

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF NEW )  
MEXICO FOR APPROVAL OF THE )  
ABANDONMENT OF THE FOUR CORNERS )  
POWER PLANT AND ISSUANCE OF A )  
SECURITIZED FINANCING ORDER )  
)  
PUBLIC SERVICE COMPANY OF NEW )  
MEXICO, )  
)  
Applicant )  
\_\_\_\_\_ )**

**Case No. 21-00017-UT**

**SUPPLEMENTAL TESTIMONY  
OF  
THOMAS S. BAKER**

**March 15, 2021**

**NMPRC CASE NO. 21-00017-UT  
INDEX TO THE SUPPLEMENTAL TESTIMONY OF  
THOMAS S. BAKER**

**WITNESS FOR  
PUBLIC SERVICE COMPANY OF NEW MEXICO**

I.	INTRODUCTION AND PURPOSE .....	1
II.	REQUIREMENTS FROM THE ORDER ON SUFFICIENCY .....	2
III.	FINANCIAL IMPACT OF THE FCPP ADJUSTMENTS ORDERED IN THE 2016 RATE CASE.....	12
IV.	ENERGY TRANSITION CHARGE IMPACTS.....	15
V.	CONCLUSION.....	16

PNM Exhibit TSB-1 (3-15-21 Supplemental)	Exhibit A to Advice Notice 545
PNM Exhibit TSB-2 (3-15-21 Supplemental)	PNM’s FCPP Debt Only Return on Calculation
PNM Exhibit TSB-3 (3-15-21 Supplemental)	Case No. 16-00276-UT Linkage and Test Period Capital Clearings
PNM Exhibit TSB-4 (3-15-21 Supplemental)	ETC Annual Revenue Requirement by FCPP Undepreciated Investment

SELF-VERIFICATION

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1

**I. INTRODUCTION AND PURPOSE**

2 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

3 **A.** My name is Thomas S. Baker. I am the Manager of Cost of Service for PNM  
4 Resources, Inc. (“PNMR”) and am employed by PNMR Services Company. My  
5 testimony is submitted on behalf of Public Service Company of New Mexico  
6 (“PNM” or “Company”). My address is 414 Silver Avenue, SW, Albuquerque,  
7 New Mexico 87102.

8

9 **Q. HAVE YOU FILED PRIOR TESTIMONY IN THIS PROCEEDING?**

10 **A.** Yes, I filed Direct Testimony in support of PNM’s Application on January 8, 2021.

11

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 **A.** I respond, in conjunction with other PNM witnesses, to the Issues identified in the  
14 Hearing Examiner’s *Order on Sufficiency of PNM’s Application and Scope of*  
15 *Issues in Proceeding* (“February Order”) issued February 26, 2021. My testimony  
16 also addresses the rate treatment determination related to PNM’s investments in the  
17 Four Corners Power Plant (“FCPP”) ordered by the New Mexico Public Regulation  
18 Commission (“Commission”) in Case No. 16-00276-UT (“2016 Rate Case”) and  
19 the resulting financial impacts to PNM. Finally, I quantify the energy transition  
20 charge revenue requirement for specific tranches of FCPP undepreciated  
21 investment.

22

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1                   **II.    REQUIREMENTS FROM THE ORDER ON SUFFICIENCY**

2   **Q.    PLEASE SUMMARIZE THE FCPP CAPITAL INVESTMENTS PNM IS**  
3           **REQUESTING TO BE FINANCED THROUGH SECURITIZATION.**

4   **A.**    Please see PNM Table TSB-1 (3-15-21 Supplemental) below for a summary of  
5           FCPP capital investments PNM is requesting to recover through securitization  
6           financing and the applicable section of the Energy Transition Act (“ETA”)<sup>1</sup> that  
7           authorizes the recovery.

<b>PNM Table TSB-1 (3-15-21 Supplemental)</b>			
<b>FCPP Capital Investments</b>			
(in millions)			
	<b>Capital Investment</b>	<b>Estimated 2024 NBV</b>	<b>ETA Reference</b>
Investments made as of 6/30/2016	\$ 184.1	\$ 61.2	Section 2(H)(2)(c)
Investment made between 7/1/16 and 12/31/18	131.3	118.0	Section 2(H)(2)(c)
Investment made between 1/1/19 and 6/30/20	23.0	20.8	Section 2(H)(2)(d)
Projected Investments made between 7/1/20 and 12/31/24	73.0	70.5	Section 2(H)(2)(d)
Total FCPP Investments		270.5	
Remove Projected ARC Asset NBV at 12/31/24		(3.6)	Section 2(H)(2)(a)
Add: CWIP Balance at 12/31/24		3.4	Section 2(H)(2)(d)
Add: Retail Share FCPP Switchyard Assets Transferred to NTEC		1.0	Section 2(H)(2)(c)
FCPP Estimated 12/31/24 NBV - PNM Table TSB-4		\$ 271.3	

8

9           The ETA provides that abandonment costs are recoverable through securitized  
10           financing. Pursuant to Section 62-18-2(H)(2) of the ETA, abandonment costs  
11           include undepreciated investments in FCPP that were being recovered in rates as  
12           of January 1, 2019 as well as other undepreciated investments necessary to  
13           maintain safe and reliable operations prior to the plant’s abandonment. PNM

---

<sup>1</sup> NMSA 1978, §§ 62-18-1 to -23.

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1 Table TSB-1 (3-15-21 Supplemental) breaks down undepreciated FCPP  
2 investments into four tranches: 1) investments that were made prior to the 2016  
3 Rate Case (made as of 6/30/2016), 2) investments reflected in the linkage and  
4 test periods in the 2016 Rate Case (made between 7/1/2016 and 12/31/2018), 3)  
5 investments made after the 2016 rate case that were in service and had cleared  
6 for accounting purposes by June 30, 2020 (made between 1/1/2019 and  
7 6/30/2020), and 4) anticipated investments that had not cleared for accounting  
8 purposes as of July 1, 2020 (made between 7/1/20 and 12/31/24).

9

10 **Q. PLEASE QUANTIFY THE ACTUAL CAPITAL INVESTMENTS IN**  
11 **FCPP BETWEEN JULY 1, 2016 AND DECEMBER 31, 2018.**  
12 **(FEBRUARY ORDER ISSUE 2)**

13 **A.** Between July 1, 2016 and December 31, 2018, PNM recorded \$131.3 million of  
14 generation capital additions to FCPP. The actual capital additions of \$131.3  
15 million during this period are consistent with the projected \$148.7 million capital  
16 additions that PNM is currently earning a debt-only return on pursuant to the  
17 Commission's orders in the 2016 Rate Case. Please see the supplemental  
18 testimony of PNM Witness Fallgren for further details on these capital additions.

19

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1 **Q. WHAT ACCOUNTS FOR THE DIFFERENCE BETWEEN THE \$148.7**  
2 **MILLION FCPP CAPITAL INVESTMENTS IN THE 2016 RATE CASE**  
3 **AND THE \$131.3 MILLION FCPP CAPITAL INVESTMENTS THAT**  
4 **PNM INCURRED BETWEEN JULY 2016 AND DECEMBER 2018?**

5 **A.** The \$148.7 million represented estimated clearings of FCPP capital investments  
6 in the 2016 rate case in PNM's linkage and test period (July 1, 2016 through  
7 December 31, 2018). The \$131.3 million represents the actual clearings of FCPP  
8 capital investments that were recorded during the same period. Generally,  
9 "clearing" an investment for accounting purposes reflects that the particular  
10 project has gone into service.

11

12 **Q. HAS PNM INCLUDED THE \$131.3 MILLION OF CAPITAL**  
13 **ADDITIONS BETWEEN JULY 2016 AND DECEMBER 2018 IN THE**  
14 **ESTIMATED ABANDONMENT COSTS TO BE FINANCED THROUGH**  
15 **SECURITIZATION?**

16 **A.** Yes. The undepreciated net book value at December 31, 2024 of the \$131.3  
17 million of capital additions has been included in PNM's estimated undepreciated  
18 investment requested to be financed through securitization. Please see the PNM  
19 Table TSB-4 in my direct testimony filed in this case.

20

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1    **Q.    WAS PNM AUTHORIZED TO INCLUDE THE \$148.7 MILLION OF**  
2           **FCPP INVESTMENTS IN RATES IN THE 2016 RATE CASE AND, IF**  
3           **SO, WERE THEY BEING RECOVERED IN RATES AS OF JANUARY 1,**  
4           **2019? (FEBRUARY ORDER ISSUE 3)**

5    **A.**    Yes, PNM was authorized to include the capital investments in FCPP  
6           between July 1, 2016 and December 31, 2018 in rates at a debt-only return  
7           on the investments, pursuant to the Modified Revised Stipulation approved  
8           by the Commission in the 2016 Rate Case. Please see paragraph 8 of the  
9           Modified Revised Stipulation and Modified Revised Stipulation Exhibit 1,  
10          page 1, line 18 for phase one rates in effect February 1, 2018 through  
11          December 31, 2018 and phase two rates in effect January 1, 2019. Exhibit A  
12          in PNM’s Advice Notice 545, which implemented the phase one rates, also  
13          includes the same illustrative cost of service, which I have attached to my  
14          supplemental testimony as PNM Exhibit TSB-1 (3-15-21 Supplemental).

15  
16          As I discuss later in my testimony, PNM is required to include the full amount  
17          of the investment in its rate base and then reflect the Commission’s rate  
18          disallowance by calculating the allowable debt-only return separately to  
19          prevent the application of a full debt and equity return allowed for other  
20          capital investments.

21

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1   **Q.   WHAT WAS THE DOLLAR AMOUNT PNM WAS AUTHORIZED TO**  
2       **INCLUDE IN RATE BASE ASSOCIATED WITH THESE FCPP**  
3       **INVESTMENTS IN THE 2016 RATE CASE? (FEBRUARY ORDER**  
4       **ISSUE 4(a))**

5   **A.**   As confirmed in the Commission’s approval of the Modified Revised  
6       Stipulation, PNM was authorized to include \$148,710,487 in rate base. Please  
7       see PNM Exhibit TSB-2 (3-15-21 Supplemental) for PNM’s FCPP debt only  
8       return on calculation used to determine the appropriate adjustment to PNM’s  
9       illustrative cost of service study in the 2016 Rate Case (Exhibit 1 to the  
10      Modified Revised Stipulation). PNM Exhibit TSB-2 (3-15-21 Supplemental)  
11     demonstrates that these assets were included in rate base for the development  
12     of the illustrative cost of service. The \$148.7 million of capital additions can  
13     be found in the record for the 2016 Rate Case at PNM Exhibit HEM-4, WP  
14     Plant – 2 Gross Plant Activity, lines 2,719-2,738, column AJ, which is a  
15     direct input to derive PNM’s test period plant in service balances as a function  
16     of the fully functional cost of service model that PNM was required to include  
17     in its rate case filing package. The amount of detail in a fully functional  
18     electronic model that is filed and utilized under the Commission’s Future  
19     Test Year Rule, 17.1.3 NMAC, requires that hard copy versions of the  
20     model’s plant schedule data are “rolled up” in order to be meaningful. For  
21     convenience and clarity, I have provided the breakdown of the projects that



**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1           were included in PNM’s filed cost of service in PNM Exhibit TSB-3 (3-15-  
2           21 Supplemental).

3

4   **Q.   WHAT IS THE ESTIMATED NET BOOK VALUE OF THE CAPITAL**  
5           **ADDITIONS BETWEEN JULY 1, 2016 AND DECEMBER 31, 2018,**  
6           **INCLUDED IN PNM’S ESTIMATED UNDEPRECIATED**  
7           **INVESTMENT TO BE FINANCED THROUGH SECURITIZATION?**

8   **A.**   PNM estimates that the December 31, 2024 net book value for these capital  
9           additions will be approximately \$118.0 million. As discussed in my direct  
10          testimony in this case, PNM proposes to true up the difference between the  
11          estimated undepreciated net book value included in the abandonment costs, and  
12          the actual undepreciated net book value to be included at the time the bonds are  
13          issued. Please see PNM Table TSB-2 (3-15-21 Supplemental) below for the  
14          derivation of the estimated net book value.

