

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF NEW )  
MEXICO FOR REVISION OF ITS RETAIL )  
ELECTRIC RATES PURSUANT TO ADVICE )  
NOTICE NO. 625 )  
)  
PUBLIC SERVICE COMPANY OF NEW )  
MEXICO, )  
Applicant. )**

**Case No. 24-00089-UT**

**UNOPPOSED COMPREHENSIVE STIPULATION**

The signatories to this Unopposed Comprehensive Stipulation (“Stipulation”) dated November 26, 2024 consist of the following parties (collectively, the “Signatories”):

- Utility Division Staff of the New Mexico Public Regulation Commission (“Staff”)
- New Mexico Department of Justice (“NMDOJ”)
- Public Service Company of New Mexico (“PNM”)
- Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”)
- City of Albuquerque (“City”)
- Coalition for Clean Affordable Energy (“CCAЕ”)
- Coalition for Community Solar Access (“CCSA”)
- County of Bernalillo (“County”)
- New Energy Economy (“NEE”)
- New Mexico Affordable Reliable Energy Alliance (“NM AREA”)
- The Kroger Co. (“Kroger”)
- Walmart Inc. (“Walmart”)
- Western Resource Advocates (“WRA”)

The Stipulation represents the comprehensive settlement of this case agreed to by the Signatories, which is encompassed in this Stipulation and attached exhibits. The Stipulation consists of consecutively numbered paragraphs organized in the following sections, which incorporate relevant summary case information and the substantive terms and conditions agreed to by the Signatories.

The following parties<sup>1</sup> do not oppose this Stipulation: Onward Energy Holdings, LLC and Renewable Energy Industries Association of New Mexico.

With regard to entities that proposed to intervene on an opposed basis and for whom intervention has not been granted, when queried: EcoMaxSolar LLC takes no position and New Mexico Independent Power Producers did not respond.

The Signatories submit this Stipulation to the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) as representing a just and reasonable disposition of the issues related to this case. The Stipulation balances the interests of customers and PNM in a manner that results in fair, just and reasonable rates for customers and therefore is in the public interest.

The Signatories request that the Commission issue a Final Order in this case that approves this Stipulation together with the Illustrative Cost-of-Service Study and stipulated new rates that are attached hereto, with all necessary findings, conclusions and ordering paragraphs that resolve in full all issues in this proceeding in accordance with the provisions of the Stipulation.

**I. Summary of PNM’s Requested Rate Increase and Proposed Rates**

1. On June 14, 2024, PNM filed its Application requesting Commission approval for revisions to PNM’s retail rates under Advice Notice No. 625. PNM’s rate request is based on a Future Test Year Period (“Test Period”) beginning July 1, 2025. Excluding the costs currently recovered through PNM’s Fuel and Purchased Power Cost Adjustment Clause (“Fuel Clause”), PNM projects an annual revenue requirement of \$851.3 million for the Test Period. PNM’s stated revenue deficiency is \$174.3 million.

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<sup>1</sup> Collectively the term “Parties” refers to Staff and the following persons that moved to intervene as parties in this case and whose intervention was granted by rule or order at the time of settlement meetings are: NMDOJ, County, ABCWUA, City, CCAE, CCSA, NM AREA, WRA, Onward, NEE, Kroger, REIA, and Walmart. The term does not include persons whose intervention was not granted as of the date of this Stipulation. EcoMaxSolar LLC’s motion for intervention was opposed by PNM; PNM also opposed the proposed motion to intervene of New Mexico Independent Power Producers.

2. In its Application and supporting testimonies, PNM states that a significant rate increase is necessary to help cover:

- replacement of aging equipment and facilities;
- maintenance, upgrades, improvements, and expansion of the utility system needed to accommodate increasing generation resources and changing customer needs;
- the operational cost increases associated with managing system risks, including increased wildfire mitigation and vegetation management efforts, and protective measures against cyber and physical threats; and
- Inflationary pressures on the ongoing costs of providing electricity service.

In support of its Application and the stated basis for the proposed rate increase, PNM filed direct and supplemental testimonies and exhibits, together with the data schedules, information and fully executable models and spreadsheets required by Rules 17.3.1.1 and 17.9.530 NMAC. The witnesses that provided supporting testimonies and exhibits are: Henry Monroy, Vice President of Regulatory Affairs; Kyle Sanders, Executive Director of Financial Planning, Budget and Cost of Services; Stella Chan, Director of Pricing; Sheila Mendez, Vice President and Chief Information Officer; Omni Warner, Vice President of Operations and Engineering; Jeremy Heslop, Manager Generation Engineering; Kathleen Larese, Vice President Customer Operations; Sabrina Greinel, Vice President and Treasurer; Abraham Casas, Senior Pricing Analyst; Dr. Heidi Pitts, Lead Pricing Analyst; Angela Pino, Director of Total Rewards; Larry Morris, Director of Tax; Adrien McKenzie, President of FINCAP, Inc.; Joseph Miller, President and CEO for Pegasus-Global Holdings, Inc.; Dr. Stuart McMenamin, Director of Forecasting for Itron, Inc.; and Dan Watson, Managing Partner of the Alliance Consulting Group.

