

**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

ORIGINAL RIDER NO. 59

PALO VERDE CREDIT

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- A. EXPLANATION OF RIDER:** Pursuant to the terms of the Final Order issued by the New Mexico Public Regulation Commission in Case No. 22-00270-UT on January 3, 2024 (“Final Order”), this Rider sets forth the Palo Verde Credit for customers taking retail service under PNM retail rates.
- B. APPLICABILITY:** The Palo Verde Credit applies to all customers taking service under the following PNM Rate Schedules: 1A, 1B, 2A, 2B, 3B, 3D, 3C, 3E, 3F, 4B, 5B, 10A, 10B, 11B, 15B, 30B, 33B, 35B, 36B, 6, and 20.
- C. TERM:** The Palo Verde Credit has been calculated to fully refund the \$38,387,244 in rate credits pursuant to the Final Order over 24 months beginning February 16, 2024, and ending March 2026. Provided the full Palo Verde Credit (or more) has been refunded by March 2026, this Rider shall terminate. If less than the full Palo Verde Credit has been refunded by March 2026, PNM will calculate a final credit due to each customer class and file a new Revised Rider No. 59 that will fully refund the final balance in one month.
- D. COMPONENTS OF PALO VERDE CREDIT:**

RATE SCHEDULE	CUSTOMER CREDIT (\$/BILL)	DEMAND CREDIT (\$/KW)	LIGHT CREDIT (\$/LIGHT)
1A - Residential	X (Block)		
1B - Residential	X		
2A - Small Power	X		
2B - Small Power	X		
3F – Commercial Charging Station	X		
3B - General Power		X	
3D - General Power Pilot Municipal and Counties		X	
3C - General Power (Low Load Factor)		X	
3E - General Power (Low Load Factor) Pilot Municipal and Counties		X	
4B - Large Power		X	
5B - Large Service (>= 8,000 kW)	X (Per Customer)		
10A – Irrigation	X		
10B - Irrigation	X		
11B - Water and Sewage Pumping	X		
15B - Large Service for Public Universities (>= 8,000 kW)	X (Per Customer)		
30B - Industrial Large Service (>= 30,000 kW)	X (Per Customer)		
33B: Large Service for Station Power	X (Per Customer)		
35B: Large Power Service (>=3,000 kW)	X (Per Customer)		

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EFFECTIVE

February 16, 2024

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**By: Commission Final Order
and Order Granting PNM’s**

Petition for Variance

Case No. 22-00270-UT

/s/ Mark Fenton

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RATE SCHEDULE	CUSTOMER CREDIT (\$/BILL)	DEMAND CREDIT (\$/KW)	LIGHT CREDIT (\$/LIGHT)
36B: Renewable Energy Resources	X (Per Customer)		
6 - Private Area Lighting			X
20 – Streetlighting			X

E. PALO VERDE CREDIT CALCULATION METHODOLOGY:

Customers receiving service under this Rider will receive a Palo Verde Credit. The credits to be refunded are allocated to the Rate Schedules in a manner consistent with the production cost allocation methodology approved in the most recent rate case. For each rate schedule, the specific credits are calculated as indicated in the following sections.

- a) Credits consist of a demand credit for general power and large power rate schedules (3B, 3C, 3D, 3E, and 4B). The same demand credit is applied to each customer served by the rate schedule.

$$\text{Demand Credit } \left(\frac{\$}{kW} \right) = \frac{\text{rate schedule requirement } (\$)}{\text{forecast rate schedule demand } (kW)}$$

- b) Credits consist of a customer credit for the large service and special service rate schedules (5B, 15B, 30B, 33B, 35B, and 36B). Each customer served by these rate schedules will have a specific customer credit based on their rate schedule and their percentage of the total rate schedule demand.

$$\text{Individual Customer Credit } \left(\frac{\$}{\text{bill}} \right) = \text{rate schedule requirement } (\$) \times \frac{\text{forecast customer demand } (kW)}{\text{forecast rate schedule demand } (kW)}$$

- c) Credits consist of a light credit for the lighting rate schedules (6 & 20). Every account served by one of these rate schedules has the same unit credit.

$$\text{Light Credit } \left(\frac{\$}{\text{light}} \right) = \frac{\text{rate schedule requirement } (\$)}{\text{forecast rate schedule light count}}$$

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- d) Credits consist of block customer credits for the residential 1A Rate Schedule. The credit follows the existing usage blocks in the rate schedule and credits an amount for Blocks 1 and 3.

Block 1 – Customer credit is applicable to all customers regardless of net usage.