<b>PNM Table TSB-2 (3-15-21 Supplemental)</b>	
<b>Estimated Four Corners Power Plant Net Book Value for Capital Clearings Between July 1, 2016 and December 31, 2018</b>	
<i>\$ in millions</i>	
Capital Clearings - July 1, 2016 - December 31, 2018	\$ 131.3
Increase to Accumulated Depreciation Reserve - July 1, 2016 - June 30, 2020	(5.1)
Undepreciated Investment at 6/30/2020 for Capital Clearings July 1, 2016 - December 31, 2018	126.2
Estimated Increase to Accumulated Depreciation Reserve - July 1, 2020 - December 31, 2024	(8.2)
Estimated Undepreciated Investment at 12/31/2024 for Capital Clearings July 1, 2016 - December 31, 2018	\$ 118.0

15

16

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1 **Q. WHAT AMOUNT OF THE CAPITAL ADDITIONS BETWEEN JULY 1,**  
2 **2016 AND DECEMBER 31, 2018 HAS ALREADY BEEN RECOVERED**  
3 **IN RATES AND WHAT AMOUNT REMAINS TO BE RECOVERED?**  
4 **(FEBRUARY ORDER ISSUE 4(b) AND (c))**

5 **A.** As stated earlier, PNM is already recovering the capital investments from July 1,  
6 2016 through December 31, 2018 in rates, as they are receiving a debt-only return  
7 on and return of these investments through depreciation expense included in  
8 rates. As shown in PNM Table TSB-2 (3-15-21 Supplemental) above, PNM  
9 has collected from customers approximately \$5.1 million related to the return of  
10 these investments as of June 30, 2020. The additional return of the investment  
11 estimated to be collected in rates from July 1, 2020 through December 31, 2024  
12 is \$8.2 million.

13  
14 **Q. IS THE UNDEPRECIATED AMOUNT OF THESE INVESTMENTS**  
15 **SUBJECT TO RECOVERY PURSUANT TO THE ENERGY**  
16 **TRANSITION ACT?**

17 **A.** Yes. As discussed above, I confirm that these capital investments were included  
18 in PNM's rates as of January 1, 2019, as provided in Section 62-18-2(H)(2)(c)  
19 of the ETA.

20

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1   **Q.   PLEASE QUANTIFY THE ACTUAL CAPITAL INVESTMENTS IN**  
2       **FCPP BETWEEN JANUARY 1, 2019 AND JUNE 30, 2020 THAT FALL**  
3       **WITHIN THE ETA’S DEFINITION OF ABANDONMENT COSTS.**

4   **A.**   Between January 1, 2019 and June 30, 2020, PNM recorded \$23.0 million of  
5       generation capital additions to FCPP. Please see the supplemental testimony of  
6       PNM Witness Fallgren for further details on these capital additions. Mr. Fallgren  
7       explains that these projects were necessary to comply with law or necessary to  
8       maintain the safe and reliable operation of FCPP prior to PNM’s exit and  
9       abandonment of FCPP. The undepreciated net book value at December 31, 2024  
10      of the \$23.0 million of capital additions has been included in PNM’s estimated  
11      undepreciated investment requested to be financed through securitization. Please  
12      see the PNM Table TSB-4 in my direct testimony filed in this case. The  
13      investments are properly included in the amount to be recovered through  
14      securitization financing under the ETA because, as PNM witness Thomas G.  
15      Fallgren explains in his supplemental testimony, they are necessary to maintain  
16      the safe and reliable operation of FCPP before PNM leaves the plant.

17

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1   **Q.   WHAT IS THE ESTIMATED NET BOOK VALUE OF THE CAPITAL**  
 2       **ADDITIONS BETWEEN JANUARY 1, 2019 AND JUNE 30, 2020,**  
 3       **INCLUDED IN PNM’S ESTIMATED UNDEPRECIATED**  
 4       **INVESTMENT TO BE FINANCED THROUGH SECURITIZATION?**

5   **A.**   PNM estimates that the December 31, 2024 net book value for these capital  
 6       additions will be approximately \$20.8 million. As discussed in my direct  
 7       testimony in this case, PNM proposes to true up the difference between the  
 8       estimated undepreciated net book value included in the abandonment costs, and  
 9       the actual undepreciated net book value to be included at the time the bonds are  
 10      issued. Please see PNM Table TSB-3 (3-15-21 Supplemental) below for the  
 11      derivation of the estimated net book value.

<b>PNM Table TSB-3 (3-15-21 Supplemental)</b>	
<b>Estimated Four Corners Power Plant Net Book Value for Capital Clearings Between January 1, 2019 and June 30, 2020</b>	
<i>\$ in millions</i>	
Capital Clearings - January 1, 2019 - June 30, 2020	\$ 23.0
Increase to Accumulated Depreciation Reserve - January 1, 2019 - June 30, 2020	(0.7)
Undepreciated Investment at 6/30/2020 for Capital Clearings January 1, 2019 to June 30, 2020	22.3
Estimated Increase to Accumulated Depreciation Reserve - July 1, 2020 - December 31, 2024	(1.6)
Estimated Undepreciated Investment at 12/31/2024 for Capital Clearings January 1, 2019 to June 30, 2020	\$ 20.8

12  
13

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1 **Q. WHAT IS THE ESTIMATED NET BOOK VALUE OF THE EXPECTED**  
 2 **CAPITAL ADDITIONS BETWEEN JULY 1, 2020 AND DECEMBER 31,**  
 3 **2024 INCLUDED IN PNM’S ESTIMATED UNDEPRECIATED**  
 4 **INVESTMENT TO BE FINANCED THROUGH SECURITIZATION?**

5 **A.** Between July 1, 2020 and December 31, 2024, PNM has projected it will incur  
 6 approximately \$73.0 million of generation capital additions to FCPP. Please see  
 7 the supplemental testimony of PNM Witness Fallgren for further detail on these  
 8 capital additions. PNM Witness Fallgren addresses how these investments  
 9 meet the ETA’s definition of abandonment costs to be recovered through  
 10 securitized financing. PNM estimates that the December 31, 2024 net book  
 11 value for these capital additions will be approximately \$70.5 million. As  
 12 discussed in my direct testimony in this case, PNM proposes to true up the  
 13 difference between the estimated undepreciated net book value included in the  
 14 abandonment costs, and the actual undepreciated net book value to be included  
 15 at the time the bonds are issued. Please see PNM Table TSB-4 (3-15-21  
 16 Supplemental) below for the derivation of the estimated net book value.

<b>PNM Table TSB-4 (3-15-21 Supplemental)</b>	
<b>Estimated Four Corners Power Plant Net Book Value for Capital Clearings Between July 1, 2020 and December 31, 2024</b>	
<i>\$ in millions</i>	
Estimated Capital Clearings - July 1, 2020 - December 31, 2024	\$ 73.0
Increase to Accumulated Depreciation Reserve - July 1, 2020 - December 31, 2024	(2.4)
Estimated Undepreciated Investment at 12/31/2024 for Estimated Capital Clearings July 1, 2020 - December 31, 2024	70.5

18

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1 **Q. DO THE PROJECTED INVESTMENTS OF \$73 MILLION MADE**  
2 **BETWEEN JULY 1, 2020 AND DECEMBER 31, 2024 SATISFY THE**  
3 **CRITERIA OF SECTION 2(H)(2)(d) OF THE ETA? (FEBRUARY**  
4 **ORDER ISSUE 1(a))**

5 **A.** Yes. These investments are the same as those identified in Table TSB-4 to my  
6 direct testimony as “Capital Clearings – July 1, 2020 – December 31, 2024.” The  
7 investments are properly included in the amount to be recovered through  
8 securitization financing under the ETA because, as PNM witness Thomas G.  
9 Fallgren explains in his supplemental testimony, they are necessary to maintain  
10 the safe and reliable operation of FCPP before PNM leaves the plant.

11

12 **III. FINANCIAL IMPACT OF THE FCPP ADJUSTMENTS ORDERED IN**  
13 **THE 2016 RATE CASE**

14 **Q. WHAT ADJUSTMENTS RELATED TO FCPP DID THE COMMISSION**  
15 **ORDER IN THE 2016 RATE CASE?**

16 **A.** In the 2016 Rate Case, the Commission determined that the appropriate remedy for  
17 the potential imprudence of PNM’s decisions for FCPP was to require PNM to  
18 adjust the stipulated illustrative cost of service study to reflect a debt-only return  
19 on \$148.7 million of capital investments associated with PNM’s request to include  
20 in rate base investments for the FCPP selective catalytic reduction control project  
21 (approximately \$90.1 million) and other capital improvements in FCPP  
22 (approximately \$58.6 million) during the linkage and test period (July 1, 2016 –

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1 December 31, 2018). PNM filed these adjustments to its cost of service as part of  
2 its compliance filing required by the Commission, which is attached to my  
3 testimony as PNM Exhibit TSB-1 (3-15-21 Supplemental). In addition to the debt  
4 only return adjustment, the Commission required PNM to further reduce the  
5 stipulated illustrative cost of service study by \$4.4 million.<sup>2</sup> The stipulating parties  
6 filed a Modified Revised Stipulation and a modified illustrative cost of service  
7 reflecting the Commission’s adjustments on January 23, 2018.

8

9 **Q. WHAT FINANCIAL IMPACT DID THE DEBT-ONLY RETURN ON FCPP**  
10 **CAPITAL INVESTMENTS HAVE ON PNM?**

11 **A.** As a result of the debt-only return on \$148.7 million of capital investments, PNM  
12 recorded a \$27.9 million pre-tax impairment loss for generally accepted accounting  
13 principles (“GAAP”) reporting purposes only. The impairment loss represents the  
14 net present value of the future uncollectable return on equity on the \$148.7 million  
15 projected capital investments.

16

---

<sup>2</sup> *Revised Order Partially Adopting Certification of Stipulation* at ¶67 (January 10, 2018); *Order on Notice of Acceptance* at Ordering Paragraph A (January 17, 2018).

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1 **Q. HAS PNM REDUCED THE FCPP ESTIMATED UNDEPRECIATED**  
2 **INVESTMENTS FROM THE 2016 RATE CASE TO BE RECOVERED**  
3 **THROUGH SECURITIZATION?**

4 **A.** No. The Commission required and approved the treatment I have applied.  
5 Paragraph 8 of the Modified Revised Stipulation provides that any accounting  
6 requirements under GAAP affecting the valuation of these assets on PNM's  
7 financial statements shall not affect the rate base value of the \$148 million  
8 investment at FCPP for purposes of setting retail service rates. As specified in the  
9 approved Stipulation, PNM has not reduced rate base for regulatory reporting  
10 purposes by the GAAP impairment loss; therefore, the full value of the capital  
11 investments are properly included in the estimated undepreciated investment to be  
12 recovered through securitization financing pursuant to Section 2(H)(2)(c) of the  
13 ETA.

14

15 **Q. WILL THE COMMISSION'S DEBT-ONLY RETURN ON**  
16 **DETERMINATION FOR THESE FCPP INVESTMENTS BE CARRIED**  
17 **FORWARD THROUGH THE PROPOSED SECURITIZATION**  
18 **FINANCING?**

19 **A.** Yes. Under securitized financing, PNM would remove these FCPP investments, as  
20 well as other FCPP investments, from its rates and would issue securitized bonds  
21 that include the amounts removed from rates. PNM earns no further debt or equity  
22 return on these FCPP capital investments, and customers repay these bonds to the



**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1           bondholders at generally more favorable interest rates than PNM’s cost of debt, as  
2           discussed by PNM Witness Atkins in his Direct Testimony. This has the effect of  
3           applying the Commission’s debt-only remedy at an anticipated lower interest rate  
4           to all of the undepreciated investments in FCPP, not just those at issue in the 2016  
5           Rate Case.

**IV.   ENERGY TRANSITION CHARGE IMPACTS**

8   **Q.   HAS PNM QUANTIFIED THE IMPACTS TO THE ENERGY**  
9   **TRANSITION CHARGE FOR EACH TRANCH OF UNDEPRECIATED**  
10 **INVESTMENT SHOWN IN PNM TABLE TSB-1 (SUPPLEMENTAL)?**  
11 **(FEBRUARY ORDER ISSUE 1)**

12 **A.**   Yes. PNM Exhibit TSB-4 (3-15-21 Supplemental) reflects the amount of  
13       energy transition charge first year revenue requirement, as discussed in the  
14       direct testimony of PNM Witness Atkins, by each tranche of December 31,  
15       2024 undepreciated investment shown in PNM Table TSB-1 (3-15-21  
16       Supplemental). Please see the supplemental testimony of PNM Witness  
17       Michael Settlage for the associated estimated customer bill impacts.