3. PNM proposed to recover the \$174.3 million revenue deficiency through an increase of \$92.2 million in non-fuel base rates and an increase of \$82.1 million in its Fuel and Purchased Power Cost Adjustment Clause (“Fuel Clause”). PNM also proposed to remove existing Energy Storage Agreement (“ESA”) charges from base rates and to recover those ESA costs through the Fuel Clause, using its production cost allocator to spread ESA costs among the customer classes. PNM’s Application used its currently approved allocation methodology authorized by the Commission in PNM’s last rate proceeding, Case No. 22-00270-UT.

4. In its Application, PNM proposed to “band” the rate increase so that residential and certain other rate classes would not receive a full cost-based increase under cost-causation principles, while other rate classes would receive cost-based or above cost-based rate increases. Based on the banding adjustments to PNM’s proposed allocation of costs, the proposed total rate increase for residential customers would be approximately 32.47%. PNM’s rate proposal was intended to make commercial and industrial rates more competitive while mitigating the increase for residential customers. If the as-filed revenue requirement were to be approved, PNM also proposed phasing in the rate increase with a 50% increase beginning July 1, 2025 and the full rate increase beginning January 1, 2026.

5. Using the as-filed annual revenue requirement and proposed recovery of ESA costs through the Fuel Clause and the as-filed banding adjustments, PNM estimated a residential customer with an average usage of 600 kWh per month would experience an increase of \$11.12 per month beginning July 1, 2025 and an additional \$12.48 on January 1, 2026, for a total monthly bill impact of \$23.60. PNM acknowledged that the actual average bill increase would vary among customers and rate classes, with the intent that certain non-residential customer classes that historically have subsidized rates for other classes would receive cost-based rate increases.

## **II. Settlement Negotiations and Participation of Parties**

6. Pursuant to the Hearing Examiners' Procedural Order issued July 11, 2024 ("Order"), the Parties were directed to participate in a settlement conference on or before November 1, 2024. PNM and the Parties collectively met and conferred on potential settlement on October 30, November 1, November 12 and 13, 2024, and additional meetings were also held between and among parties.

7. The Parties that participated in these settlement meetings are knowledgeable and sophisticated parties and are well-informed on the issues raised by PNM's Application and supporting testimonies, exhibits and schedules. The Parties represent a diverse group of stakeholders with diverse and often divergent or competing positions on the ratemaking issues at hand. The Parties actively participated in settlement negotiations between and among themselves and PNM, with considerable give and take on issues of interest and importance to each party. Each Party had the opportunity to engage in a thoughtful and thorough assessment of potential outcomes that could result either through settlement or litigation.

8. The Signatories agree to resolve all issues among them related to PNM's Application, as provided in the specific terms and conditions of settlement set forth in Sections III-X.

## **III. Agreed-Upon Base Rate Increase and Illustrative Cost-of-Service Study**

9. The Signatories agree that PNM should be authorized to implement a rate increase of \$105 million for its retail base rates which includes recovery of ESA costs in base rates and not through PNM's Fuel Clause. The Signatories agree to the following stated annual revenue requirement components and related settlement components which are set forth in Stipulation Exhibit 1 -- PNM's Illustrative Cost-of-Service Study:

- a. Stipulated overall revenue requirement increase of \$105 million for the Test Period;
- b. All ESA charges shall be recovered through base rates;
- c. PNM shall include the following agreed-upon stated cost of service components in its Illustrative Cost-of-Service Study:
  - i. Return on Equity of 9.45%;
  - ii. Capital structure of 51% equity, 0.25% preferred stock, and 48.75% long-term debt;
  - iii. Maintain currently approved depreciation rates for Four Corners Power Plant as established in Case Nos. 22-00270-UT and 15-00261-UT;
  - iv. Modification of PNM's current amortization period through December 31, 2028 on the unprotected Excess Deferred Federal Income Taxes ("EDFIT") regulatory liability to reflect amortization of remaining unprotected EDFIT through December 31, 2027.
- d. Requested rate case expenses shall be recovered with a debt only carrying charge.
- e. PNM will expand fee-free in person payments at Western Union locations as proposed in its Application and recover those costs in base rates;
- f. PNM will establish a regulatory asset or regulatory liability for the difference in actual ESA costs compared to the forecasted \$82.1 million included in base rates in the Test Period and thereafter until new rates are effective from PNM's next general rate case filing. The regulatory asset or regulatory liability is subject to the following conditions:
  - i. any recorded regulatory asset or regulatory liability will be subject to Commission approval in PNM's next rate case;
  - ii. carrying charges for the regulatory asset or regulatory liability will be the cost of debt; and
  - iii. the Parties' agreement on establishment of an ESA regulatory asset or regulatory liability is limited to the period of time between this rate case and PNM's next filed rate case.
- g. PNM will establish a regulatory liability associated with investment tax credits for the Sandia Battery Energy Storage System ("BESS") as proposed in its Application; and
- h. PNM will establish a regulatory liability equal to the return on legacy meters currently included in rates, as the legacy meters are retired during PNM's deployment of its grid modernization plan approved in Case No. 22-00058-UT.

10. In adjusting the as-filed Cost-of-Service Study, PNM agrees to reduce the as-filed requested Group Incentive Plan expense by \$2,164,822 or 60%, consistent with the Commission recent treatment of that expense in Case No. 22-00270-UT. PNM further agrees to withdraw its as-filed requested Annual Incentive Plan expense and reduce that cost of service line item by \$4,074,331 to zero dollars.