Block 3 – Customer credit is applicable to customers who use energy in block three.

block_n customer credit

$$= \frac{\text{rate schedule requirement } (\$)}{\text{forecast block}_n \text{ customers}} \times \frac{\text{forecast block}_n \text{ energy}}{\text{forecast Rate Schedule energy}}$$

$$\text{Customer Credit } \left(\frac{\$}{\text{bill}} \right) = \sum_{n=1,3} \text{applicable block}_n \text{ customer charge}$$

- e) Credits consist of a customer credit for the remaining rate schedules (1B, 2A, 2B, 3F, 10A, 10B, 11B). Every customer served by one of these rate schedules has the same credit.

$$\text{Customer Credit } \left(\frac{\$}{\text{bill}} \right) = \frac{\text{rate schedule billing requirement } (\$)}{\text{forecast rate schedule customer count}}$$

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PALO VERDE CREDIT			
Rate Schedule	<i>Individual Customer</i>	Credit	unit
3B - General Power		(\$0.83)	/kW
3D - Pilot Municipalities and Counties General Power		(\$0.79)	/kW
3C - General Power Low LF		(\$0.37)	/kW
3E - Pilot Municipalities and Counties General Power Low LF		(\$0.27)	/kW
4B - Large Power		(\$0.85)	/kW
5B - Lg. Svc. (8 MW)	<i>a.</i>	(\$3,424.75)	/bill
15B - Universities 115 kV	<i>b.</i>	(\$5,977.35)	/bill
30B - Manuf. (30 MW)	<i>c.</i>	(\$99,259.66)	/bill
33B - Lg. Svc. (Station Power)	<i>d.</i>	(\$299.07)	/bill
35B - Lg. Svc. (3 MW)	<i>e.</i>	(\$8,392.42)	/bill
	<i>f.</i>	(\$6,191.89)	/bill
	<i>g.</i>	(\$2,989.04)	/bill
	<i>h.</i>	(\$3,932.52)	/bill
36B - SSR - Renew. Energy Res.	<i>i.</i>	\$0.00	/bill
6 - Private Lighting		(\$0.07)	/light
20 - Streetlighting		(\$0.01)	/light
1B - Residential		(\$7.45)	/bill
2A - Small Power		(\$3.10)	/bill
2B - Small Power		(\$3.12)	/bill
3F - Commercial Charging Station		(\$1.96)	/bill
10A - Irrigation		(\$6.72)	/bill
10B - Irrigation		(\$15.60)	/bill
11B - Water/Sewage Pumping		(\$139.11)	/bill
1A & 1B TOD - Residential <=900 kWh		(\$1.47)	/block
1A & 1B TOD - Residential >900 kWh		(\$2.65)	/block

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F. PALO VERDE CREDIT CALCULATIONS:

ALLOCATION OF REVENUE REQUIREMENT TO CUSTOMER CLASS		
Line 1	Revenue Requirement	(\$38,387,244)
	(A)	(B)
		<i>Line 1 x A</i>
Customer Class	3-Highest CP Summer, 1-Highest CP Winter (Jun-Aug, Dec) at Generator Allocator	Customer Class Allocated Revenue Requirement (\$)
1 - Residential	51.66829%	(\$19,834,033)
2 - Small Power	10.71394%	(\$4,112,788)
3B - General Power	17.10343%	(\$6,565,536)
3C - General Power Low LF & 3F - Commercial Charging Station	1.74639%	(\$670,392)
4B - Large Power	8.87341%	(\$3,406,257)
5B - Lg. Svc. (8 MW)	0.21412%	(\$82,194)
10 - Irrigation	0.24547%	(\$94,230)
11B - Water/Sewage Pumping	1.31334%	(\$504,156)
15B - Universities 115 kV	0.37371%	(\$143,456)
30B - Manuf. (30 MW)	6.20579%	(\$2,382,232)
33B - Lg. Svc. (Station Power)	0.01870%	(\$7,178)
35B - Lg. Svc. (3 MW)	1.34456%	(\$516,141)
36B - SSR - Renew. Energy Res.	0.00000%	\$0
6 - Private Lighting	0.06323%	(\$24,274)
20 - Streetlighting	0.11561%	(\$44,380)
Total	100%	(\$38,387,244)

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ALLOCATION OF CUSTOMER CLASS BILLING REQUIREMENT TO RATE SCHEDULES				
	(A)	(B)	(C)	(D) <i>C x (B/A)</i>
			Palo Verde	
Rate Schedule	Forecasted Customer Class Energy (kWh)	Forecasted Rate Schedule Energy (kWh)	Customer Class Allocation (\$)	Rate Schedule Allocation (\$)
1A & 1B TOD - Residential	3,251,902,240	3,248,356,900	(\$19,834,033)	(\$19,812,409)
1B - Residential	-	3,545,340	-	(\$21,624)
2A - Small Power	928,430,480	913,280,990	(\$4,112,788)	(\$4,045,678)
2B - Small Power	-	15,149,490	-	(\$67,110)
3B - General Power	1,619,391,480	1,501,578,504	(\$6,565,536)	(\$6,088,053)
3D - Pilot Municipalities and Counties General Power	-	117,812,976		(\$477,483)
3C - General Power Low LF	193,035,704	177,120,409	(\$670,392)	(\$615,687)
3E - Pilot Municipalities and Counties General Power Low LF	-	13,984,751		(\$48,000)
3F - Commercial Charging Station	-	1,930,544		(\$6,705)
4B - Large Power	960,139,415	960,139,415	(\$3,406,257)	(\$3,406,257)
5B - Lg. Svc. (8 MW)	28,861,750	28,861,750	(\$82,194)	(\$82,194)
10A - Irrigation	24,087,440	4,224,190	(\$94,230)	(\$16,525)
10B - Irrigation	-	19,863,250		(\$77,705)
11B - Water/Sewage Pumping	181,927,400	181,927,400	(\$504,156)	(\$504,156)
15B - Universities 115 kV	48,541,270	48,541,270	(\$143,456)	(\$143,456)
30B - Manuf. (30 MW)	712,365,108	712,365,108	(\$2,382,232)	(\$2,382,232)
33B - Lg. Svc. (Station Power)	3,349,020	3,349,020	(\$7,178)	(\$7,178)
35B - Lg. Svc. (3 MW)	184,986,730	184,986,730	(\$516,141)	(\$516,141)
36B - SSR - Renew. Energy Res.	315,069,291	315,069,291	\$0	\$0
6 - Private Lighting	1	1	(\$24,274)	(\$24,274)
20 - Streetlighting	1	1	(\$44,380)	(\$44,380)
Total			(\$38,387,244)	(\$38,387,244)

