

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
NEW MEXICO GAS COMPANY, INC. FOR)	
AUTHORIZATIONS TO ISSUE UP TO)	
\$140 MILLION IN UNSECURED NOTES)	Case No. 26-xxxxxxx
)	
NEW MEXICO GAS COMPANY, INC.,)	
)	
Applicant.)	
)	
_____)	

APPLICATION

New Mexico Gas Company, Inc. (“NMGC”) hereby applies to the New Mexico Public Regulation Commission (“NMPRC” or the “Commission”) for the approval and authorization to issue up to \$140 million in unsecured notes with potential terms between five and thirty years (the “Proposed Notes”). NMGC respectfully requests the Commission set this matter for hearing at the head of its docket so that the approvals and authorizations requested herein may be decided within thirty days of filing this Application, as provided in NMSA 1978, Section 62-6-9 of the New Mexico Public Utility Act (the “Act”).

In support of this Application, NMGC states the following:

1. NMGC is a Delaware corporation authorized to do business in the State of New Mexico as a public utility with its principal office at 7120 Wyoming Blvd. NE, Suite 20, Albuquerque, New Mexico 87109. The proposed issuance of the Proposed Notes requires prior Commission approval. The proposed issuance of Proposed Notes provides that it will not become effective without Commission approval.

2. NMGC is wholly owned by New Mexico Gas Intermediate, Inc. (“NMGI”). On September 2, 2014, TECO Energy, Inc. (“TECO”) completed the acquisition of NMGI (the

“Acquisition”) pursuant to approvals and authorizations contained in the Final Order (the “Acquisition Order”) issued on August 13, 2014, in NMPRC Case No. 13-00231-UT (“Case 13-00231”). On July 1, 2016, Emera Inc. (“Emera”) completed the acquisition of TECO pursuant to the approvals and authorizations contained in the Final Order issued on June 22, 2016, in NMPRC Case No. 15-00327-UT.

3. On October 28, 2024, Emera, NMGC, Saturn Utilities Holdco, LLC (“Saturn Holdco”), and affiliated applicants, filed a Joint Application in Case No. 24-00266-UT seeking approval of the acquisition by Saturn Holdco of NMGC and the divestiture by Emera, Emera U.S. Holdings, Inc., and TECO Holdings, Inc. of their current ownership of NMGC (the “Transaction”). This application was revised on July 5, 2025 and is currently pending Commission approval.

4. NMGC provides gas utility service to approximately 550,000 customers throughout the State of New Mexico. The right of a public utility such as NMGC to “issue, assume or guarantee securities and to create liens on its property situated within this state is a special privilege subject to the supervision and control” of the Commission as set forth in the Act. NMSA 1978, § 62-6-6(A).

PROPOSED LONG-TERM NOTES

5. NMGC proposes to issue the Proposed Notes in order to pay down 1) \$70 million of outstanding long-term debt maturing on July 30, 2026; 2) a \$70 million short-term term loan that is due in October 2026 and is prepayable without penalty, and 3) If any remaining funds from the Proposed Notes are available, balances under the Company’s revolving credit facility.

6. As explained in greater detail in the Direct Testimony of NMGC Witness Erik C. Buchanan, NMGC expects that the proposed Note Purchase Agreement (the “NPA”) will have the representations, warranties, and covenants that are substantially similar to the representations,

covenants, and warranties in NMGC's other long-term debt issuances. It is expected that the interest on the Proposed Notes will range from slightly higher than 5.0% for a five-year term to slightly higher than 6.0% for a thirty-year term.

7. The NPA will not significantly impact NMGC's customers, nor will it impact the NMPRC's ability to regulate NMGC.

8. It is reasonable and prudent for NMGC to enter into the NPA at this time because issuing the Proposed Notes permits NMGC to pay down its long-term and short-term debts, which are coming due in the next few months. NMGC also views the current debt markets as supportive of a NMGC long-term debt issuance because of the current access to and availability of liquidity in the market combined with the favorable appetite for utility debt. The combination of these factors creates an opportunity for NMGC to secure cost-effective capital for its customers.

9. The proposed issuance of unsecured notes was included in NMGC's Annual Informational Finance Financing Filing for the period of May 1, 2025 to April 30, 2026 (filed on April 30, 2025 as part of NMGC's Annual Report to the Commission).

ADDITIONAL COMMITMENTS AND REPRESENTATIONS

10. The purposes for which NMGC proposes to enter into this transaction are lawful, within its corporate powers and consistent with the public interest. NMGC will use the funds from the issuance of the Proposed Notes to support long-term capital investments and to pay down NMGC's short-term debt. The Proposed Notes and an equity infusion from NMGC's parent will increase the liquidity available to fund new and ongoing capital projects that provide continued safe and reliable service to NMGC's customers.

11. The Proposed Notes will facilitate NMGC's ability to continue to furnish adequate, efficient, and reasonable natural gas services as a public utility.

12. NMGC's legal name is New Mexico Gas Company, Inc. with the address of its offices and principal place of business at 7120 Wyoming Blvd. NE, Suite 20, Albuquerque, New Mexico 87109.

13. The following designated representatives and attorneys should receive all notices, pleadings, discovery requests, objections and responses, briefs and all other documents related to this case.

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14. NMGC's proposed form of Notice is attached to this Application as Exhibit A.

15. As required by 17.1.2.8(B)(4)(e) NMAC, NMGC is serving a copy of this application, with the supporting testimony, on the Office of the New Mexico Attorney General.

16. Testimony and exhibits in support of this Application are filed herewith and made a part hereof.

17. NMGC respectfully requests that the Commission approve and authorize the issuance of the unsecured notes as soon as possible and, in any case, within the thirty-day statutory timeframe.

WHEREFORE, NMGC respectfully requests that the Commission grant the following relief:

A. Set this matter for a hearing so that the proposed issuance of the Proposed Notes described herein can be approved within the thirty-day statutory timeframe;

B. Authorize NMGC to enter into the NPA; and

C. Grant such other approvals, authorizations and relief as the Commission deems necessary and appropriate in connection with the proposed actions described herein, and in the testimony and exhibits filed herewith.

Respectfully submitted this 17th day of April 2026.

NEW MEXICO GAS COMPANY, INC.

By /s/ Nicole V. Strauser

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