11. PNM shall make generic reductions to operating expenses included in the requested as filed Cost of Service Study, that together with the stipulated cost of service adjustments listed above will result in an annual revenue requirement of \$105 million for the Illustrative Cost-of-Service Study. PNM's Illustrative Cost-of-Service Study shall include the generic reductions to operating expenses or other such appropriate adjustments necessary to ensure PNM's Illustrative Cost-of-Service Study achieves the stipulated annual revenue requirement of \$105 million.

12. PNM states the stipulated rate increase is necessary and will help to cover the cost of replacing aging equipment and facilities and improve and expand the system necessary to accommodate increasing generation resources and changing customer needs; the operational cost increases of managing system risks by increasing wildfire mitigation and vegetation management efforts; protecting against cyber and physical threats; and responding to inflationary impacts that increase the cost of electricity service like other goods and services.

#### **IV. Other Stipulated Terms**

13. PNM will make a one-time shareholder contribution of \$1.5 million to the Good Neighbor Fund.

14. PNM agrees to work with Signatories to identify and explore options for monetizing investment tax credits to provide refunds to customers ahead of what is currently planned.

15. PNM agrees to maintain its Key Account Management Program consistent with the funding level included in PNM's as-filed Cost-of-Service Study.

16. Within its next rate case class cost of service study filing, PNM shall develop a cost of service for company-owned streetlights in Rate Schedule 20 separate from the cost of service for customer-owned streetlights within that rate schedule. The City agrees to work with PNM to

help develop this separation between costs of service for Rate Schedule 20. PNM reserves the right to choose its preferred methods for separating the two categories of streetlights but regardless of the outcome of the discussions with the City, PNM shall provide the information developed with the City in PNM's next rate case.

17. If changes to reform the federal corporate income tax laws are enacted and become effective on or before December 31, 2025 and are applicable to PNM, PNM shall make an adjustment to the Illustrative Cost-of-Service Study for the Phase II rate increase and PNM shall account for the applicable changes to the calculation of PNM's federal corporate income taxes as follows:

- a. the federal income tax rate (the current rate is 21%);
- b. existing permanent book/tax differences that are included in the Cost-of-Service calculation;
- c. new permanent book/tax differences that would appropriately be included in the Cost-of-Service calculation (such as interest expense deductibility or state and local tax deductibility);
- d. annual amortization of any deficient or excess deferred federal income taxes resulting from a statutory increase or reduction in the federal income tax rate. Such amortization would be calculated in a manner that is in accordance with any IRS normalization requirements applicable to excess deferred federal income taxes; and
- e. The adjustment to account for any changes to the calculation of federal corporate income taxes shall be incorporated into the Phase II compliance Advice Notice filing described in Paragraph 22 of this Stipulation and shall not delay the stipulated Phase II change of rates effective with service rendered beginning April 1, 2026.

18. PNM commits that it will dedicate resources and investments and work collaboratively towards continuous improvement in power quality, including the "momentary average interruption frequency index" (MAIFI), as that term is defined in Section 17.9.589.7.M(3) NMAC of the Reliability Metrics Reporting Rule and in IEEE-1366- 2022, for customers whose electric service and operations are negatively impacted by such momentary interruptions.



19. Within forty-five days of issuance of a final order approving this Stipulation, PNM agrees that it will dismiss its appeal of the capital structure determination in Case No. 22-00270-UT docketed in New Mexico Supreme Court Docket S-1-SC-40332.

20. PNM agrees that it will make informational filings on any new amendments to the Four Corners Power Plant (“Four Corners”) coal supply, co-tenancy and operating agreements. PNM intends to exit from the operation of the Four Corners generating units as of the termination of the current coal supply agreement and agrees PNM will obtain prior approval from the Commission to enter into any amendments that would extend PNM’s participation in the operation of the Four Corners Power Plant’s generating units beyond the current mid-2031 termination date of the coal supply agreement.

21. PNM, WRA, CCAE and other interested Signatories will file a motion to request wildfire mitigation workshops to be scheduled in Case No. 22-00154-UT. No Signatory is opposed to this provision.

**V. Agreed-Upon Phase-In of Rate Increase**

22. The Signatories agree that if the Stipulation is approved, the stipulated rate increase shall be phased in through compliance advice notice filings by PNM, subject to review by Staff, as follows: 50% of base rate increase effective July 1, 2025, 100% of base rate increase effective April 1, 2026.