18

**SUPPLEMENTAL TESTIMONY  
OF THOMAS S. BAKER  
NMPRC CASE NO. 21-00017-UT**

1

**V. CONCLUSION**

2 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

**A.** Yes.

*GCG#527782*

1	A	B	C		D		E	
			Commission Final Order Non-Fuel Revenue Requirement	Commission Final Order Fuel Revenue Requirement	Commission Final Order Total Retail Revenue Requirement	Commission Final Order Total Retail Revenue Requirement		
1	Exhibit A - PNM Exhibit HEM-3 - Test Period Change Log							
2	Commission's January 10, 2018 Order as Modified on January 17, 2018 ("Commission Final Order")							
3	Description							
4	As Filed (PNM Retail Jurisdiction)		\$ 791,637,379	\$ 140,566,737	\$ 932,624,117			
5	Revised Stipulation Adjustments							
6	Adjustment 1: Set ROE to 9.575%		(10,638,616)	-	(10,638,616)			
7	Adjustment 2: Debt Only Return on Four Corners SCR Investment		(3,073,734)	-	(3,073,734)			
8	Adjustment 3: Accelerate Excess Deferred State Income Tax Amortization to 3 years		(6,103,000)	-	(6,103,000)			
9	Adjustment 4: Correction to A&G Loads on RWIP & Planned Outage calculation		136,920	-	136,920			
10	Adjustment 5: Correction to removal of PV2 ARO Accumulated Depreciation Balances		(32,772)	-	(32,772)			
11	Adjustment 6: Correction to Transmission Deferral Balance in Working Capital		(5,323)	-	(5,323)			
12	Adjustment 7: Correction to classification of Valencia scheduling fees from non-fuel to fuel		(435,115)	435,115	-			
13	Adjustment 8: Correction to Cash Working Capital on Palo Verde O&M and Income Taxes, and above impacts		(236,709)	-	(236,709)			
14	Adjustment 9: Stipulation Adjustment to Reflect Changes to Rate Base, Operating Expenses, Revenues		(16,530,170)	-	(16,530,170)			
15	Commission Final Order Adjustments							
16	Reverse Adjustment 9		16,530,170	-	16,530,170			
17	Reverse Adjustment 2		3,073,734	-	3,073,734			
18	Commission Final Order Adjustment 1: Debt Only Return On FCPP Capital Improvements (\$148.7 million)		(4,725,915)	-	(4,725,915)			
19	Commission Final Order Adjustment 2: Removal of SJGS Capital Improvements (\$36.8 million)		(2,906,102)	-	(2,906,102)			
20	Commission Final Order Adjustment 3: Black Box Adjustment to Adjustment 9 to reflect Commission Final Order		(11,971,888)	-	(11,971,888)			
21	Commission Final Order Adjustment 4: Black Box Adjustment to Reduce \$62.3 million by \$4.4 million		(4,400,000)	-	(4,400,000)			
22	Commission Final Order - Revenue Requirement		750,318,860	141,421,852	891,740,712			
23								
24	Compliance Adjustments to Reflect Tax Reform and Cost of Debt Rate Update							
25	Compliance Adjustment 1: Change to Corporate Federal Income Tax Rate (21%)		(30,637,905)	-	(30,637,905)			
26	Compliance Adjustment 2: Amortization of Excess Deferred Federal Income Tax		(16,229,383)	-	(16,229,383)			
27	Compliance Adjustment 3: Update to Reflect True-up to Embedded Cost of Debt		(792,367)	-	(792,367)			
28	Compliance Filing Revenue Requirement Including Tax Reform and Cost of Debt Rate Update		702,659,204	141,421,852	844,081,057			
29								
30	Revenue at Existing Rates		692,387,805	141,421,852	833,809,657			
31								
32	Compliance Filing Revenue Deficiency		10,271,699	-	10,271,699			





A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST												
1	2	3	Test Period Ending December 31, 2018	FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	Total FERC Jurisdiction	Commission Final Order Excluded
86	Accumulated Deferred Income Taxes											
87	Injury & Damages											
88	Palo Verde Gain 1 & 2			190	Total WAS	2,741,689		2,741,689	2,495,568	7,499	130,172	108,439
89	Excise Deferral State and Federal Income Tax (EDSIT) and (EDFIT)			190	FERC	178,851		178,851			128,851	
90	Palo Verde Construction Credits 1 & 2			190	ADIT		23,189,484.07	23,189,484.07	20,223,159	1,087,194	1,619,723	239,419
91	Pension Prepaid Tax Qualified			190, 283	Retail	16,746		16,746				
92	Pension Prepaid Tax NQRP			190, 283	Total WAS	(61,898,937)		(61,898,937)	(56,342,550)	(169,298)	(2,938,886)	(2,446,223)
93	Eastern Interconnect Project Gain			190, 283	Total WAS	2,313,160		2,313,160	2,105,517	6,327	109,826	91,490
94	Line Extension Policy			190	Trans Dmd							
95	Tax Capitalized Interest			190	Retail	857,131		857,131	857,131			
96	Palo Verde Dry Cask Storage 1 & 2			190	Total Net Pft	22,947,461		22,947,461	20,389,229		2,294,504	263,728
97	Palo Verde Dry Cask Storage 3			190	Gen Dmd							
98	Contributions In Aid of Construction			190	Gen Dmd							
99	Coal Mine Decommissioning			190, 283	Retail	34,915,974		34,915,974	34,915,974			
100	Pollution Control Facilities 4 Corners			281	Retail	(1,589,677)		(1,589,677)	(1,589,677)		(767,451)	
101	FERC Customer Depreciation			282	FERC Transmission	1,280,363		1,280,363			1,280,363	
102	Liberalized Depreciation - Renewables			282	Renewables	(45,476,449)		(45,476,449)		(45,476,449)		
103	Liberalized Depreciation - Other			282	G&P Pft	(38,338,879)	(734,762)	(39,073,641)	(34,887,969)		(3,611,823)	(620,870)
104	Liberalized Depreciation - Generation			282	Gen Dmd	(378,078,475)		(378,078,475)	(370,044,936)			
105	Liberalized Depreciation - Distribution			282	Gen Dmd	(240,592,716)		(240,592,716)	(240,592,716)			
106	Liberalized Depreciation - Transmission			282	Trans Dmd	(137,221,045)		(137,221,045)	(137,388,275)			
107	Liberalized Depreciation - PV 3			282	Gen Dmd	(80,341,357)		(80,341,357)	(80,341,357)		(66,197,571)	
108	Palo Verde Start-Up Amortization			282	FERC	250,026		250,026			250,026	
109	Nuclear Fuel Amortization PV 1&2			282	Energy	5,892,474		5,892,474	5,892,474			
110	Nuclear Fuel Amortization PV 3			282	Energy	3,246,582		3,246,582	3,246,582			
111	Debt AFUDC			282	Total Net Pft	(27,857,346)		(27,857,346)	(24,840,586)		(2,795,439)	(321,304)
112	Pre-1981 Repair Allowance			282	Gen Dmd	(22,138,422)		(22,138,422)	(22,138,422)			
113	Palo Verde Licensing Amortization			282	Gen Dmd	(4,611,465)		(4,611,465)	(4,611,465)			
114	Asset Retirement Obligation			190, 282, 283	Gen Dmd	6,622,514		6,622,514	6,622,514			
115	Aflon Writedown			282	Gen Dmd	3,884,264		3,884,264	3,884,264			
116	Loss on Reactor Debt			283	Retail	(3,327,405)		(3,327,405)	(3,327,405)			
117	Book Capitalized Interest			283	Total Net Pft	(8,390,492)		(8,390,492)	(7,366,250)		(828,962)	(95,280)
118	Prepaid Expenses			190	Gen Dmd	(3,756,997)		(3,756,997)	(3,756,997)			
119	Net Operating Loss (NOL)			190	Total Net Pft	69,628,340		69,628,340	61,777,173		6,952,101	799,066
120	Deferred Federal Tax Credits			190	Energy	9,211,736		9,211,736	9,211,736			
121	PCB Refinancing			283	Retail	(5,368,226)		(5,368,226)	(5,368,226)			
122	LVGS Decommissioning			190	Retail	171,549		171,549	171,549			
123	Renewable NMI AETC			190	Renewables	1,335,100		1,335,100	1,335,100			
124	Rate Case Expense			283	Retail	(1,335,421)		(1,335,421)	(1,335,421)			
125	DOE Spent Fuel Settlement			190	Retail							
126	DOE Spent Fuel Settlement PV3			190	Retail							
127	50% SJGS 2&3			283	Gen Dmd	(48,497,857)		(48,497,857)	(48,497,857)			
128	Liberalized Depreciation - SJ 132 MW			282	Gen Dmd	1,522,962		1,522,962	1,522,962			
129	Liberalized Depreciation - SJ 65 MW			282	Gen Dmd	(2,889,416)		(2,889,416)				(2,589,418)
130	SJGS Agreement Costs			283	Gen Dmd	(954,168)		(954,168)	(954,168)			
131	Liberalized Depreciation - HLM			282	Excluded	(4,842,558)		(4,842,558)				(4,842,558)
132	Total Accumulated Deferred Income Taxes						27,801,021	(920,652,812)	(803,753,108)	(43,208,628)	(64,374,566)	(9,515,511)
133												

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	Total FERC Jurisdiction	Commission Final Order Excluded
1	2	3	134	182	Retail	3,917,934		3,917,934	3,917,934	-	-	-
			135	254	Retail	(35,484)		(35,484)	(35,484)	-	-	-
			136	254	Retail	-		-	-	-	-	-
			137	254	Retail	-		-	-	-	-	-
			138	182	Retail	93,041		93,041	93,041	-	-	-
			139	254	Retail	(512,013)		(512,013)	(512,013)	-	-	-
			140	182	Retail	13,503,542		13,503,542	13,503,542	-	-	-
			141	254	Renewables	(17,443,954)		(17,443,954)	(17,443,954)	(17,443,954)	-	-
			142	254	Renewables	(3,360,608)		(3,360,608)	(3,360,608)	(3,360,608)	-	-
			143	186	Retail	1,184,382		1,184,382	1,184,382	-	-	-
			144		Gen Dmd	125,018,594		125,018,594	125,018,594	-	-	-
			145									
			146									
			147									
			148									
			149									
			150									
			151									
			152									
			153	235	Retail	(12,363,018)		(12,363,018)	(12,363,018)	-	-	-
			154	108	Gen Dmd	-		-	-	-	-	-
			155	108	Trans Dmd	-		-	-	-	-	-
			156	108	Retail	-		-	-	-	-	-
			157	108	Gen Dmd	-		-	-	-	-	-
			158	230	Gen Dmd	(15,421,036)		(15,421,036)	(15,421,036)	-	-	-
			159	230	Trans Dmd	-		-	-	-	-	-
			160	230	Retail	(1,337,402)		(1,337,402)	(1,337,402)	-	-	-
			161	230	Gen Dmd	-		-	-	-	-	-
			162	228	Total W&S	(6,865,623)		(6,865,623)	(6,249,325)	(18,778)	(325,971)	(271,549)
			163		Total W&S	(5,826,862)		(5,826,862)	(5,303,827)	(15,937)	(276,653)	(230,484)
			164	253	Gen Dmd	-		-	-	-	-	-
			165	253	Gen Dmd	-		-	-	-	-	-
			166	253	FERC	(321,177)		(321,177)	-	-	(321,177)	-
			167	253	Excluded	(8,113,311)		(8,113,311)	-	-	-	(8,113,311)





