unincorporated town of Vado. The four-inch pipeline runs north all the way to Hatch. Gas is also delivered to Zia via the City of Las Cruces' eight-inch pipeline, which is also interconnected with EPNG and which delivers the gas to a regulator station located on Picacho Avenue, known as the Martinez Station. Zia has a four-inch high pressure distribution pipeline connected to the Martinez Station.

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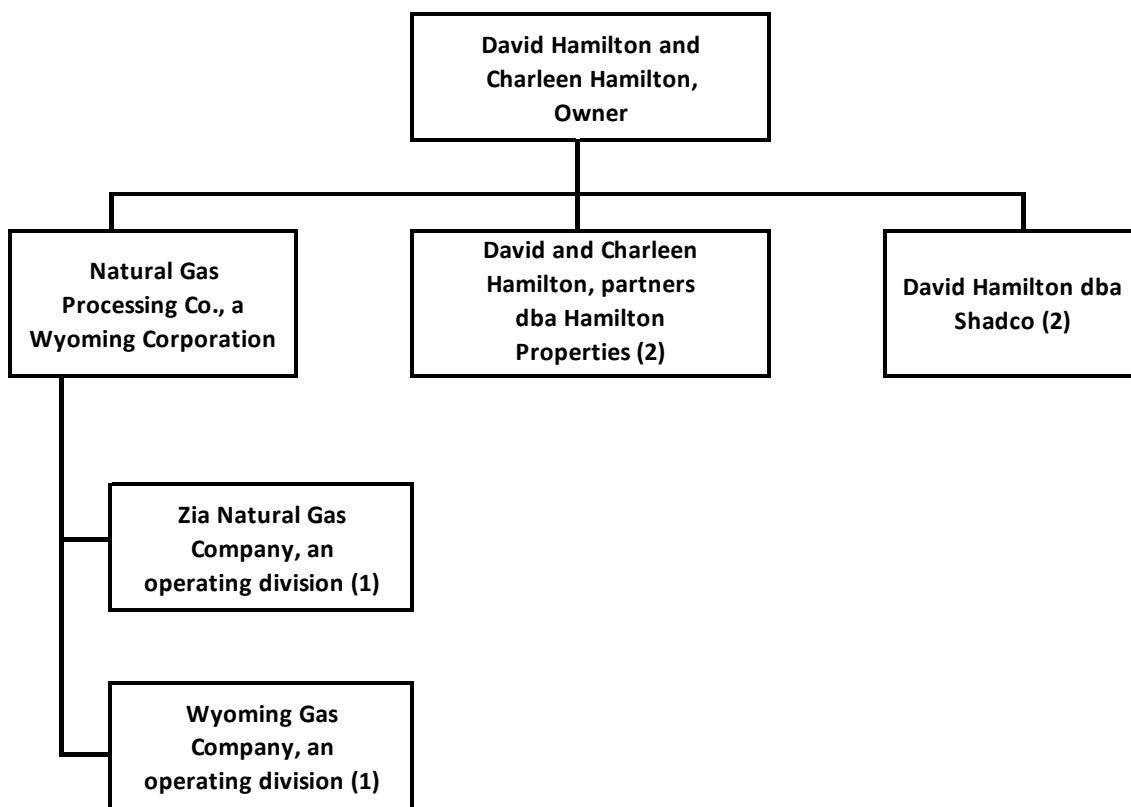
<sup>2</sup> Zia and New Mexico Gas Company ("NMGC"), the other regulated public utility providing gas service in Dona Ana County, currently have a Voluntary Service Agreement approved in Case No. 13-00235-UT which established a boundary line separating Zia's and NMGC's service areas north of Hatch and south of Vado.

Zia's Division office is in Ruidoso Downs, New Mexico, which houses its General Manager, Manager of Utility Operations, CIS Manager, and Regulatory Compliance Tech, as well as office and field personnel. Zia also maintains an office and shop in Hobbs, and a small office in Jal for payment collections. In Maxwell, Zia maintains a small equipment building, and collects payments through the city halls in Maxwell and Springer.

As of August 31, 2017, Zia served a total of 37,742 customers in the State of New Mexico. The vast majority of these customers are residential and small commercial accounts primarily using natural gas for heating purposes.

Zia has been aggressive in its efforts to expand its distribution plant to provide natural gas service in the areas it is located, and to improve and maintain the integrity of its pipeline system.

## Organizational Chart



### Notes:

(1) Each of the operating divisions of Natural Gas Processing Co. are allocated a portion of the Home Office Charges.

(2) Hamilton Properties and Shadco are operated independently and do not share expenses with NGP.

**Zia Natural Gas Company**  
**Annual Report to Stockholders**

**Schedule R-4**  
**Page 1 of 1**

Zia Natural Gas is a division of a privately held corporation  
and does not have an annual report for stockholders.

**Zia Natural Gas Company  
Reports to the Securities and  
Exchange Commission**

**Schedule R-5  
Page 1 of 1**

Zia Natural Gas Company is a division of a privately held corporation and does not report to the Securities and Exchange Commission.

**Zia Natural Gas Company  
Form 2 Reports**

**Schedule R-6  
Page 1 of 1**

Form 2, the Annual Report, has been filed with the commission.

Natural Gas Processing Co.'s corporate books, which include the accounting books and records for its operating division, Zia Natural Gas Company, are maintained by calendar year, which does not coincide with Zia's base year as filed in this application. An audit has been performed and completed for the calendar year 2016, but the audit for calendar year 2017 has not been performed yet, and will not be completed until August of 2018. Zia will submit an opinion from its independent auditor's covering the entire base period as soon as practicable after the 2017 audit has been completed.