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CALCULATION OF RATE SCHEDULE DEMAND CREDIT			
	(A)	(B)	(C) A/B Rate Schedule Credit (\$/kW)
Rate Schedule	Monthly Rate Schedule Allocation (\$)	Monthly Recovery Period Forecast Rate Schedule Demand (kW)	
3B - General Power	(\$253,669)	303,807	(\$0.83)
3D - Pilot Municipalities and Counties General Power	(\$19,895)	25,074	(\$0.79)
3C - General Power Low LF	(\$25,654)	69,959	(\$0.37)
3E - Pilot Municipalities and Counties General Power Low LF	(\$2,000)	7,396	(\$0.27)
4B - Large Power	(\$141,927)	166,832	(\$0.85)

CALCULATION OF INDIVIDUAL CUSTOMER CREDIT						
	(A)	(B)	(C)		(D)	(E) (A) x (D/B)
Rate Schedule	Monthly Rate Schedule Requirement (\$)	Recovery Period Forecast Rate Schedule Demand (kW)	Recovery Period Forecast Customers	Individual Customer	Recovery Period Forecast Customer Demand (kW)	Monthly Rate Schedule Credit (\$)
5B - Lg. Svc. (8 MW)	(\$3,425)	98,640	1	a	98,640	(\$3,424.75)
15B - Universities 115 kV	(\$5,977)	203,300	1	b	203,300	(\$5,977.35)
30B - Manuf. (30 MW)	(\$99,260)	1,129,254	1	c	1,129,254	(\$99,259.66)
33B - Lg. Svc. (Station Power)	(\$299)	24,350	1	d	24,350	(\$299.07)
35B - Lg. Svc. (3 MW)	(\$21,506)	319,180	4	e	124,556	(\$8,392.42)
				f	91,897	(\$6,191.89)
				g	44,362	(\$2,989.04)
				h	58,365	(\$3,932.52)
36B - SSR - Renew. Energy Res.	\$0	2,097,286	1	i	2,097,286	\$0.00

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CALCULATION OF RATE SCHEDULE LIGHT CREDIT			
	(A)	(B)	(C)
Rate Schedule	Monthly Rate Schedule Allocated Recovery (\$)	Recovery Period Forecast Rate Schedule Count (lights)	A/B Monthly Rate Schedule Credit (\$/light)
6 - Private Lighting	(\$1,011)	14,000	(\$0.07)
20 - Streetlighting	(\$1,849)	163,970	(\$0.01)

CALCULATION OF RATE SCHEDULE CUSTOMER CREDIT			
	(A)	(B)	(C)
Rate Schedule	Monthly Rate Schedule Allocated Recovery (\$)	Recovery Period Forecast Rate Schedule Customers	A/B Monthly Rate Schedule Credit (\$/bill)
1B - Residential	(\$901)	121	(\$7.45)
2A - Small Power	(\$168,570)	54,447	(\$3.10)
2B - Small Power	(\$2,796)	896	(\$3.12)
3F - Commercial Charging Station	(\$279)	142	(\$1.96)
10A - Irrigation	(\$689)	102	(\$6.72)
10B - Irrigation	(\$3,238)	208	(\$15.60)
11B - Water/Sewage Pumping	(\$21,006)	151	(\$139.11)

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CALCULATION OF BLOCK CUSTOMER CREDIT						
	(A)	(B)	(C)	(D)	(E) (A/D)x(C/B)	
Rate Schedule	Monthly Rate Schedule Allocated Recovery (\$)	Forecast Rate Schedule energy (kWh)	Block	Forecast Block energy (kWh)	Monthly Forecast Block Customers	Monthly Block Credit (\$/bill)
1A & 1B TOD - Residential	(\$825,517)	3,248,356,900	<= 900 kWh	2,821,064,690	491,775	(\$1.47)
			Block 3	427,292,200	88,519	(\$1.19)
			> 900 kWh			(\$2.65)

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