A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period with manual adjustments PNM	PNM Retail Jurisdiction	Renewables	Total FERC Jurisdiction	Commission Final Order Excluded
1	Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST											
2	Test Period Ending December 31, 2018											
3												
215												
216	<b>Operations and Maintenance Expenses</b>											
217												
218	Production Fuel related expenses											
219												
220	Production - FPPCAC Fuel Related											
221	Steam Generation			501	Direct Assignment	123,673,365		123,673,365	112,917,097			10,756,267
222	Steam Fuel Handling and Disposal			501	Direct Assignment	10,206,775		10,206,775	9,905,506			301,269
223	Nuclear			518	Direct Assignment	25,020,716		25,020,716	25,020,716			
224	Nuclear Disposal			518	Direct Assignment	1,071,737		1,071,737	1,071,737			
225	Gas Generation			547	Direct Assignment	47,587,868		47,587,868	47,587,868			
226	Renewables - Owned			547	Direct Assignment							
227	Wind (NMWEC)			555	Direct Assignment							
228	Renewables - PPA			555	Direct Assignment	27,750,811		27,750,811		27,750,811		
229	Purchased Power Energy			555	Direct Assignment	7,042,966		7,042,966	7,042,966			
230	Spinning reserves			555	Direct Assignment	730,000		730,000	730,000			
231	Tri State Hazard Sharing			555	Direct Assignment	20,077,990		20,077,990	20,077,990			
232	Total Fuel Costs (before OSS)					263,162,248		263,162,248	224,353,901	27,750,811		11,057,536
233												
234	Off-system Sales			447	Direct Assignment	(55,093,534)		(55,093,534)	(55,093,534)			
235	Off-system Sales - PV 3			447	Direct Assignment							
236	Off-system Sales - 65 MW			447	Direct Assignment	(10,935,849)		(10,935,849)				(10,935,849)
237	Tri State Hazard Sharing			447	Direct Assignment	(20,077,990)		(20,077,990)	(20,077,990)			
238	Off-system Sales Credit			447	Direct Assignment							
239	Refined Coal Credit			501	Direct Assignment	(4,232,341)		(4,232,341)	(3,742,835)			(489,506)
240	DOE Spent Fuel Credit			447	Direct Assignment	(4,017,689)		(4,017,689)	(4,017,689)			
241	Load Sale from Transmission Customers			456.1	Direct Assignment							
242	Physical Sales of Gas (under FAC hedge plan)											
243	Total Other Fuel					(94,357,403)		(94,357,403)	(82,932,048)			(11,425,355)
244												
245	Total Fuel (net OSS)					168,804,845		168,804,845	141,421,852	27,750,811		(367,818)
246												
247	Production - Non Fuel Items											
248	Coal Fuel Handling			501	Energy							
249	Nuclear Fuel Handling			518	Energy							
250	Gas Plants Fuel Transportation			547	Energy	11,760,008		11,760,008	11,760,008			
251	Gas PPA - Valencia - Demand			555	Gen Dmd	19,905,970		19,905,970	19,905,970			
252	Purchase Power for Economy Service Customer			555	Retail							
253	Purchased power for Rate 36B											
254	Deferred Energy				Excluded							
255	REC Purchases and Renewable Energy Amortization			555	Renewables	8,276,981		8,276,981		8,276,981		
256	Gas Swaps - Non Fuel Clause Settlements and Excess Gas Physical Purchases				FERC							
257	Coal Mine Decommissioning - Allowed			501.15	Retail	7,657,459		7,657,459	7,657,459			
258	Coal Mine Decommissioning - Disallowed			501.15	Excluded	1,773,461		1,773,461				1,773,461
259	Coal Mine Decommissioning - FERC			501.15	FERC							
260	Hedge - FERC				FERC							
261	Spinning reserves				Gen Dmd							
262	Broker Fees				Gen Dmd	180,000		180,000	180,000			
263	Total Non Fuel Items					49,553,860		49,553,860	39,503,438	8,276,981		1,773,461
264												
265	Total Fuel Related Expense					218,358,725		218,358,725	180,925,290	36,027,792		1,406,642

A	B	C	D	E	F	G	H	I	J	K	R	S
1	Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST											
2	Test Period Ending December 31, 2018			FERC Account	Allocators	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	Total FERC Jurisdiction	Excluded
266												
267	C&M											
268	Steam Production											
269	Oper-Sup & Eng-Prod			500	Gen Dmd	5,244,530		5,244,530	5,244,530			
270	Oper-Steam Expense-Major			502	Gen Dmd	10,501,717		10,501,717	10,501,717			
271	Oper - Steam from Other Sources			503	Gen Dmd							
272	Oper-Electric Exp-Major			505	Gen Dmd	5,017,163		5,017,163	5,017,163			
273	Oper-Misc Steam Power Exp			506	Gen Dmd	3,294,855		3,294,855	3,294,855			
274	Oper-Rents-Steam Power			507	Gen Dmd	162,533		162,533	162,533			
275	Maint-Sup & Eng-Steam			510	Energy	4,097,873		4,097,873	4,097,873			
276	Maint-Structures-Steam			511	Gen Dmd	5,962,123		5,962,123	5,962,123			
277	Maint-Boller Plant			512	Energy	20,071,661		20,071,661	20,071,661			
278	Maint-Electric Plant			513	Energy	5,767,918		5,767,918	5,767,918			
279	Maint-Gen & Elec Plant			514	Gen Dmd	4,568,996		4,568,996	4,568,996			
280	SJ Unit 4 65MW - Steam Production				Excluded	5,145,685		5,145,685				5,145,685
281	Nuclear Production											
282	Oper-Sup & Eng-Nuclear			517	Gen Dmd	9,636,519		9,636,519	9,636,519			
283	Oper-Coolants and Water			519	Gen Dmd	4,668,802		4,668,802	4,668,802			
284	Oper-Steam Expenses-Nuclear			520	Gen Dmd	3,904,655		3,904,655	3,904,655			
285	Oper-Electric Exp			523	Gen Dmd	2,959,032		2,959,032	2,959,032			
286	Oper-Misc Nuclear Power, excluding PV 1&2 Decom & CE Credit			524	Gen Dmd	15,657,003		15,657,003	15,657,003			
287	Oper-Misc Nuclear Power - PV 1&2 Decom & CE Credit			524	Retail	(6,295,317)		(6,295,317)	(6,295,317)			
288	Oper-Rents-Nuclear, excluding PV 1&2 CE Credit & Excess Gain Amort			525	Gen Dmd	19,566,091		19,566,091	19,566,091			
289	Oper-Rents-Nuclear - PV 1&2 CE Credit			525	Retail	0		0	0			
290	Oper-Rents-Nuclear - PV 1&2 Excess Gain Amort			525	FERC	(39,620)		(39,620)	(39,620)			
291	Maint-Sup & Eng-Nuclear			528	Energy	2,003,878		2,003,878	2,003,878			
292	Maint-Structures-Major			529	Gen Dmd	789,263		789,263	789,263			
293	Maint-Reactor Plant			530	Energy	5,187,454		5,187,454	5,187,454			
294	Maint-Elec Plant			531	Energy	5,102,050		5,102,050	5,102,050			
295	Maint-Misc Nuclear Plant			532	Gen Dmd	1,133,899		1,133,899	1,133,899			
296	Palo Verde 3 - Nuclear Production, FERC 517,519-532				Gen Dmd							

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period with manual adjustments PNM	PNM Retail Jurisdiction	Commission Final Order Renewables	Commission Final Order Total FERC Jurisdiction	Commission Final Order Excluded
1	2	3	287 Other Production									
			288 Oper-Sup & Eng-Other	546	Energy	4,144,974		4,144,974	4,144,974			
			289 Oper-Oth Pwr Gen Exp-Other	549	Energy	346,611		346,611	346,611			
			300 Oper-Oth Pwr Gen Exp-Other - Renewables	549	Renewables	548,500		548,500		548,500		
			301 Maint - Structures	552	Gen Dmd	931,245		931,245	931,245			
			302 Maint-Gen & Elec Plant	553	Energy	8,325,309		8,325,309	8,325,309			
			303 Maint-Gen & Elec Plant - Renewables	553	Renewables	1,108,051		1,108,051		1,108,051		
			304 Maint-Gen & Elec Plant	556	Gen Dmd	4,129,076		4,129,076	4,129,076			
			305 Total Production O&M			153,642,598		153,642,598	146,860,112	1,556,551	(39,820)	5,145,685
			306									
			307 Transmission O&M (560-574, excluding 565).									
			308 Oper-Sup & Eng-ETrans	560	Trans Dmd	1,753,310		1,753,310	906,516		844,795	
			309 Oper-Load Dispatch-ETrans	561	Trans Dmd	920,235		920,235	476,840		443,395	
			310 Oper-Station Exp-ETrans	562	Trans Dmd	521,416		521,416	270,183		251,233	
			311 Oper-Overhead Lines-ETrans	563	Trans Dmd	103,765		103,765	53,778		50,007	
			312 Oper-Misc Transmission-E	566	Trans Dmd	3,201,073		3,201,073	1,658,705		1,542,368	
			313 Oper-Rentis-Transmission-E	567	Trans Dmd	11,265,664		11,265,664	5,647,921		5,437,763	
			314 Maint Sup & Eng-ETrans	568	Trans Dmd	5,264		5,264	2,728		2,537	
			315 Maint-Structures-ETrans	569	Trans Dmd	207		207	108		100	
			316 Maint-Overhead Lns-ETrans	570	Trans Dmd	3,175,047		3,175,047	1,645,219		1,529,828	
			317 Maint-Misc Trans Pk-Maj-E	571	Trans Dmd	294,006		294,006	152,345		141,660	
			318 Maint-Misc Trans Pk-Maj-E	573	Trans Dmd	182		182	94		88	
			319 Maint-Trans Plant-NonMaj-E	574	Trans Dmd	9,641		9,641	4,966		4,645	
			320 HLM - Transmission O&M	560-564,566-574	Excluded	20,300		20,300				20,300
			321 Total Transmission O&M, excluding FERC 565			21,290,150		21,290,150	11,021,433		10,248,418	20,300
			322									
			323 Transmission O&M by Others (565).									
			324 Owned Generation Wheeling	565	Gen Dmd	10,064,647		10,064,647	10,064,647			
			325 PV 3 Wheeling	565	Gen Dmd	6,373,238		6,373,238	6,373,238			
			326 Retail Wheeling	565	Retail	1,497,200		1,497,200	1,497,200			
			327 FERC Wholesale Customer Wheeling	565	FERC	1,619,479		1,619,479			1,619,479	
			328 WAPA Exchange	565	Gen Dmd	3,185,557		3,185,557	3,185,557			
			329 Transmission by Others	565	Gen Dmd	3,781,319		3,781,319	3,781,319			
			330 Total Transmission by Others, FERC 565			26,521,440		26,521,440	24,901,961		1,619,479	
			331									
			332 Total Transmission O&M			47,811,590		47,811,590	35,923,394		11,867,897	20,300
			333									

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	Allocator	Commission Final Order Test Period PNM	Commission Final Order Other Manual Adjustments	Commission Final Order Test Period (with manual adjustments) PNM	Commission Final Order PNM Retail Jurisdiction	Commission Final Order Renewables	Commission Final Order Total FERC Jurisdiction	Commission Final Order Excluded
1	Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST											
2	Test Period Ending December 31, 2018											
3												
334	Total Dist O&M (580-588)											
335												
336	PNM Street & Private Lighting				Retail	84,117		84,117	84,117			
337	Oper-Street Light/Signal-E			585	Retail	84,117		84,117	84,117			
338	Maint-Street Light/Signal-E			586	Retail	975,291		975,291	975,291			
339	Total Street and Private Lighting					1,059,407		1,059,407	1,059,407			
340												
341	PNM Meters											
342	Oper-Meter Expense-EDist			586	Retail	3,054,955		3,054,955	3,054,955			
343	Maint-Meters-EDist			597	Retail	229,901		229,901	229,901			
344						3,284,856		3,284,856	3,284,856			
345	Total Meters											
346	All Other Distribution O&M											
347	Oper-Sup & Eng-EDist			590	Retail	2,115,894		2,115,894	2,115,894			
348	Oper-Station Exp-EDist			592	Retail	152,685		152,685	152,685			
349	Oper-Overhead Lines-EDist			593	Retail	1,886,382		1,886,382	1,886,382			
350	Oper-Undergrid Lines-EDist			584	Retail	498,832		498,832	498,832			
351	Oper-Misc Dist Exp-EDist			588	Retail	5,405,376		5,405,376	5,405,376			
352	Oper-Rentals-Distribution-E			589	Retail	335,728		335,728	335,728			
353	Maint-Sup & Eng-EDist			591	Retail	777,207		777,207	777,207			
354	Maint-Structures-EDist			591	Retail	41,539		41,539	41,539			
355	Maint-Station Equip-EDist			592	Retail	1,002,889		1,002,889	1,002,889			
356	Maint-Overhead Lns-EDist			593	Retail	2,918,805		2,918,805	2,918,805			
357	Maint-Und Lines-EDist			594	Retail	1,293,634		1,293,634	1,293,634			
358	Maint-Misc Dist Plant-E			588	Retail	468,198		468,198	468,198			
359	Total Other Distribution O&M					16,897,170		16,897,170	16,897,170			
360												
361	Total Distribution O&M					21,244,433		21,244,433	21,244,433			
362												
363	Customer Related O&M											
364												

