

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF THE PETITION OF</b>	)	
<b>NEW MEXICO-AMERICAN WATER COMPANY, INC.</b>	)	
<b>FOR A CERTIFICATE OF CONVENIENCE AND</b>	)	
<b>NECESSITY AND OTHER AUTHORIZATIONS</b>	)	
<b>RELATED TO AN EXPLORATORY TEST WELL</b>	)	
<b>INTO THE LOWER DOCKUM FORMATION</b>	)	<b>Case No. 08-00321-UT</b>
<b>TO SERVE THE CLOVIS DISTRICT,</b>	)	
	)	
<b>NEW MEXICO-AMERICAN WATER COMPANY, INC.,</b>	)	
	)	
<b>Petitioner.</b>	)	
	)	

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**PROCEDURAL ORDER**

The New Mexico Public Regulation Commission (“Commission”), through the undersigned Hearing Examiner, hereby gives notice of the following:

1. The following procedural details have been set for this case:

A. A public hearing will be held beginning at 10:00 a.m. on Thursday, April 30, 2009, at the Commission’s offices, 224 East Palace Avenue, Santa Fe, New Mexico, 87501, to hear and receive testimony, exhibits, arguments and any other appropriate matters related to this proceeding.

B. Staff shall and any Intervenors may file their direct testimony on or before March 19, 2009.

C. Any rebuttal testimony must be filed on or before April 16, 2009.

D. New Mexico-American Water Company shall cause, at its sole expense, a copy of the attached Notice to be published in a newspaper serving Clovis, New Mexico on or before February 20, 2009. Any person who desires to intervene to become a party to this case must file a Motion for Leave to Intervene, pursuant to 17.1.2.23(A) NMAC and 17.1.2.23(B) NMAC, on or before March 19, 2009.

E. The procedural dates and requirements provided herein are subject to further Order of the Commission or Hearing Examiner.

F. The Commission's Utility Division Procedures, 1.2.2.1 NMAC *et seq.*, shall apply to this case except as modified by Order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission.

G. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath.

H. Any interested person may appear at the time and place of the hearing and make written or oral comments pursuant to 17.1.2.23.F NMCA without becoming an Intervenor. Such comments will not be considered as evidence in this case.

I. Interested persons should contact the Commission for confirmation of the hearing date, time and place, since hearings are occasionally rescheduled.

J. Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission at (505) 827-6955 at least 24 hours prior to the commencement of the hearing.

K. Anyone filing pleadings or testimony will serve copies thereof on all parties of record and the Commission Staff by first class mail or hand-delivery and by e-mail.

**I S S U E D** at Santa Fe, New Mexico this **5<sup>th</sup>** day of February, 2009.

**NEW MEXICO PUBLIC REGULATION COMMISSION**

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**LEE W. HUFFMAN, Hearing Examiner**

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NEW MEXICO-AMERICAN WATER COMPANY, INC., )  
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Petitioner. )  
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**NOTICE**

Pursuant to 1.2.2.24.C NMAC, notice is hereby given to all water service customers in the Clovis district of New Mexico-American Water Company, Inc. ("NMAW") that:

1. A public hearing will be held beginning at 10 a.m. on April 30, 2009, at the Commission's offices, 224 E. Palace Avenue, Santa Fe, New Mexico, for the purpose of hearing and receiving testimony, exhibits, arguments and any other appropriate matters in order to determine whether NMAW's petition in this case should be approved by the Commission. A summary of the subject matter of NMAW's petition and the procedural schedule for this case follows.

2. On October 17, 2008, NMAW filed with the New Mexico Public Regulation Commission a Petition and Request for Variance in which NMAW petitions the Commission for a certificate of public convenience and necessity and other authorizations and determinations related to an exploratory test well into the lower Dockum Formation to serve the Clovis district and for a variance from certain

3. Citing the accelerating decline in the Ogallala groundwater basin from which NMAW currently obtains its water supply and the demanding pace at which NMAW must acquire new well locations and construct or rehabilitate additional wells in order to maintain an adequate water supply, NMAW proposes to construct a test well in order to explore the potential of the lower Dockum formation as an additional source of water supply. According to the petition and supporting testimony, the lower Dockum lies beneath the Ogallala basin, has a thickness in the range of 1200 to 1600 feet in the Clovis area, and has not been subjected to significant hydrogeologic investigation in New Mexico. Well reports from Texas, however, reflect pumping yields as high as 2,500 gallons per minute from the formation. NMAW has obtained recommendations from a consulting geosciences firm for the location, depth and testing procedures for the proposed well and estimates that it will be drilled to a depth of approximately 2000 feet at a cost of approximately \$1,000,000.

4. In light of the deteriorating capacity of the Ogallala basin to supply the Clovis district, the urgent need to develop additional sources of supply, and the lack of cost effective alternatives, and despite the risk that the project will not identify an economically productive source of supply, NMAW asserts that initiating a test well into the lower Dockum Formation at this time is reasonable, prudent, and in the best interests of its customers.

5. Because of the risk associated with the proposed test well, NMAW also asks the Commission to determine in this case the accounting treatment and ratemaking principles that will be applied to NMAW's actual and prudent investment in

6. Finally, NMAW requests a variance excusing it from filing certain information specified by 17.12.740.13 NMAC, which NMAW asserts would be voluminous and not relevant or useful for purposes of considering its petition.

7. The Hearing Examiner has established the following procedural schedule for this case:

A. A public hearing will be held beginning at 10 a.m. on April 30, 2009, at the Commission's offices, 224 E. Palace Avenue, Santa Fe, New Mexico, for the purpose of hearing and receiving testimony, exhibits, arguments and any other appropriate matters in order to determine whether NMAW's petition should be approved by the Commission.

B. Any person who desires to intervene to become a party to this case must file a motion for leave to intervene, pursuant to 1.2.2.23 NMAC on or before March 19, 2009.

C. The Commission Staff shall and any intervenors may file any direct testimony on or before March 19, 2009.

D. Any rebuttal testimony shall be filed on or before April 16, 2009. Interested persons should contact the Commission for confirmation of the hearing date, time and place since hearings are, on occasion, rescheduled.

8. Any interested person may examine the NMAW's petition and supporting testimony at NMAW's main business office, 1005 Norris Street, Clovis, New Mexico 88102-0430, telephone (575) 763-5536, or at the Commission's offices, 224 E. Palace Avenue, Santa Fe, New Mexico 87501, telephone: (505) 827-6941.

9. Any interested person may intervene by filing a motion for leave to intervene pursuant to 1.2.2.23 NMAC on or before the date specified above.

10. 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 Rules of Procedure, 1.2.2.23 NMAC, without becoming an intervenor, but the comment will not be considered as evidence in the proceeding.

11. The Commission's Rules of Procedure, 1.2.2 NMAC, will apply to the proceeding except as modified by order of the Commission or Presiding Officer in this proceeding.

12. Any person with a disability requiring special assistance in order to participate in this proceeding should contact the offices of the Commission at (505) 827-6955 at least 24 hours prior to the commencement of the hearing.

13. Further information may be obtained by contacting either NMAW or the Commission at the addresses and telephone numbers provided above.

14. Anyone filing pleadings, documents or testimony in this case shall serve a copy on all parties of record and Staff and, in addition to paper copies, shall deliver via e-mail all such filings to all other parties, Staff and the Hearing Examiner.

**ISSUED** at Santa Fe, New Mexico, this **5<sup>th</sup>** day of February, 2009.

**NEW MEXICO PUBLIC REGULATION COMMISSION**

**LEE W. HUFFMAN**  
**Hearing Examiner**