**VI. Agreed-Upon Rate Design**

23. As a compromise of the various issues associated with rate design in this case, the Signatories agree that the allocation methodology proposed in PNM’s Application shall be used for purposes of calculating the stipulated rates and shall include recovery of ESA costs in base rates instead of the Fuel Clause. PNM’s as-filed rates were intended to make commercial and

industrial rates more competitive while mitigating the increase for residential customers; the overall intent of the stipulated rates is to further reduce the rate impact to consumers while also limiting rate increases for other customer classes. The Signatories further agree that in order to equitably distribute the revenue requirement increase across all customer classes, and subject to PNM collecting the stipulated revenue requirement of \$105 million, the stipulated rate schedule impacts shall be as follows:

- a. 19.85% or no more than 20% for Rate Schedules 1A - Residential, 1B - Residential TOU, 11B – Water and Sewage Pumping TOU, and 20 – Integrated System Streetlighting;
- b. 6.95% or no more than 7% for Rate Schedules 2A – Small Power, 2B – Small Power TOU, 3C General Power (Low Load Factor) TOU, 3D – Pilot Municipal/Counties General Power TOU, 3E - Pilot Municipal/Counties General Power (Low Load Factor) TOU, 3F -Non-Residential Charging, 4B – Large Power TOU, 5B Large Service, 6 Private Area Lighting, 15B – Large Service Universities, 30B Large Service Manufacturing, 33B – Large Service Station Power TOU, 35B Large Power TOU, and 36B Special Service Renewable Energy Resources;
- c. 9.75% for Rate Schedule 3B – General Power TOU;
- d. 15.4 % for Rate Schedules 10A and 10B – Irrigation and Irrigation TOU; and
- e. the as-filed Rate Schedule 16 Special Charges rate adjustments, such as for meter tampering and pole reconnections, will be implemented in Phase I.

24. The rate increase for each rate class will be spread pro rata across each rate class's base rate elements, with the exception of the following: the Contribution to Production rate element

for Rate 36B will remain at \$ 0.00 per kW; the Customer Charge for Rate Schedule 11B will be cost-based; and the components for Rate Schedule 3B will be aligned with the Rate Schedule 3B unbundled cost of service submitted by PNM in its Application filing package. The pro rata spread is subject to minor differences that may result from the determination of the pro rata amount using the Rate Design Model, filed as PNM Exhibit HMP-2 and attached to the Direct Testimony of PNM witness Heidi M. Pitts.

25. The revenue requirement increases and percentage increases by customer class for Phase I and Phase II rates are attached in Stipulation Exhibit 2. Stipulation Exhibit 3 provides a table summarizing the stipulated rate schedules by customer class. Stipulation Exhibit 4 provides the calculated Sample Community Solar Bill Credits that would result from the stipulated rates, subject to the determinations of the Commission in Case No. 23-00071-UT. PNM shall provide a Proof of Revenues for the stipulated rates as part of its testimony in support of this Stipulation.

26. Using the stipulated annual revenue requirement and percentage increase by customer class and using similar bill comparison assumptions as shown the as-filed bill impact estimate provided in Paragraph 5 and as adjusted for ESA base rate recovery, PNM estimates a residential customer with an average usage of 600 kWh per month will see an increase of \$2.79 per month beginning July 1, 2025 and an additional \$7.00 as of April 1, 2026, for a total bill impact of \$9.79 per month.

27. **For informational purposes only** and without impacting the stipulated rate percentage increases or how rates were calculated using the COST™ Model or Rate Design Model, PNM will include in its Testimony in Support of Stipulation an exhibit showing the results of an illustrative COST™ Model that reflects the following assumptions: an Energy4 Allocator with a

non-renewable percentage of 79.7% applied to all rate schedules; and the re-functionalization of transmission ESA costs to production.

28. The Signatories agree that PNM's existing Pricing Advisory Committee will continue to work collaboratively on functionalization, classification, and allocation methodologies and rate design approaches that will result in a modern rate design that supports the energy transition and provides customers with pricing signals and pricing options that encourage customers to use electricity efficiently. The Signatories are not bound to support specific rate design principles, cost allocation methodologies or rate banding mechanisms in future rate cases.

#### **VII. Admission of Pre-filed Testimony into Record**

29. The Signatories agree to the admission into the case record for background information of PNM's pre-filed direct and supplemental testimonies and exhibits, including PNM's Schedules required under Rules 17.1.3 and 17.9.530 NMAC and together with all errata, corrections and updates; and agree to the admission of all Signatories' testimonies and exhibits filed in support of this Stipulation.

#### **VIII. Basis and Scope of Stipulation**

30. This Stipulation is the result of good faith, arms-length negotiation, compromise, settlement and accommodation among the Signatories with respect to the issues presented in this case. The Signatories agree that the stipulated resolution of this case provides benefits to both PNM and its customers, balances the interests of customers and shareholders, and results in just and reasonable rates. The Stipulation is in the public interest and should be accepted and approved by the Commission.

31. The Signatories agree that this Stipulation comprehensively resolves the issues in this case in a manner that is preferable to continued litigation. Because the Stipulation is

comprehensive and is the result of thoughtful give and take compromise of a range of issues, the terms and conditions of the Stipulation are interdependent and the various provisions of this Stipulation are not severable.

**IX. Support for and Binding Nature of Stipulation**

32. The Stipulation is in the public interest and should be accepted and approved by the Commission. The Signatories agree to affirmatively support this Stipulation through filed individual or joint testimonies and oral testimony at hearing, and to undertake necessary and reasonable efforts in good faith before the Commission to obtain approval of the Stipulation without modification.

33. The Signatories recognize that a Signatory's support of the provisions of the Stipulation may differ from positions taken or testimony presented by that Signatory in other cases before the Commission or in other jurisdictions, and that the positions taken by a Signatory reflect the give and take of compromise and settlement necessary to resolve this case without continued litigation of all the issues raised by PNM's Application.