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	Allocator	Commission Final Order Test Period PNM	Commission Final Order Other Manual Adjustments	Commission Final Order Test Period (with manual adjustments) PNM	Commission Final Order PNM Retail Jurisdiction	Commission Final Order Renewables	Commission Final Order Total FERC Jurisdiction	Commission Final Order Excluded
1	Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST											
2	Test Period Ending December 31, 2018											
3												
365	PNM Related Customer Accounts Exp											
366	Supervision-Customer Accts			901	Retail	(169,104)	(169,104)	(169,104)	(169,104)			
367	Meter Reading Expenses			902	Retail	4,845,471	4,845,471	4,845,471	4,845,471			
368	Customer Record and Coll			903	Retail	7,653,775	7,653,775	7,653,775	7,653,775			
369	Uncollectible Expenses			904	Retail	3,477,919	3,477,919	3,477,919	3,477,919			
370	Misc Customer Accts Exp			905	Retail	(4)	(4)	(4)	(4)			
371	Cust Service/Inf Expenses			906	Retail	289,679	289,679	289,679	289,679			
372	Customer Assistance Exps			907	Retail	626,752	626,752	626,752	626,752			
373	Inform/Instru Advert Exps			908	Retail	354	354	354	354			
374	Demo & Selling Expenses - Excluding Production			912	Retail	40,530	40,530	40,530	40,530			
375	Demo & Selling Expenses - Production			912	Sales	4,522,939	4,522,939	4,522,939	4,522,939			188,907
376												
377												
378	Total Customer Related O&M					21,286,211		21,286,211	21,099,304			188,907
379	Administrative & General Expenses											
380												
381	Production - Admin and General Salaries			920	Gen Dmd	(1,352,740)	(1,352,740)	(1,352,740)	(1,352,740)			
382	Transmission - Admin and General Salaries			920	Trans W&S	452,228	452,228	452,228	234,331		217,895	
383	Distribution - Admin and General Salaries			920	Retail	2,432,894	2,432,894	2,432,894	2,432,894			
384	Production - AG Office Supplies Exp			921	Gen Dmd	(320,700)	(320,700)	(320,700)	(320,700)			
385	Transmission - AG Office Supplies Exp			921	Trans W&S	231,993	231,993	231,993	120,212		111,781	
386	Distribution - AG Office Supplies Exp			921	Retail	1,294,075	1,294,075	1,294,075	1,294,075			
387	A&G Charged to CWP - Production			922	Gen Dmd	(1,185,585)	(1,185,585)	(1,185,585)	(1,185,585)			
388	A&G Charged to CWP - Transmission			922	Trans W&S	(2,294,993)	(2,294,993)	(2,294,993)	(1,189,200)		(1,105,793)	
389	A&G Charged to CWP - Distribution			922	Retail	(3,615,566)	(3,615,566)	(3,615,566)	(3,615,566)			
390	Production Related - Shared Services			9229	Gen Dmd	24,347,771	24,347,771	24,347,771	24,347,771			
391	Transmission Related - Shared Services			9229	Trans W&S	6,378,866	6,378,866	6,378,866	3,305,358		3,073,528	
392	Distribution/Customer Related - Shared Services			9229	Retail	35,947,465	35,947,465	35,947,465	35,947,465			
393	Production - Outside Services			923	Gen Dmd	31,144	31,144	31,144	31,144			
394	Transmission - Outside Services			923	Trans W&S	132,606	132,606	132,606	68,713		63,893	
395	Distribution - Outside Services			923	Retail	1,520,603	1,520,603	1,520,603	1,520,603			
396	Production - Property Insurance			924	Prod Pft	1,657,432	1,657,432	1,657,432	1,643,201			14,232
397	Transmission - Property Insurance			924	Trans Pft	340,114	340,114	340,114	173,819		155,448	10,849
398	Distribution - Property Insurance			924	Retail	231,271	231,271	231,271	231,271			
399	Production - Injuries or Damages-Safety			925	Gen Dmd	1,159,972	1,159,972	1,159,972	1,159,972			
400	Transmission - Injuries or Damages-Safety			925	Trans W&S	193,685	193,685	193,685	100,362		93,323	

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order	Ending	December 31, 2018	Test Period	FERC Account	Allocator	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order
			PNM			Test Period	Other Manual Adjustments	Test Period (with manual adjustments)	PNM Retail	Renewables	Total FERC Jurisdiction	Excluded
1	Commission Final Order	Ending	December 31, 2018									
2	Test Period	Ending	December 31, 2018									
3	Distribution - Injuries or Damages-Safety			925	Allocator							
401				926	Retail	1,040,213		1,040,213	1,040,213			
402	Production - Emp Pension and Benefits			926	Gen Dmd	7,722,593		7,722,593	7,722,593			
403	Transmission - Emp Pension and Benefits			926	Trans W&S	1,197,970		1,197,970	614,572		572,397	
404	Distribution - Emp Pension and Benefits			926	Retail	9,143,978		9,143,978	9,143,978			
405	Production - Regulatory Commission Exp			928	Gen Dmd	1,773,740		1,773,740	1,773,740			
406	Transmission - Regulatory Commission Exp			928	Trans W&S	97,457		97,457	50,500		46,958	
407	Distribution - Regulatory Commission Exp			928	Retail	1,028,374		1,028,374	1,028,374			
408	Production - Misc AG Expenses			930	Gen Dmd	10,113,748		10,113,748	10,113,748			
409	Transmission - Misc AG Expenses			930	Trans W&S	(30,331)		(30,331)	(15,716)		(14,614)	
410	Distribution - Misc AG Expenses			930	Retail	73,591		73,591	73,591			
411	Transmission - Rents-Cut			931	Trans W&S	20,516		20,516	20,516		9,885	
412	Production - Maint of General Plant			935	Gen Dmd	(36,205)		(36,205)	(36,205)			
413	Transmission - Maint of General Plant			935	Trans W&S	508,338		508,338	263,406		244,932	
414	Distribution - Maint of General Plant			935	Retail	212,477		212,477	212,477			
415	Renewables - A&G (920-935)			920-935	Renewables	229,479		229,479		229,479		
416	PV3 - A&G (920 - 935)			920-935	Gen Dmd	0		0	0			
417	SJ Unit 4 65MW A&G (920 - 935)			920-935	Excluded	2,039,538		2,039,538				2,039,538
418	Total Administrative & General Expense					102,708,028		102,708,028	96,844,299		3,469,632	2,064,619
419												
420	Total Operations & Maintenance Expense					396,248,671		396,248,671	361,594,980	10,165,011	15,297,708	9,192,972
421												
422	Depreciation and Amortization Expense											
423												
424	Production Depreciation and Amortization											
425	Steam Production Plant			403	Gen Dmd	20,505,289		20,505,289	20,505,289			
426	San Juan Unit 4 65 MW			403	Excluded	318,026		318,026				318,026
427	Nuclear Production (Net Plant - Palo Verde 1 & 2			403	Gen Dmd	11,079,717		11,079,717	11,079,717			
428	Nuclear Production (Net Plant - Palo Verde 3			403	Gen Dmd	5,176,958		5,176,958	5,176,958			
429	PV 1&2 Acquisition Adjustment Amortization			406	Gen Dmd	365,112		365,112	365,112			
430	PV 2 Lease Acquisition Adjustment - First Chicago Amortization			406	Gen Dmd	832,053		832,053	832,053			
431	PV 2 84.1 MW Lease Acquisition Adjustment Amortization			406	Gen Dmd							
432	Other Production Plant - Gas & 40 MW Solar			403	Gen Dmd	14,822,668		14,822,668	14,822,668			
433	Other Production Plant - Renewable			403	Renewables	5,790,259		5,790,259		5,790,259		
434	Total Production Depreciation and Amortization Expense					58,890,482		58,890,482	52,781,797			318,426
435												
436	Transmission Depreciation and Amortization											
437	Step-Up Transformers - Excluding PV3			403	Gen Dmd	471,828		471,828	471,828			
438	Step-Up Transformers - PV3			403	Gen Dmd	13,034		13,034	13,034			
439	Transmission System Plant			403	Trans Dmd	23,133,310		23,133,310	11,997,004		11,146,285	
440	Transmission System Plant - PV 3			403	Trans Dmd	222,492		222,492	115,289		107,203	
441	Transmission System Plant - High Lonesome Mesa			403	Excluded	644,572		644,572				644,572
442	Transmission System Plant - Dedicated Retail			403	Retail	349,768		349,768	349,768			
443	Transmission System Plant - Dedicated FERC			403	FERC							
444	EIP Acquisition Adjustment Amortization			406	Trans Dmd	585,972		585,972	303,634		282,338	
445	Total Transmission Depreciation and Amortization					25,420,976		25,420,976	13,240,377		11,538,626	644,572

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	Allocator	Test Period PNM	Commission Final Order	Other Manual Adjustments	PNM Retail Jurisdiction	Renewables	Commission Final Order	Commission Final Order
Test Period Ending December 31, 2018							Test Period PNM	PNM	Jurisdiction		Total FERC Jurisdiction	Excluded
447			Distribution Depreciation and Amortization									
448			Distribution Substations Net Plant - Dedicated FERC	403	FERC							
449			Distribution Substations Net Plant - PNM	403	Retail	6,076,367		6,076,367				
450			Distribution Substations Net Plant - Renewables	403	Renewables	297,391		297,391		297,391		
451			Primary Distribution System Net Plant - PNM	403	Retail	16,674,598		16,674,598				
452			Primary Distribution System Net Plant - Renewables	403	Renewables	70,569		70,569		70,569		
453			Secondary Distribution System Net Plant - PNM	403	Retail	9,867,554		9,867,554				
454			Secondary Distribution System Net Plant - Renewables	403	Renewables	22,159		22,159		22,159		
455			Services Net Plant - PNM	403	Retail	4,263,256		4,263,256				
456			Meters Net Plant - PNM	403	Retail	2,369,745		2,369,745				
457			Private Lighting - 371	403	Retail	221,860		221,860				
458			Street Lighting - 373	403	Retail	702,322		702,322				
459			Total Distribution Depreciation and Amortization			40,965,623		40,965,623		390,120		
460												
461			General Depreciation and Amortization									
462			Production General & Intangible Net Plant	403	Gen Dmd	224,951		224,951				
463			PV Unit 3 General & Intangible Net Plant	403	Gen Dmd	70,668		70,668				
464			Renewables General & Intangible Net Plant	403	Renewables	2,377		2,377		2,377		
465			Bulk Power Operations	403	Prod Pft	310,402		310,402		307,737		2,665
466			Energy Management System Facilities	403	Gen/Trans Dmd	1,005,094		1,005,094		690,625		324,470
467			Other Division Offices/ Customer Service	403	Retail	4,200,810		4,200,810				
468			Communications - Transmission	403	Trans Dmd	3,078,860		3,078,860		1,595,378		1,483,482
469			Production Related (Shared Services)	403	Prod W&S	6,451,464		6,451,464		5,899,264		514,928
470			Transmission/ Customer Related (Shared Services)	403	Trans W&S	1,360,589		1,360,589		705,018		655,570
471			Distribution/ Customer Related (Shared Services)	403	Retail	10,859,676		10,859,676		10,859,676		
472			Total General Depreciation and Amortization			27,554,089		27,554,089		24,542,326		40,648
473												
474			Total Depreciation Expense			152,441,370		152,441,370		130,740,403		13,999,348
475			General Taxes									
476			Property Taxes									
477			Production Property Taxes									
478			Steam Production Plant	408	Gen Dmd	4,404,018		4,404,018		4,404,018		
479			San Juan Unit 4 65 MW	408	Excluded	2,415		2,415				2,415
480			Nuclear Production Net Plant - Palo Verde 1 & 2	408	Gen Dmd	2,692,639		2,692,639		2,692,639		
481			Nuclear Production Net Plant - Palo Verde 3	408	Gen Dmd	1,022,367		1,022,367		1,022,367		
482			Other Production Plant - Gas & 40 MW Solar	408	Gen Dmd	4,207,044		4,207,044		4,207,044		
483			Other Production Plant - Renewable	408	Renewables	1,668,778		1,668,778		1,668,778		
484			Total Production Property Taxes			13,997,261		13,997,261		12,326,068		1,668,778
485												
486												
487												







