

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION
IN THE MATTER OF THE PETITION BY NEW MEXICO-AMERICAN WATER COMPANY, INC. FOR
ADJUSTMENT OF WATER RATES FOR ITS CLOVIS DISTRICT AS FILED UNDER ADVICE NOTICE NO. 32.
NEW MEXICO-AMERICAN WATER COMPANY, INC., Applicant.
Case No. 11-00196-UT

NOTICE

Pursuant to 17.1.2.10 NMAC, notice is hereby given to all water service customers of New Mexico American Water Company, Inc. ("NMAW") that:

1. On May 18, 2011, NMAW filed with the New Mexico Public Regulation Commission its Advice Notice No. 32 and accompanying proposed Seventh Revised Rate No.1, Seventh Revised Rate No. 2, Fifth Revised Rate No. 3, Third Revised Rate No. 5 and Original Rate Rider No. 7 proposing revised rates for its Clovis service district (the "Proposed Rates"), and petitioned the Commission for authorization to place the Proposed Rates into effect. The Commission has suspended the Proposed Rates pending a public hearing and has docketed this proceeding as NMPRC Case No. 11 00196 UT.

2. Through the Proposed Rates, NMAW is requesting additional annual revenues from its water utility operations in its Clovis service district of \$2,626,062, representing an increase of 27.97% above its adjusted water service revenues for the twelve months ending December 31, 2010. In addition, NMAW is proposing certain changes and additions to its schedule of miscellaneous fees, Fifth Revised Rate No. 3, and a purchased water cost adjustment clause, Original Rate Rider No. 7, through which NMAW seeks authority to adjust rates periodically based on variations in the cost of purchased water and electrical energy used in producing water. The proposed rate increase will affect all of NMAW's customer classifications in the Clovis service district.

3. The following tables compare the Proposed Rates with the current water service rates for each customer classification in the Clovis service district. The Clovis municipal franchise charge of 2% will appear as a separate line item on bills to customers within the Clovis city limits.

Customer Classification	General Metered Rates K/Gal ¹			School & Municipal Service Rates K/Gal ¹		
	Proposed	Present	% Change	Proposed	Present	% Change
Residential (0-4,500 Gallons)	\$3.2408	\$3.2158	0.78%			
Residential (4,501-15,000 Gallons)	\$4.0509	\$4.0143	0.91%			
Residential (> 15,000 Gallons)	\$4.6586	\$4.5698	1.94%			
Commercial 3/4" (0-22,400 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 3/4" (> 22,400 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 1" (0-63,600 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 1" (> 63,600 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 1 1/2" (0-67,300 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 1 1/2" (> 67,300 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 2" (0-187,000 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 2" (> 187,000 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 3" (0-261,800 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 3" (> 261,800 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 4" (0-336,600 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 4" (> 336,600 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 6" (0-897,700 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 6" (> 897,700 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 8" & above (0-897,700 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 8" & above (> 897,700 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 10" & above (0-897,700 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 10" & above (> 897,700 Gallons)	\$4.6295	\$4.1628	11.21%			
Commercial 12" & above (0-897,700 Gallons)	\$4.0257	\$3.6001	11.82%			
Commercial 12" & above (> 897,700 Gallons)	\$4.6295	\$4.1628	11.21%			
Public Authority (0-135,307,300 Gallons)				\$3.8971	\$2.9583	31.73%
Public Authority (> 135,307,300 Gallons)				\$4.6765	\$3.5402	32.10%
SW Cheese Contract (310,000 Daily Minimum-490,000 Gallons)	\$1.5376	\$1.5376	0.00%			
SW Cheese Contract (> 490,000 Gallons)	\$1.8833	\$1.8833	0.00%			
Public Fire ²	\$0.0000	\$0.0000	0.00%			
Private Fire ²	\$0.0000	\$0.0000	0.00%			

¹ Water service is actually measured and billed in units of 100 cubic feet (Ccf)
100 cubic feet = 750 gallons.

² The Company will bill Public and Private Fire on a monthly basis.

Meter Sizes	General Metered Service Charged Rates			School & Municipal Service Service Charge Rates		
	Proposed	Present	% Change	Proposed	Present	% Change
5/8" - 3/4"	\$22.90	\$12.67	80.74%	\$22.90	\$12.67	80.74%
1"	\$34.35	\$19.01	80.69%	\$34.35	\$19.01	80.69%
1 1/2"	\$57.24	\$31.68	80.68%	\$57.24	\$31.68	80.68%
2"	\$80.14	\$44.35	80.70%	\$80.14	\$44.35	80.70%
3"	\$114.49	\$63.35	80.73%	\$114.49	\$63.35	80.73%
4"	\$206.08	\$114.03	80.72%	\$206.08	\$114.03	80.72%
6"	\$286.22	\$158.38	80.72%	\$286.22	\$158.38	80.72%
8"	\$572.45	\$316.75	80.73%	\$572.45	\$316.75	80.73%
10"	\$801.43	\$443.45	80.73%	\$801.43	\$443.45	80.73%
12"	\$1,488.36	\$823.56	80.72%	\$1,488.36	\$823.56	80.72%
Public Fire ¹	\$451.32/yr	\$333.96/yr	35.14%			
Private Fire ¹	\$1,015.80/yr	\$524.64/yr	93.62%			

¹ The Company will bill Public and Private Fire on a monthly basis.