34. This Stipulation is binding on each of the Signatories only for the purposes of comprehensively settling the issues in this case and for no other purposes. Subject to compliance with a Commission order accepting and approving or enforcing the Stipulation, the positions taken in support of the Stipulation shall not be binding or precedential on a Signatory outside of this proceeding. To the extent that there is a difference, a Signatory does not waive its position in such other dockets. Because this is a settlement agreement, a Signatory is under no obligation to take the same position as set out in this Stipulation in other dockets not referenced herein, whether those dockets present the same or a different set of circumstances. The Signatories and non-contesting parties reserve all rights in other dockets in which they and PNM are parties, and nothing in this

Stipulation shall affect the rights or positions of any party in the appeal of Case No. 22-00270-UT in the New Mexico Supreme Court consolidated dockets S-1-SC-40307 and 40340 regarding the issues raised in those consolidated appeals or future proceedings relating to the Four Corners Power Plant.

35. The Signatories are not agreeing, unless otherwise expressly stated, to any specific allocation methodology or rate design principle or theory that may support or underlie any of the stipulated dollar amounts or balances, tariffs and rates, depreciation rates, or other values included in this Stipulation. No Signatory is under any obligation to take the same positions as set forth in this Stipulation in future PNM rate cases or other cases.

36. The Signatories acknowledge that in accordance with Rule 1.2.2.20(D) NMAC, that unless the Commission explicitly provides otherwise in the order approving this Stipulation, approval of a stipulation does not constitute Commission approval of or precedent regarding any principle or issue in the proceeding.

37. The Stipulation provisions shall not be operable until approved by the Commission, and upon approval shall be orders and directives of the Commission.

**X. Compliance with Commission Requirements and Procedural Orders**

38. The Signatories agree that if, for any reason, the Hearing Examiners or Commission determine that this Stipulation does not satisfy the Commission's requirements for a Stipulation, the Signatories will endeavor in good faith to remedy any deficiencies in order to satisfy those requirements.

39. If the Commission issues an order rejecting this Stipulation or modifying one or more terms of this Stipulation in a way that is unacceptable to one or more Signatory, then each

Signatory shall have the right to withdraw from this Stipulation and to advocate for any position it deems appropriate to resolve this case through the litigation process.

40. If the Stipulation is rejected and this matter is to be resolved through litigation, the Signatories agree to make good faith efforts to complete the hearing process as expeditiously as possible in order to allow new rates to go into effect by no later than July 14, 2025.

#### **XI. Multiple Counterparts and Signatures**

41. Each copy of this Stipulation, which may be executed by facsimile transmission or PDF signature, may not bear the signatures of all the Signatories but will be deemed fully executed if all copies together bear the signatures of all Signatories.

42. Fully and duly authorized representatives of the Signatories have signed this Stipulation effective as of the date first set forth above.

**Respectfully submitted this 26th day of November 2024.**

**ABCWUA**

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# STIPULATION EXHIBIT 1

PNM's Illustrative Cost-of Service Study  
Consisting of 99 pages

	A	B	C	D	E	F	G	H	I	J
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
4				<b>Rate Base</b>						
5										
6				<b>Net Plant</b>						
7										
8				<b>Net Production Plant</b>						
9										
10				Steam Production Net Plant	101/106	Gen Dmd	240,974,322		240,974,322	240,974,322
11				Total Steam Production Net Plant			240,974,322	-	240,974,322	240,974,322
12										
13				Nuclear Production Net Plant - Palo Verde	101/106	Gen Dmd	347,311,437		347,311,437	347,311,437
14				Nuclear Production Net Plant - Acq Adj (Drexel)	114	Gen Dmd	-		-	-
15				Nuclear Production Net Plant - Acq Adj (First Chicago)	114	Gen Dmd	16,779,747		16,779,747	16,779,747
16				Total Nuclear Production Net Plant			364,091,185	-	364,091,185	364,091,185
17										
18				Other Production Plant - Gas & 40 MW Solar	101/106	Gen Dmd	377,586,968		377,586,968	377,586,968
19				Other Production Plant - Renewable	101/106	Renewables	158,530,056		158,530,056	-
20				Total Other Production Net Plant			536,117,025	-	536,117,025	377,586,968
21										
22				Total Net Production Plant			1,141,182,532	-	1,141,182,532	982,652,475
23										
24				<b>Net Plant Battery Storage</b>						
25										
26				Transmission Sited Batteries	101/106	Retail	20,184,418	-	20,184,418	20,184,418
27				Distribution Sited Batteries	101/106	Retail	26,727,983	-	26,727,983	26,727,983
28				Total Battery Storage Net Plant			46,912,401	-	46,912,401	46,912,401
29										
30				<b>Net Transmission Plant</b>						
31										
32				Step-Up Transformers & Generation Interconnections	101/106	Gen Dmd	4,119,928		4,119,928	4,119,928
33				Total Transmission Station Equipment - Step-up Xfmr and Aux			4,119,928	-	4,119,928	4,119,928
34										
35				Transmission System Net Plant - Allocated	101/106	Trans Dmd	1,250,054,434		1,250,054,434	556,621,001
36				Transmission System Net Plant - FERC Incremental Rates	101/106	FERC	337,397,141		337,397,141	-
37				Transmission System Net Plant - Dedicated Retail	101/106	Retail	6,005,891		6,005,891	6,005,891
38				Transmission System Net Plant - Acq Adj (EIP)	114	Trans Dmd	78,880		78,880	35,123
39				Total Transmission System Net Plant			1,593,536,346	-	1,593,536,346	562,662,016
40										
41				Total Net Transmission Plant			1,597,656,275	-	1,597,656,275	566,781,944