A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	FERC Account	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order
Test Period Ending December 31, 2016				3	3	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	Total FERC Jurisdiction	Excluded
576												
577												
578												
579												
580												
581												
582												
583												
584												
585												
586												
587												
588												
589												
590												
591												
592												
593												
594												
595												
596												
597												
598												
599												
600												
601												
602												
603												
604												
605												
606												
607												
608												
609												
610												
611												
612												
613												
614												
615												
616												
617												

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST				FERC Account	Allocator	Commission Final Order Test Period PNM	Commission Final Order Other Manual Adjustments	Commission Final Order Test Period (with manual adjustments) PNM	Commission Final Order PNM Retail Jurisdiction	Commission Final Order Renewables	Commission Final Order Total FERC Jurisdiction	Commission Final Order Excluded
3	Test Period Ending December 31, 2018											
618						(763,032)	(14,776,966)	(15,559,999)	(13,653,796)	(704,092)	(1,046,978)	(155,133)
619			Total Federal Tax Adjustments									
620			Adjusted Equity Return			127,413,698	(18,063,654)	109,349,844	93,294,868	3,040,445	12,336,937	962,296
621			Federal Tax Factor (0.35/(1-0.35))			26,582,03%	26,582,03%	26,582,03%	26,582,03%	26,582,03%	26,582,03%	26,582,03%
622			Federal Income Tax			33,869,464	(4,901,784)	29,067,680	24,799,902	806,220	3,279,439	253,126
623			Add:									
624			Total Provision For Deferred Income Tax			(152,412)	(14,776,966)	(14,929,379)	(13,033,814)	(693,454)	(1,046,978)	(155,133)
625			State Income Tax									
626			Net Allowable Federal Income Tax			(630,620)	-	(630,620)	(619,982)	(10,638)	0	0
627												
628												
629			Net Allowable Federal Income Tax			33,086,432	(19,578,750)	13,507,681	11,146,105	104,128	2,232,461	97,993
630												
631			State Income Tax									
632												
633			Return on Rate Base			197,663,183	(366,779)	197,316,404	169,101,166	6,459,739	20,222,775	1,667,108
634			Less: Return Adjustments									
635			Interest on Long Term Debt			(66,804,246)	(2,920,109)	(69,724,356)	(60,003,742)	(2,185,978)	(6,834,022)	(563,376)
636			Tax/Book Adjustments			(2,662,268)		(2,662,268)	(2,148,760)	(532,224)	(4,859)	3,637
637			Add: Net Allowable F I T			33,086,432	(19,578,750)	13,507,681	11,146,105	104,128	2,232,461	97,993
638												
639			New Mexico NOL Valuation Allowance			1,959,132	-	1,959,132	1,740,724	-	195,893	22,516
640			Amortization of Excess Deferred Taxes			(1,281,158)	(7,316,563)	(8,607,721)	(7,513,125)	(403,904)	(601,745)	(88,947)
641			State Taxable Income			161,951,136	(30,182,201)	131,768,935	112,322,369	3,444,761	15,210,524	1,138,931
642			State Income Tax			5,90%	5,90%	5,90%	5,90%	5,90%	5,90%	5,90%
643			Add:			9,555,117	(1,760,750)	7,774,367	6,827,020	203,241	897,421	67,197
644			22 MW, Battery project and PV Farm PTC			(866,600)		(866,600)	-	(866,600)	-	-
645			New Mexico NOL Valuation Allowance			1,959,132		1,959,132	1,740,724	-	195,893	22,516
646			Amortization of Excess Deferred Taxes			(1,281,158)	(7,316,563)	(8,607,721)	(7,513,125)	(403,904)	(601,745)	(88,947)
647			Net Allowable State Income Tax			9,256,491	(9,097,313)	159,178	854,619	(1,167,263)	491,569	766
648												
649												
650			Return on Rate Base			197,663,183	(366,779)	197,316,404	169,101,166	6,459,739	20,222,775	1,667,108
651												
652			Total Operating Expenses			779,604,920	(11,911,310)	766,693,610	677,798,400	44,881,478	33,156,035	10,857,597
653			(Excluding Income & Rev Related Taxes)									
654												
655			Net Allowable Federal Income Tax			33,086,432	(19,578,750)	13,507,681	11,146,105	104,128	2,232,461	97,993
656												
657			Net Allowable State Income Tax			9,256,491	(9,097,313)	159,179	854,619	(1,167,263)	491,569	766
658												
659												

EXHIBIT A  
Page 18 of 22

A	B	C	D	E	F	G	H	I	J	K	R	S
Commission Final Order	Account	FERC	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order
Test Period Ending December 31, 2018	FERC	FERC	Test Period	Other Manual	Test Period (with manual adjustments)	PNM Retail	PNM Retail	PNM	PNM Retail	Renewables	Total FERC	Excluded
Test Period Ending December 31, 2018	Account	FERC	PNM	Adjustments	PNM	Jurisdiction	Jurisdiction	PNM	Jurisdiction	Renewables	Jurisdiction	Excluded
660 Revenue Credits:												
661 Sale of SO2 Credits	411	FERC	39		39							
662 Rent for Electric Property - Transmission	454	Trans PTP	(451,278)		(451,278)				(230,630)		(206,252)	(14,395)
663 Rent for Electric Property - Distribution	454	Retail	(3,766,572)		(3,766,572)				(3,766,572)			
664 Late Payment Charges	451	Retail	(971,546)		(971,546)				(971,546)			
665 Misc. Service Charge Revenue	451	Retail	(1,572,690)		(1,572,690)				(1,572,690)			
666 Other Retail Revenue - Transmission	456	Trans Dmd	(70,108)		(70,108)				(36,328)		(33,780)	
667 Other Retail Revenue - Distribution	456	Retail	(303,716)		(303,716)				(303,716)			
668 Generation Ancillary Services Credit Sch. 2-5	456100	Gen Dmd	(1,631,518)		(1,631,518)				(1,631,518)			
669 Real Power Losses (Financial)	456100	Gen Dmd	(304,920)		(304,920)				(304,920)			
670 Transmission redispatch contract revenues	456100	Gen Dmd	(191,836)		(191,836)				(191,836)			
671 Ancillary Services-Sch 1 and Non-Firm	456100	Trans Dmd	(954,076)		(954,076)				(494,375)		(459,701)	
672 Short Term Firm Transmission	456100	Trans Dmd wo NITS	(430,080)		(430,080)				(331,656)		(68,394)	
673 Ancillary Services-Sch 1, ST PTP and Other	456100	Trans Dmd	(270,550)		(270,550)				(140,191)		(130,358)	
674 Economy Service Customer Revenue Credits		Retail	(4,627,355)		(4,627,355)				(4,627,355)			
675 Co 7 Revenue		G&I Ptl	(720,175)		(720,175)				(107,173)		(11,095)	(1,907)
676												
677												
678												
679												
680												
681 Total Revenue Credits			(15,668,379)		(15,668,379)				(14,712,545)		(938,532)	(16,302)
682 Total Revenue Requirements Before Revenue Tax			1,002,962,546	(40,954,152)	962,008,394	844,187,746			844,187,746	50,278,081	55,163,308	12,607,161
683 Revenue Tax Factor (I&S Fee) (1,00506/(1-.00506))			0.508573%	0.508573%	0.508573%	0.508573%			0.508573%	0.508573%	0.508573%	0.508573%
684 Revenue Tax			5,100,787	(208,282)	4,892,515	4,293,311			4,293,311	255,701	280,546	64,117
685 Black Box Adjustment to Reduce \$62.3 million by \$4.4 million					(4,400,000)	(4,400,000)			(4,400,000)			
686 NON-FUEL REVENUE REQUIREMENT - Commission Final Order			839,258,498	(41,162,433)	798,096,064	702,656,204			702,656,204	22,782,971	55,443,854	13,039,066
687 FUEL REVENUE REQUIREMENT - Commission Final Order			169,804,845		169,804,845	141,421,852			141,421,852	27,750,811		(967,818)
688 TOTAL REVENUE REQUIREMENT			1,008,063,343	(41,162,433)	966,900,909	844,081,057			844,081,057	50,533,782	55,443,854	12,671,278

A	B	C	D	E	F	G	H	I	J	K	R	S	
Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST													
1	Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST												
2	Test Period Ending December 31, 2018	FERC Account	Allocator	Test Period PNM	Commission Final Order Test Period PNM	Other Manual Adjustments	Commission Final Order Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Commission Final Order PNM Retail Jurisdiction	Renewables	Commission Final Order Renewables	Total FERC Jurisdiction	Commission Final Order Total FERC Jurisdiction
690	Weighted Cost of Capital												
691	Long Term Debt												
692	Preferred Stock												
693	Common Stock												
694	Total Weighted Cost of Capital												
695													
696													
697	Federal Income Tax Rate												
698	Effective State Income Tax Rate												
699													
700													
701	1&S Fee Rate												
702													
703	Key Allocators												
704													
705	Sales (MWh)												
706	Allocator		Sales										
707													
708	Wage and Salary Ratios												
709	Production												
710	Other Prod O&M												
711	Transmission												
712	Trans O&M												
713	Distribution												
714	Dist O&M												
715													
716	Total PTD												
717	Allocator												
718													
719	Customer Accounting												
720	CA O&M												
721	Cust Service & Information												
722	Sales O&M												
723	Total PTDCAS												
724	Allocator												
725													
726	Administrative and General												
727	Total Wages and Salaries												
728	Allocator												
729													

A	B	C	D	E	F	G	H	I	J	K	R	S
1	Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST			FERC Account		Commission Final Order Test Period PNM	Commission Final Order Other Manual Adjustments	Commission Final Order Test Period (with manual adjustments) PNM	Commission Final Order PNM Retail Jurisdiction	Commission Final Order Renewables	Commission Final Order Total FERC Jurisdiction	Commission Final Order Excluded
2	Test Period Ending December 31, 2018				Allocator							
3	Net Plant In Service Ratios											
731												
732	Total Production Plant							1,401,085,542	1,389,065,070			12,030,472
733	Allocator				Prod Pll			100.00%	99.14%	0.00%	0.00%	0.86%
734												
735	Total Transmission Plant							627,732,073	320,808,912		286,889,406	20,023,753
736	Allocator				Trans Pll			100.00%	51.11%	0.00%	45.70%	3.19%
737												
738	Total Distribution Plant							827,035,497	827,035,497			
739	Allocator				Dist Pll			100.00%	100.00%	0.00%	0.00%	0.00%
740												
741	Total General & Intangible Plant							175,255,566	156,293,635		16,180,504	2,781,417
742	Allocator				G&I Pll			100.00%	89.18%	0.00%	9.23%	1.59%
743												
744	Total Net Plant							3,031,119,668	2,683,203,114		303,079,913	34,835,642
745	Allocator				Total Net Pll			100.00%	88.85%	0.00%	10.00%	1.15%
746								(944,022,306)	(823,976,267)	(44,296,822)	(65,994,288)	(9,754,830)
747	Total ADIT				ADIT			100.00%	87.28%	-4.69%	6.99%	1.03%
748	Allocator											
749												
750												
751												
752												
753												
754												
755												
756												
757	Generation Demand allocator				Gen Dmd			1,451	1,451	0.00%	0.00%	0.00%
758	Allocator							100.00%	100.00%			
759												
760	Energy allocator				Energy			8,827,904	8,827,904	0.00%	0.00%	0.00%
761	Allocator							100.00%	100.00%			
762												
763	Generation and Transmission Demand				Gen/Trans Dmd			100.00%	67.72%	0.00%	32.28%	0.00%
764	Allocator											
765	Transmission Demand				Trans Dmd			2,803	1,504	0.00%	1,399	
766	Allocator							100.00%	51.82%	0.00%	48.18%	0.00%
767												
768	Transmission Demand without Network				Trans Dmd w/o NTS			1,946	1,501	0.00%	445	
769	Allocator							100.00%	77.12%	0.00%	22.88%	0.00%
770												
771												