4. The following table compares bills for a 5/8 - 3/4 inch residential water service customer at the indicated level of usage under the Proposed Rates and the current rates in the Clovis service district. The proposed charges do not include the Clovis municipal franchise charge of 2%, which will appear as a separate line item on bills to customers within the Clovis city limits.

New Mexico American Water Company Clovis District Typical Base Rate Bills						
Residential	Gallons	Cubic Feet	Present Charges	Proposed Charges	Difference	
					Amount	Percent
5/8"	0	0	\$12.67	\$22.90	\$10.23	80.74%
5/8"	5,000	668	\$29.16	\$39.52	\$10.36	35.53%
5/8"	10,000	1,337	\$49.23	\$59.77	\$10.54	21.42%
5/8"	15,000	2,005	\$69.32	\$80.05	\$10.73	15.48%
5/8"	25,000	3,342	\$115.02	\$126.64	\$11.62	10.10%

5. The above changes stated by class and, for residential customers, by consumption levels are for informational purposes only, and the final rate design may vary from the rates ultimately charged to each class and for each consumption level.

6. In addition, the Proposed Rates include the following miscellaneous rates and charges:
- a. An increase in the fee for reconnecting service after it has been disconnected from \$11.50 to \$ 30;
 - b. A late payment charge of 0.67% per month on delinquent account balances;
 - c. A fee for posting notices of disconnection at customer premises of \$15; and
 - d. Fees for connecting service at new service locations as follows:

Service or Meter Size	Current Charge	Proposed
5/8" - 3/4"	\$ 250	\$ 550
1"	\$ 300	\$ 700
1 1/2"	\$ 500	\$ 1,400
2"	\$ 750	\$ 1,500
4" and larger	Actual Cost	Actual Cost

7. NMAW is also requesting approval of a purchase water cost adjustment clause mechanism which will allow future changes in the purchase water costs and related power costs to be added to all rates to recover the cost of water purchased for resale on its Clovis system.

8. Although NMAW is proposing no change to the rates effective in its Edgewood district in this case, cost and other determinations may be made in this case that could affect rates in the Edgewood district in future cases.

9. Any person who desires to intervene to become a party to this case must file an original and five copies of a motion for leave to intervene which shall reference NMPRC Case No. 11-00196-UT, pursuant to 1.2.2.23 NMAC on or before June 16, 2011. **Documents may be filed by regular mail addressed to the Public Regulation Commission, Records Division, P.O. Box 1269, Santa Fe, NM 87504-1269, or hand-delivered to the Commission's Records Division, Room 406, PERA Building at 1120 Paseo de Peralta, Santa Fe, New Mexico 87501. The Commission's telephone number is 1-800-663-9782.**

10. All parties in this case shall attend a settlement conference to be held at a time and location to be identified in an order by the Mediator, William J. Herrmann, to determine whether all or some of the issues in this case can be resolved by way of a settlement.

11. Lee Huffman has been designated as the Hearing Examiner for this case, and he will set the remaining procedural dates and requirements in a procedural order, including a date for the public hearing in this case. Any interested person may appear at the time and place of hearing and make a written or oral comment at the hearing pursuant to the Commission's Utility Division Procedures, 1.2.2.23.F NMAC, without becoming an intervenor. Interested persons may also send written comments, which shall reference NMPRC Case No. 11-00196-UT, to the Commission's Records Division at P.O. Box 1269, Santa Fe, NM 87504-1269. All such comments will not be considered as evidence in this case.

12. Any interested person may examine the rate filings together with any exhibits and related papers that may be filed at NMAW's main business office, 1005 Norris Street, Clovis, New Mexico 88102-0430, telephone: (575) 763-5536, or at the Commission's offices, 1120 Paseo de Peralta, Santa Fe, New Mexico 87501, telephone: 1-800-663-9782. You can obtain further information regarding this case at the Commission's website, <http://www.nmprc.state.nm.us>.

13. The Commission's Utility Division Procedures, 1.2.2 NMAC, will apply to the proceeding except as modified by order of the Commission or the Hearing Examiner.

14. Anyone filing pleadings or testimony in this case shall serve a copy through the U.S. mail and by email on all parties of record, Commission Staff, and the Hearing Examiner. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath. Documents that are mailed to the Commission should be sent to the address for regular mail.

15. ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE OFFICES OF THE COMMISSION AS SOON AS POSSIBLE PRIOR TO THE COMMENCEMENT OF THE PROCEEDINGS.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 26th day of May, 2011.

NEW MEXICO PUBLIC REGULATION COMMISSION

PATRICK H. LYONS, CHAIRMAN

JEROME D. BLOCK, VICE-CHAIRMAN

JASON A. MARKS, COMMISSIONER

THERESA BECENTI-AGUILAR, COMMISSIONER

BEN L. HALL, COMMISSIONER