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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
42										
43				<u>Net Distribution Plant</u>						
44										
45				Distribution Substations Net Plant - PNM	101/106	Retail	199,695,244		199,695,244	199,695,244
46				Distribution Substations Net Plant - Renewables	101/106	Renewables	-		-	-
47				Distribution Substations Net Plant - Grid Mod	101/106	Grid Mod	-		-	-
48				Total Distribution Substations Net Plant			199,695,244	-	199,695,244	199,695,244
49										
50				Primary Distribution System Net Plant - PNM	101/106	Retail	788,963,636		788,963,636	788,963,636
51				Primary Distribution System Net Plant - Renewables	101/106	Renewables	4,291,993		4,291,993	-
52				Primary Distribution System Net Plant - Grid Mod	101/106	Grid Mod	5,857,809		5,857,809	-
53				Total Primary Distribution Net Plant			799,113,439	-	799,113,439	788,963,636
54										
55				Secondary Distribution System Net Plant - PNM	101/106	Retail	340,199,544		340,199,544	340,199,544
56				Secondary Distribution System Net Plant - Renewables	101/106	Renewables	1,342,881		1,342,881	-
57				Secondary Distribution System Net Plant - Grid Mod	101/106	Grid Mod	3,044,182		3,044,182	-
58				Total Secondary Distribution Net Plant			344,586,608	-	344,586,608	340,199,544
59										
60				Services Net Plant - PNM	101/106	Retail	123,529,928		123,529,928	123,529,928
61										
62				Meters Net Plant - PNM	101/106	Retail	47,907,691		47,907,691	47,907,691
63				Meters Net Plant - Grid Mod	101/106	Grid Mod	10,201,823		10,201,823	-
64				Total Meters Net Plant			58,109,515	-	58,109,515	47,907,691
65										
66				Private Lighting - 371	101/106	Retail	1,163,014		1,163,014	1,163,014
67				Street Lighting - 373	101/106	Retail	13,591,316		13,591,316	13,591,316
68				Total Lighting Net Plant			14,754,330	-	14,754,330	14,754,330
69										
70				Total Net Plant Distribution Plant			1,539,789,063	-	1,539,789,063	1,515,050,373
71										
72				<u>Net Plant General &amp; Intangible Plant</u>						
73										
74				General & Intangible Net Plant	101/106	Total W&S excluding Riders	126,756,218		126,756,218	115,531,045
75				Renewables General & Intangible Net Plant	101/106	Renewables	1,207,658		1,207,658	-
76				Grid Mod General & Intangible Net Plant	101/106	Grid Mod	14,492,490		14,492,490	-
77				Production Related (Shared Services)	101/106	Prod W&S	15,607,280		15,607,280	15,193,897
78				Transmission Related (Shared Services)	101/106	Trans W&S	12,616,327		12,616,327	5,617,766
79				Distribution/Customer Related (Shared Services)	101/106	Retail	80,471,663		80,471,663	80,471,663
80				Total Net Plant General & Intangible Plant - PNM			251,151,636	-	251,151,636	216,814,370
81										
82				Total Net Plant			4,576,691,907	-	4,576,691,907	3,328,211,564