A	B	C	D	E	F	G	H	I	J	K	R	S
1	Commission Final Order Exhibit A - PNM Exhibit HEM-3 COS TEST					Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order	Commission Final Order
2	Test Period Ending December 31, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	Total FERC Jurisdiction	Excluded
3	Other Allocators											
773								100.00%	0.00%	0.00%	0.00%	100.00%
774	Excluded Costs				Excluded			100.00%	0.00%	0.00%	100.00%	0.00%
775	Direct Assignment to NEC				NEC			100.00%	0.00%	0.00%	100.00%	0.00%
776												
777	Allocation to FERC Wholesale Customers				FERC			100.00%	0.00%	0.00%	100.00%	0.00%
778												
779	Direct Assignment to FERC Transmission				FERC Transmission			100.00%	0.00%	0.00%	100.00%	0.00%
780												
781	Direct Assignment to Retail				Retail			100.00%	100.00%	0.00%	0.00%	0.00%
782												
783	Allocation to Palo Verde				PV			100.00%	100.00%	0.00%	0.00%	0.00%
784												
785	Direct Assignment to Renewables				Renewables			100.00%	0.00%	100.00%	0.00%	0.00%
786												

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	Schedule A-5 - Commission Final Order								
3	Summary of Total Capitalization and the Weighted Average Cost of Capital								
4	Test Period Ending 12/31/2018								
5									
6	Line No.	Capital Component	Total Capitalization Test Period	Percentage of Total Capitalization	Capital Component Cost	Weighted Average Cost			
7									
8									
9	1	Long Term Debt	1,465,870	50.00%	4.87%	2.43%		4.93% As Filed Debt Rate	
10								4.87% Updated Debt Rate	
11	2	Preferred Stock	11,529	0.39%	4.62%	0.02%			
12									
13	3	Common Equity	1,454,341	49.61%	9.575%	4.75%			
14									
15	4	Total	2,931,739	100.00%		7.20%			
16									
17					Tax Rate	25.40%	38.62%		
18									
19					Tax gross up		Tax gross up		
20					Debt	2.43%	2.43%		
21					Preferred	0.02%	0.03%		
22					Common	6.37%	7.74%		
23					Total	8.83%	10.20%	1.38%	



A	B	C	D	E	F	G	H	I
1	PNM Exhibit TSB-2 (3-15-21 Supplemental)							
2	16-00276-UT Test Period Non-Fuel Revenue Requirement for Debt-Only Return on Four Corners \$148.7 million Additions							
3								
4								
5				Full Return On (Stipulated WACC)	Debt Return On (Stipulated WACC)			
6				2018 Test Period Revenue Requirement	2018 Test Period Revenue Requirement	Delta		Reference
7								
8	Generation Gross Plant		\$	129,812,295	\$	129,812,295	\$	
9	Transmission Gross Plant			18,898,191		18,898,191		
10	<b>Total Gross Plant</b>			148,710,487		148,710,487		Note 1
11								
12	Generation Average Gross Plant			102,510,640		102,510,640		
13	Transmission Average Gross Plant			14,923,592		14,923,592		
14	<b>Total Average Gross Plant</b>			117,434,232		117,434,232		Note 2
15								
16	Generation Accumulated Reserve			(754,260)		(754,260)		
17	Transmission Accumulated Reserve			(196,233)		(196,233)		
18	<b>Total Accumulated Reserve</b>			(950,493)		(950,493)		
19								
20	Generation Net Book Value			101,756,380		101,756,380		
21	Transmission Net Book Value			14,727,359		14,727,359		
22	<b>Total Average NBV</b>			116,483,739		116,483,739		
23								
24								
25	Generation ADIT			(19,275,116)		(19,275,116)		
26	Transmission ADIT			(2,772,683)		(2,772,683)		
27	<b>Total ADIT</b>			(22,047,799)		(22,047,799)		
28								
29	Generation Rate Base			82,481,265		82,481,265		
30	Transmission Rate Base			11,954,676		11,954,676		
31	<b>Total Rate Base</b>		\$	94,435,940	\$	94,435,940	\$	
32								
33								
34	<b>WACC (Stipulated)</b>			7.20%		4.87%		
35								
36	Generation Return on Rate Base		\$	5,941,138	\$	4,016,838	\$	(1,924,300)
37	Transmission Return on Rate Base			861,097		582,193		(278,904)
38	<b>Total Return on Rate Base</b>		\$	6,802,235	\$	4,599,030	\$	(2,203,204)
39								Note 3
40								
41				<b>Retail Share of Return Adjustment (Note 4)</b>	<b>Debt Expense Adj (Note 5)</b>	<b>Retail Share of Debt expense Adj (Note 6)</b>		
42				(1,924,300)	(2,008,419)	(2,008,419)		
43				(144,520)	(291,096)	(291,096)		
44				(2,068,820)	(2,299,515)	(2,159,257)		Note 4, Note 5, Note 6
45								
46								
47	Note 1	16-00276-UT PNM Exhibit HEM-4, WP Plant - 2 Gross Plant Activity, Col AJ, lines 2719-2738						
48	Note 2	16-00276-UT PNM Response to July 25th Bench Request (PNM Exhibit 7-25 BR-10, column G, line 8)						
49	Note 3	\$2,203,204 can be found in PNM's Advise Notice 545, Exhibit A, page 15, col I, line 575						
50	Note 4	\$2,068,820 can be found in PNM's Advise Notice 545, Exhibit A, page 15, col J, line 575						
51	Note 5	\$2,299,515 can be found in PNM's Advise Notice 545, Exhibit A, page 15, col I, line 579						
52	Note 6	\$2,159,257 can be found in PNM's Advise Notice 545, Exhibit A, page 15, col J, line 579						

	A	B	C	D	E	F	G	H	I	J	K	L
					2016	2016	2016	2016	2016	2016	2017	2017
					Activity	Activity	Activity	Activity	Activity	Activity	Activity	Activity
1	PNM Exhibit TSB-3 (3-15-21 Supplemental)											
2	16-00276-UT Linkage & Test Period Capital Clearings											
3	Four Corners Power Plant											
4	Source > 16-00276-UT, PNM Exhibit HEM-4, WP Plant - 2 Gross Plant Activity, lines 2719-2738											
5												
6												
7	Project Code / Beginning Balance	Location	FERC Account	LoD/FERC	2016	2016	2016	2016	2016	2016	2017	2017
8	71519017 - Four Corners Facility Improvements	715	311	715311	-	-	-	-	-	-	1,038	2,267
9	71519017 - Four Corners Facility Improvements	715	312	715312	-	-	-	-	-	-	2,677	5,849
10	71519017 - Four Corners Facility Improvements	715	315	715315	-	-	-	-	-	-	798	1,743
11	71519017 - Four Corners Facility Improvements	715	316	715316	-	-	-	-	-	-	720	1,574
12	71519017 - Four Corners Facility Improvements	201	353	201353	-	-	-	-	-	-	762	1,665
13	71519117 - Four Corners Facility Improvements - Switchyard	715	311	715311	-	-	-	-	-	-	-	-
14	71519117 - Four Corners Facility Improvements - Switchyard	715	312	715312	-	-	-	-	-	-	-	-
15	71519117 - Four Corners Facility Improvements - Switchyard	715	315	715315	-	-	-	-	-	-	-	-
16	71519117 - Four Corners Facility Improvements - Switchyard	715	316	715316	-	-	-	-	-	-	-	-
17	71519117 - Four Corners Facility Improvements - Switchyard	201	353	201353	-	-	-	-	-	-	-	-
18	71519210 - Four Corners Facility Improveme	715	311	715311	48,748	439,629	176,417	13,415	243,740	120,597	5,803	2,619
19	71519210 - Four Corners Facility Improveme	715	312	715312	125,758	1,134,138	455,114	34,608	628,792	311,112	14,971	6,756
20	71519210 - Four Corners Facility Improveme	715	315	715315	37,469	337,907	135,598	10,311	187,343	92,693	4,461	2,013
21	71519210 - Four Corners Facility Improveme	715	316	715316	33,844	305,222	122,481	9,314	169,222	83,727	4,029	1,818
22	71519210 - Four Corners Facility Improveme	201	353	201353	35,787	322,738	129,510	9,848	178,933	88,532	4,260	1,922
23	71522912 - FC SCR U4U5	715	311	715311	-	-	-	-	-	-	-	-
24	71522912 - FC SCR U4U5	715	312	715312	-	-	-	-	-	-	-	-
25	71522912 - FC SCR U4U5	715	315	715315	-	-	-	-	-	-	-	-
26	71522912 - FC SCR U4U5	715	316	715316	-	-	-	-	-	-	-	-
27	71522912 - FC SCR U4U5	201	353	201353	-	-	-	-	-	-	-	-
28												
29	<b>Total SCR</b>				<b>281,606</b>	<b>2,539,633</b>	<b>1,019,120</b>	<b>77,497</b>	<b>1,408,031</b>	<b>696,662</b>	<b>39,520</b>	<b>28,226</b>
30	<b>Total Non-SCR</b>				<b>281,606</b>	<b>2,539,633</b>	<b>1,019,120</b>	<b>77,497</b>	<b>1,408,031</b>	<b>696,662</b>	<b>39,520</b>	<b>28,226</b>
31	<b>Total FCPP Projected Additions in 16-00276-UT</b>				<b>281,606</b>	<b>2,539,633</b>	<b>1,019,120</b>	<b>77,497</b>	<b>1,408,031</b>	<b>696,662</b>	<b>39,520</b>	<b>28,226</b>

	A	B	C	D	M	N	O	P	Q	R	S	T
1	PNM Exhibit TSB-3 (3-15-21 Supplemental)											
2	16-00276-UT Linkage & Test Period Capital Clearings											
3	Four Corners Power Plant											
4	Source > 16-00276-UT, PNM Exhibit HEM-4, WP Plant - 2 Gross Plant Activity, lines 2719-2738											
5												
6												
7	Project Code / Beginning Balance	Location	FERC Account	LoD/FERC	2017 march Activity	2017 April Activity	2017 May Activity	2017 June Activity	2017 July Activity	2017 August Activity	2017 September Activity	2017 October Activity
8	71519017 - Four Corners Facility Improvements	715	311	715311	3,752	4,592	6,834	8,467	9,267	12,593	19,676	25,892
9	71519017 - Four Corners Facility Improvements	715	312	715312	9,678	11,847	17,631	21,843	23,908	32,487	50,758	66,796
10	71519017 - Four Corners Facility Improvements	715	315	715315	2,883	3,530	5,253	6,508	7,123	9,679	15,123	19,901
11	71519017 - Four Corners Facility Improvements	715	316	715316	2,605	3,188	4,745	5,878	6,434	8,743	13,660	17,976
12	71519017 - Four Corners Facility Improvements	201	353	201353	2,754	3,371	5,017	6,216	6,803	9,245	14,444	19,008
13	71519117 - Four Corners Facility Improvements - Switchyard	715	311	715311	4,569	-	-	8,058	-	-	10,723	-
14	71519117 - Four Corners Facility Improvements - Switchyard	715	312	715312	11,787	-	-	20,789	-	-	27,663	-
15	71519117 - Four Corners Facility Improvements - Switchyard	715	315	715315	3,512	-	-	6,194	-	-	8,242	-
16	71519117 - Four Corners Facility Improvements - Switchyard	715	316	715316	3,172	-	-	5,595	-	-	7,445	-
17	71519117 - Four Corners Facility Improvements - Switchyard	201	353	201353	3,354	-	-	5,916	-	-	7,872	-
18	71519210 - Four Corners Facility Improveme	715	311	715311	775	-	299,111	-	34,818	-	118,815	-
19	71519210 - Four Corners Facility Improveme	715	312	715312	2,000	-	771,635	-	89,821	-	306,515	-
20	71519210 - Four Corners Facility Improveme	715	315	715315	596	-	229,902	-	26,761	-	91,324	-
21	71519210 - Four Corners Facility Improveme	715	316	715316	538	-	207,664	-	24,173	-	82,490	-
22	71519210 - Four Corners Facility Improveme	201	353	201353	569	-	219,581	-	25,560	-	87,224	-
23	71522912 - FC SCR U4U5	715	311	715311	-	-	-	-	-	-	-	-
24	71522912 - FC SCR U4U5	715	312	715312	-	-	-	-	-	-	-	-
25	71522912 - FC SCR U4U5	715	315	715315	-	-	-	-	-	-	-	-
26	71522912 - FC SCR U4U5	715	316	715316	-	-	-	-	-	-	-	-
27	71522912 - FC SCR U4U5	201	353	201353	-	-	-	-	-	-	-	-
28												
29	<b>Total SCR</b>				<b>52,546</b>	<b>26,527</b>	<b>1,767,375</b>	<b>95,463</b>	<b>254,668</b>	<b>72,746</b>	<b>861,972</b>	<b>149,573</b>
30	<b>Total Non-SCR</b>				<b>52,546</b>	<b>26,527</b>	<b>1,767,375</b>	<b>95,463</b>	<b>254,668</b>	<b>72,746</b>	<b>861,972</b>	<b>149,573</b>
31	<b>Total FCPP Projected Additions in 16-00276-UT</b>											

