

**MINUTES
of the
FIRST MEETING
of the
NATURAL GAS EMERGENCY INVESTIGATION TASK FORCE**

**July 25, 2011
Room 322, State Capitol
Santa Fe, New Mexico**

The Natural Gas Emergency Investigation Task Force was called to order by Secretary Richard E. May, chair, on July 25, 2011 at 9:10 a.m. in Room 322 of the State Capitol.

Present

Secretary Richard E. May, Chair
Sen. William F. Burt
Secretary Michael Duvall
Superintendent John Franchini, Public
Regulation Commission
Rep. Roberto "Bobby" J. Gonzales
Commissioner Ben Hall, Public Regulation
Commission
Sen. Richard C. Martinez
General Paul Pena, New Mexico National
Guard
Rep. James R.J. Strickler

Absent

Attorney General or Attorney General's
Designee

Guest Legislator

Sen. Carlos R. Cisneros

Staff

Gregory S. Shaffer, Chief Legal Counsel, Department of Finance and Administration
John Yaeger, Assistant Director for Legislative Affairs, Legislative Council Service

Secretary May asked members of the task force to introduce themselves and make any opening statements if they wished.

Upon a motion made and seconded, the agenda for the meeting was approved without objection. A copy is attached to the original of these minutes.

Upon a motion made and seconded, Resolution 2011-01, establishing rules of procedure for the task force, was approved without objection. A copy is attached to the original of these minutes.

Upon a motion made and seconded, Resolution 2011-02, establishing notice procedures for open meetings of the task force, was approved unanimously on a voice vote. A copy is attached

to the original of these minutes.

Public Regulation Commission Report

Roy E. Stephenson, director of the Utility Division of the Public Regulation Commission (PRC), and Bruno Carrara, chief of the Electrical Engineering Bureau of the PRC, briefed the task force on the arctic storm that led to the interruption of natural gas supplies to New Mexico residents and action taken to date by the PRC to investigate the matter. Copies of three documents — "Arctic Storm Event – February 2011 Timeline", "February 2011 Severe Cold Weather Investigations and Status" and "Evaluation of the Gas Outage During the Cold Weather Event, Early February 2011, from the Industry Segments Outside the City Gates of the Local Distribution Companies, June 15, 2011, Michael L. Johnson" — were provided to the task force and are attached to the original of these minutes.

Mr. Stephenson noted that a case currently pending before the PRC is to determine, among other things, what the New Mexico Gas Company knew and what action it took prior to and during the gas outage, and, therefore, he and Mr. Carrara would not be able to comment on those issues until the PRC makes its findings.

Mr. Carrara told the task force that the extremely cold weather of early February 2011 that moved first into Oklahoma and Texas and then New Mexico triggered a series of cascading events that disrupted the supply of natural gas to New Mexico and resulted in the shutdown of service to 32,000 customers. Those events included the freezing of gas production facilities, rolling electrical blackouts and increased demand for natural gas.

Report from the Superintendent of Insurance

Superintendent Franchini reviewed the Catastrophe Report dated May 9, 2011 prepared for him. A copy is attached to the original of these minutes. Superintendent Franchini noted that \$55 million worth of claims were paid to New Mexico policyholders within 90 days of the event and that he was generally pleased with the response of the insurance industry.

Task Force Business

Secretary May noted that it is unlikely that the task force would complete its work by August 1 as contemplated by the law creating it. The task force agreed that a letter to that effect and a report on the task force's work to date should be sent to the governor and legislative leaders.

In addition to the issues the task force is to investigate per the legislation creating it, the task force agreed to examine issues surrounding federal and state forest management, regulatory constraints that may have impacted the response to the gas outage, the emergency notification process, communication among the private sector, government agencies and policymakers and any statutory revisions that might be necessary to improve the response.

The task force tentatively set its next meeting date for August 30 at 1:00 p.m.

There being no further business, the task force adjourned at 11:35 a.m.

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