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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
83										
84				<b>Accumulated Deferred Income Taxes</b>						
85				Federal Tax Credit Carryforward	190	Retail	19,358,228		19,358,228	19,358,228
86				Federal Tax Credit Carryforward - Renewables	190	Renewables	-		-	-
87				Net Operating Loss (NOL)	190	Total Net PIt	2,764,230	5,487,708	8,251,938	6,274,218
88				Incentive Pay Plans	190	Total W&S	-		-	-
89				Regulatory Assets - Coal Mine Decommissioning	190	Retail	-		-	-
90				Regulatory Liabilities - Renewable Rider	190	Renewables	-		-	-
91				Income Tax Regulatory Liability	190	ADIT	57,803,713	(637,446)	57,166,267	45,315,027
92				Income Tax Regulatory Asset	283	ADIT	(66,168,495)		(66,168,495)	(52,450,988)
93				Lease Liability	190	Excluded	-		-	-
94				Deferred Credits - Coal Mine Decommissioning	190	Retail	-		-	-
95				Regulatory Assets - ETA Carrying Charges	283	Retail	(0)		(0)	(0)
96				Regulatory Assets - ETA Job Training & Severance	283	Retail	-		-	-
97				Regulatory Assets - ETA Payments to State Agencies	283	Retail	0		0	0
98				Regulatory Assets - ETA SJGS Plant Decommissioning	283	Retail	(667,624)		(667,624)	(667,624)
99				Regulatory Assets - ETA SJGS upfront Financing Cost	283	Retail	0		0	0
100				Regulatory Assets - ETA Westmoreland Coal Mine Sev	283	Retail	0		0	0
101				Deferred Credits - Joint Use	190	Retail	181,010		181,010	181,010
102				Deferred Credits - Pathnet	190	Retail	1,349,331		1,349,331	1,349,331
103				Deferred Credits - PVNGS Dry Casks	190	Retail	-		-	-
104				Other Deferred Credits	190	Retail	-		-	-
105				Other Liabilities - ETA Job Training and Severance	190	Retail	-		-	-
106				Other Liabilities - Navajo Workforce Training	190	Retail	-		-	-
107				Other Liabilities	190	Total W&S	-		-	-
108				Injury and Damages	283	Total W&S	1,460,657		1,460,657	1,324,629
109				Plant - AFUDC	283	Total Net PIt	(27,370,739)		(27,370,739)	(20,810,867)
110				Plant - Capitalized Interest	283	Total Net PIt	5,553,213		5,553,213	4,222,289
111				Decommissioning and Reclamation Trusts	283	Retail	-		-	-
112				ASC 740-10 (FIN 48) Reclassifications	283	Total Net PIt	-		-	-
113				PVNGS Licensing	283	Retail	41,710		41,710	41,710
114				Plant - 263A Adjustment	283	Total Net PIt	(23,641,797)		(23,641,797)	(17,975,631)
115				Deferred State Taxes	283	Total Net PIt	-		-	-
116				Plant - CIAC	283	Total Net PIt	12,261,392		12,261,392	9,322,737
117				Plant - Depreciation Nuclear Fuel	282	Gen Dmd	9,663,055		9,663,055	9,663,055
118				Plant - Removal Cost	282	Total Net PIt	(7,430,377)		(7,430,377)	(5,649,558)
119				Plant - Repairs	282	Total Net PIt	(67,897,722)		(67,897,722)	(51,624,857)
120				Plant - Section 174 Deduction	282	Total Net PIt	(890,656)		(890,656)	(677,195)
121				Plant - Asset Retirement Obligation	282	Retail	7,857,390		7,857,390	7,857,390
122				Plant - Pollution Control Property	282	Gen Dmd	(2,154,701)		(2,154,701)	(2,154,701)
123				Plant - Liberalized Depreciation: Production	282	Gen Dmd	(169,234,057)		(169,234,057)	(169,234,057)
124				Plant - Liberalized Depreciation: Transmission	282	Trans Dmd	(146,946,861)		(146,946,861)	(65,432,118)
125				Plant - Liberalized Depreciation: Distribution	282	Retail	(154,067,714)		(154,067,714)	(154,067,714)
126				Plant - Liberalized Depreciation: General and Intangible	282	Total W&S	(18,028,362)		(18,028,362)	(16,349,418)
127				Plant - Liberalized Depreciation: Renewables	282	Renewables	(48,205,503)		(48,205,503)	-

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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
128				Plant - Four Corners Imprudence	282	Gen Dmd	-		-	-
129				Regulatory Assets - SJGS Stranded Costs Units 2&3	282	Retail	(19,264,979)		(19,264,979)	(19,264,979)
130				Pension	283	Total W&S	(37,038,716)		(37,038,716)	(33,589,376)
131				Retiree Medical	283	Total W&S	-		-	-
132				Lease Asset	283	Excluded	-		-	-
133				Loss on Reacquired Debt	283	Total Net Plt	(1,035,735)		(1,035,735)	(787,503)
134				Other Comprehensive Income (OCI)	283	Excluded	-		-	-
135				Deferred Credits - SO2 Allowance	283	Retail	10,507		10,507	10,507
136				Deferred Debits - Rate Case Expense	283	Retail	(847,737)		(847,737)	(847,737)
137				Deferred Debits - Decoupling	283	Excluded	-		-	-
138				Deferred Debits - Grid Modernization	283	grid mod	-		-	-
139				Deferred Debits - RR Underground Rider	283	Retail	-		-	-
140				Prepaid Expenses	283	Total Net Plt	(1,650,270)		(1,650,270)	(1,254,754)
141				Regulatory Assets - COVID-19 Costs	283	Retail	(370,501)		(370,501)	(370,501)
142				Regulatory assets - FAC	283	Retail	-		-	-
143				Regulatory Assets - EIM Costs	283	Retail	(2,903,476)		(2,903,476)	(2,903,476)
144				Regulatory Assets - Energy Efficiency	283	Excluded	(0)		(0)	-
145				Regulatory Assets - ETA	283	Retail	-		-	-
146				Regulatory Assets - Sky Blue Under Recovery	283	Renewables	-		-	-
147				Regulatory Assets - Renewable Energy	283	Renewables	3,091,257		3,091,257	-
148				Regulatory Assets - Renewable Energy Credits	283	Renewables	(0)		(0)	-
149				Regulatory Assets - SJGS External Legal Fees	283	Retail	(115,954)		(115,954)	(115,954)
150				Regulatory Assets - SJGS Replacement Resources	283	Retail	(1,947,453)		(1,947,453)	(1,947,453)
151				Regulatory Assets - SJGS Undepreciated Investment	283	Retail	0		0	0
152				Regulatory Assets - SJGS Underground Coal Mine	283	Retail	(0)		(0)	(0)
153				Regulatory Assets - Solar Direct Regulatory Assets	283	Retail	-		-	-
154				Regulatory Assets - Transportation Electrification	283	Retail	-		-	-
155				Regulatory Assets - WCC Transaction Costs	283	Retail	-		-	-
156				Regulatory Liabilities - Energy Efficiency	283	Excluded	-		-	-
157				Regulatory Liabilities - FAC	283	Retail	-		-	-
158				Regulatory Assets - PCB Refinancing Hedge	283	Total Net Plt	(1,821,230)		(1,821,230)	(1,384,741)
159				Prepaid Expenses: Production	283	Gen Dmd	(393)		(393)	(393)
160				Prepaid Expenses: Transmission	283	Trans Plt	(5,683)		(5,683)	(2,016)
161				Prepaid Expenses: Transmission (incremental FERC Rates)	283	FERC	-		-	-
162				Prepaid Expenses: Distribution	283	Retail	(1,729)		(1,729)	(1,729)
163				Prepaid Expenses: Renewables	283	Renewables	-		-	-
164				Regulatory Assets - 2024 Rate Change	283	Retail	(736,301)		(736,301)	(736,301)
165				Regulatory Assets - SJGS Obsolete Inventory	283	Retail	(1,473,597)		(1,473,597)	(1,473,597)
166				Regulatory Liabilities - Earnings Test	283	Retail	-		-	-
167				Regulatory Assets - PVNGS Undepreciated Investment	283	Retail	(10,596,037)		(10,596,037)	(10,596,037)