	A										B	C	D	U	V	W	X	Y	Z	AA	AB				
	PNM Exhibit TSB-3 (3-15-21 Supplemental)																								
1	PNM Exhibit TSB-3 (3-15-21 Supplemental)																								
2	16-00276-UT Linkage & Test Period Capital Clearings																								
3	Four Corners Power Plant																								
4	Source > 16-00276-UT, PNM Exhibit HEM-4, WP Plant - 2 Gross Plant Activity, lines 2719-2738																								
5																									
6																									
7	Project Code / Beginning Balance										Location	FERC Account	Lod/FERC	2017 November Activity	2017 December Activity	2018 January Activity	2018 February Activity	2018 march Activity	2018 April Activity	2018 May Activity	2018 June Activity				
8	71519017	-	Four Corners Facility Improvements	715	311	715311	35,569	1,298,388	10,201	12,363	12,363	14,448	16,460	1,231,135	11,457										
9	71519017	-	Four Corners Facility Improvements	715	312	715312	91,761	3,349,530	26,317	31,893	31,893	37,273	42,463	3,176,035	29,558										
10	71519017	-	Four Corners Facility Improvements	715	315	715315	27,339	997,965	7,841	9,502	9,502	11,105	12,652	946,274	8,806										
11	71519017	-	Four Corners Facility Improvements	715	316	715316	24,695	901,433	7,082	8,583	8,583	10,031	11,428	854,741	7,955										
12	71519017	-	Four Corners Facility Improvements	201	353	201353	26,112	953,164	7,489	9,076	9,076	10,607	12,084	903,793	8,411										
13	71519117	-	Four Corners Facility Improvements - Switchyard	715	311	715311	-	12,758	-	-	-	14,388	-	-	15,628										
14	71519117	-	Four Corners Facility Improvements - Switchyard	715	312	715312	-	32,912	-	-	-	37,116	-	-	40,317										
15	71519117	-	Four Corners Facility Improvements - Switchyard	715	315	715315	-	9,806	-	-	-	11,059	-	-	12,012										
16	71519117	-	Four Corners Facility Improvements - Switchyard	715	316	715316	-	8,857	-	-	-	9,989	-	-	10,850										
17	71519117	-	Four Corners Facility Improvements - Switchyard	201	353	201353	-	9,366	-	-	-	10,562	-	-	11,473										
18	71519210	-	Four Corners Facility Improveme	715	311	715311	-	1,305,304	207,896	-	-	-	-	1,760,996	98,780										
19	71519210	-	Four Corners Facility Improveme	715	312	715312	-	3,367,373	536,323	-	-	-	-	4,542,949	254,828										
20	71519210	-	Four Corners Facility Improveme	715	315	715315	-	1,003,281	159,793	-	-	-	-	1,353,535	75,924										
21	71519210	-	Four Corners Facility Improveme	715	316	715316	-	906,235	144,336	-	-	-	-	1,222,608	68,580										
22	71519210	-	Four Corners Facility Improveme	201	353	201353	-	958,242	152,620	-	-	-	-	1,292,771	72,516										
23	71522912	-	FC SCR U4U5	715	311	715311	-	7,721,068	26,822	28,274	28,274	29,728	7,795,830	-	-										
24	71522912	-	FC SCR U4U5	715	312	715312	-	19,918,512	69,193	72,941	72,941	76,691	20,111,380	-	-										
25	71522912	-	FC SCR U4U5	715	315	715315	-	5,934,558	20,616	21,732	21,732	22,850	5,992,022	-	-										
26	71522912	-	FC SCR U4U5	715	316	715316	-	5,360,512	18,621	19,630	19,630	20,639	5,412,417	-	-										
27	71522912	-	FC SCR U4U5	201	353	201353	-	5,668,142	19,690	20,756	20,756	21,824	5,723,026	-	-										
28																									
29	<b>Total SCR</b>											<b>44,602,793</b>	<b>154,942</b>	<b>163,333</b>	<b>171,732</b>	<b>45,034,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
30	<b>Total Non-SCR</b>											<b>205,476</b>	<b>1,259,899</b>	<b>71,417</b>	<b>166,578</b>	<b>95,087</b>	<b>17,284,837</b>	<b>727,095</b>	<b>727,095</b>	<b>727,095</b>	<b>727,095</b>	<b>727,095</b>			
31	<b>Total FCPP Projected Additions in 16-00276-UT</b>											<b>205,476</b>	<b>1,414,841</b>	<b>234,750</b>	<b>338,310</b>	<b>45,129,762</b>	<b>17,284,837</b>	<b>727,095</b>	<b>727,095</b>	<b>727,095</b>	<b>727,095</b>	<b>727,095</b>			

	A			B	C	D	AC	AD	AE	AF	AG	AH	AI
	Project Code / Beginning Balance	Location	FERC Account										
1	PNM Exhibit TSB-3 (3-15-21 Supplemental)												
2	16-00276-UT Linkage & Test Period Capital Clearings												
3	Four Corners Power Plant												
4	Source> 16-00276-UT, PNM Exhibit HEM-4, WP Plant - 2 Gross Plant Activity, lines 2719-2738												
5													
6													
7	Project Code / Beginning Balance	Location	FERC Account	Lod/FERC	2018 July Activity	2018 August Activity	2018 September Activity	2018 October Activity	2018 November Activity	2018 December Activity	2018	Total Projected Additions	
8	71519017 - Four Corners Facility Improvements	715	311	715311	24,262	34,553	37,555	40,270	42,725	44,946	2,948,711		
9	71519017 - Four Corners Facility Improvements	715	312	715312	62,590	89,139	96,882	103,886	110,220	115,950	7,606,970		
10	71519017 - Four Corners Facility Improvements	715	315	715315	18,648	26,558	28,865	30,952	32,839	34,546	2,266,435		
11	71519017 - Four Corners Facility Improvements	715	316	715316	16,844	23,989	26,073	27,958	29,663	31,205	2,047,204		
12	71519017 - Four Corners Facility Improvements	201	353	201353	17,811	25,366	27,569	29,562	31,365	32,995	2,164,689		
13	71519117 - Four Corners Facility Improvements - Switchyard	715	311	715311	-	-	16,573	-	-	17,292	99,988		
14	71519117 - Four Corners Facility Improvements - Switchyard	715	312	715312	-	-	42,754	-	-	44,608	257,946		
15	71519117 - Four Corners Facility Improvements - Switchyard	715	315	715315	-	-	12,738	-	-	13,291	76,853		
16	71519117 - Four Corners Facility Improvements - Switchyard	715	316	715316	-	-	11,506	-	-	12,005	69,419		
17	71519117 - Four Corners Facility Improvements - Switchyard	201	353	201353	-	-	12,166	-	-	12,694	73,403		
18	71519210 - Four Corners Facility Improveme	715	311	715311	278,694	254,134	893,886	449,162	225,696	113,409	7,092,447		
19	71519210 - Four Corners Facility Improveme	715	312	715312	718,964	655,605	2,306,013	1,158,732	582,243	292,567	18,296,818		
20	71519210 - Four Corners Facility Improveme	715	315	715315	214,209	195,332	687,058	345,235	173,475	87,168	5,451,388		
21	71519210 - Four Corners Facility Improveme	715	316	715316	193,489	176,438	620,599	311,840	156,694	78,736	4,924,078		
22	71519210 - Four Corners Facility Improveme	201	353	201353	204,593	186,563	656,214	329,736	165,687	83,255	5,206,662		
23	71522912 - FC SCR U4U5	715	311	715311	-	-	-	-	-	-	15,601,723		
24	71522912 - FC SCR U4U5	715	312	715312	-	-	-	-	-	-	40,248,717		
25	71522912 - FC SCR U4U5	715	315	715315	-	-	-	-	-	-	11,991,777		
26	71522912 - FC SCR U4U5	715	316	715316	-	-	-	-	-	-	10,831,820		
27	71522912 - FC SCR U4U5	201	353	201353	-	-	-	-	-	-	11,453,438		
28													
29	<b>Total SCR</b>				<b>1,750,105</b>	<b>1,667,679</b>	<b>5,476,451</b>	<b>2,827,333</b>	<b>1,550,607</b>	<b>1,014,666</b>	<b>90,127,475</b>		
30	<b>Total Non-SCR</b>				<b>1,750,105</b>	<b>1,667,679</b>	<b>5,476,451</b>	<b>2,827,333</b>	<b>1,550,607</b>	<b>1,014,666</b>	<b>58,583,012</b>		
31	<b>Total FCPP Projected Additions in 16-00276-UT</b>										<b>148,710,487</b>		

	A	B	C	D	E	F	G	H	
1	PNM Exhibit TSB-4 (3-15-21 Supplemental)								
2	ETC Annual Revenue Requirement by FCPP Undepreciated Investment								
3	(in millions)								
4									
5		Upfront Energy Transition Costs	State Agency Section 16 Payment Impact	Estimated 2024 NBV Plus Allocated Share of Section 16 Payments	Pro-rated Share of Total Upfront Energy Transition Costs	Pro-rated share of Bond Revenue Requirement	Group (Note 1)	Notes	
6	Estimated 2024 NBV - Table TSB-1 (3-15-21 Supplemental):								
7	Investments made as of 6/30/2016	\$ 61.2	\$ 3.6	\$ 64.8	21.6%	\$ 3.6	A	- Includes ARC. Net impact with ARC below	
8	Investment made between 7/1/16 and 12/31/18	118.0	6.9	124.8	41.7%	7.0	B		
9	Investment made between 1/1/19 and 6/30/20	20.8	1.2	22.0	7.3%	1.2	C		
10	Projected Investments made between 7/1/20 and 12/31/24	70.5	4.1	74.6	24.9%	4.2	D		
11									
12	Remove: Projected ARC NBV Included as Plant Decommissioning	(3.6)	(0.2)	(3.8)	-1.3%	(0.2)	A	- Removal of ARC included in 6/30/2016 Balance	
13	Add: Estimated CWIP Balance at 12/31/24	3.4	0.2	3.6	1.2%	0.2	E		
14	Add: Retail Share FCPP Switchyard Assets Transferred to NTEC	1.0	0.1	1.0	0.3%	0.1	A	- Existing assets at 6/30/2016	
15	FCPP Estimated Undepreciated Investment - PNM Table TSB-4 (Direct)	\$ 271.3	\$ 15.8	\$ 287.1	95.8%	\$ 16.0			
16									
17	Other Upfront Energy Transition Costs:								
18	Upfront Financing Costs (Table TSB-1 (Direct))	7.3	0.4	7.7	2.6%	0.4			
19	Plant Decommissioning (Table TSB-1 (Direct))	4.6	0.3	4.9	1.6%	0.3			
20	Total State Agency Section 16 Payments	16.5							
21	Total Upfront Energy Transition Costs (Table TSB-1 (Direct))	\$ 299.7	\$ 16.5	\$ 299.7	100%	\$ 16.7			
22									
23		ETC Annual Revenue Requirement - Table TSB-7 (Direct)				\$ 16.7			
24									
25									
26	Note 1: In order to calculate the appropriate impact to the ETC revenue requirement for assets in place as of 6/30/2016, PNM must remove the ARC asset since that is included in the decommissioning costs. PNM also combined the switchyard assets, as these are existing assets as of 6/30/2016.								
27	General Note: Estimated customer impacts do not include any indirect impact to potential change to interest rates, lower variable bond issuance costs, or lower ongoing servicing fees or other ongoing financing costs due to lower bond issuance.								

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF NEW )  
MEXICO FOR APPROVAL OF THE )  
ABANDONMENT OF THE FOUR CORNERS )  
POWER PLANT AND ISSUANCE OF A )  
SECURITIZED FINANCING ORDER )  
)  
PUBLIC SERVICE COMPANY OF )  
NEW MEXICO, )  
)  
Applicant.)**

**Case No. 21-00017-UT**

**SELF AFFIRMATION**

**THOMAS S. BAKER, Manager, Cost of Service for PNMR Services Company**, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Supplemental Testimony of Thomas S. Baker** and it is true and accurate based on my own personal knowledge and belief.

DATED this 15th day of March, 2021.

/s/ Thomas S. Baker  
**THOMAS S. BAKER**

*GCG # 527765*