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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
168				Regulatory Assets - ETC Over/Under SPE	283	Retail	-		-	-
169				Regulatory Assets - PVNGS Replacement Resources	283	Retail	(462,677)		(462,677)	(462,677)
170				Regulatory Assets - Rate Rider 12 UG Rate	283	Retail	-		-	-
171				Regulatory Assets - Renewable Rider Curr Reg	283	Renewables	-		-	-
172				Regulatory Assets - SJ Energy Transition Property (SPE)	283	Retail	(79,654,063)		(79,654,063)	(79,654,063)
173				Regulatory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail	-		-	-
174				Regulatory Liabilities - Energy Transition Cost True Up	283	Retail	305,611		305,611	305,611
175				Regulatory Liabilities - SJGS Retirements Rate Credit	283	Retail	-		-	-
176				Deferred Debits - WS-Transmission Revenue	283	FERC	-		-	-
177				Customer Advance	190	Retail	-		-	-
178				Deferred Credits - ETA	283	Retail	-		-	-
179				Other Liabilities - ETA Coal Mine Severance	283	Retail	-		-	-
180				Other Liabilities - ETA State Agency Payments	283	Retail	-		-	-
181							-			
182										
183										
184										
185										
186										
187										
188										
189				Total Accumulated Deferred Income Taxes			(770,929,836)	4,850,262	(766,079,574)	(607,262,272)



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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
190										
191				<b>Regulatory Assets &amp; Liabilities</b>						
192										
193				Coal Mine Decommissioning	182	Retail	-		-	-
194				PCB Refinancing Hedge	182	Total Net Pft	7,170,198		7,170,198	5,451,736
195				Reg Liab Renewables Fed Grant	254	Renewables	(10,222,296)		(10,222,296)	-
196				Reg Liab Renewables St Credit	254	Renewables	(1,948,008)		(1,948,008)	-
197				SJGS Coal Agreement Transaction Costs	182	Gen Dmd	-		-	-
198				SJGS 2&3 50% Undepreciated Investment	182	Gen Dmd	75,846,374		75,846,374	75,846,374
199				SJGS County Ordinance Decommission	182	Gen Dmd	-		-	-
200				Energy Imbalance Market (EIM) One Time Implementation Costs	182	Retail	11,431,010		11,431,010	11,431,010
201				SJGS Replacement Resources	182	Gen Dmd	7,667,139		7,667,139	7,667,139
202				SJGS External Legal Expenses	182	Gen Dmd	456,510		456,510	456,510
203				SJGS Obsolete Inventory	182	Gen Dmd	5,801,562		5,801,562	5,801,562
204				COVID Regulatory Asset and Liability	182	Retail	1,561,547		1,561,547	1,561,547
205				Sky Blue Under Recovery	182	Retail	-		-	-
206				Solar Direct	182	Retail	-		-	-
207				Transportation Electrification Program (TEP)	182	Retail	-		-	-
208				SO2 Allowance Credit	182	Retail	0		0	0
209				PVNGS Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	38,948,435		38,948,435	38,948,435
210				PVNGS Unit 1 - 104MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-		-	-
211				PVNGS Unit 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	2,642,134		2,642,134	2,642,134
212				PVNGS Unit 2 - 10MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-		-	-
213				PVNGS Costs to Obtain Replacement Resources	182	Gen Dmd	1,821,562		1,821,562	1,821,562
214				PVNGS True-up for SRP Transaction Proceeds	182	Gen Dmd	126,114		126,114	126,114
215				2024 Rate Change Expenses	182	Retail	2,898,823		2,898,823	2,898,823
216				Energy Transition Cost True-up	182	Gen Dmd	(1,203,193)		(1,203,193)	(1,203,193)
217				Excess Deferred Income Tax Regulatory Liability	254	ADIT	(231,684,367)	2,509,630	(229,174,736)	(181,664,119)
218										
219				Total Regulatory Assets & Liabilities			(88,686,457)	2,509,630	(86,176,826)	(28,214,368)

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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
220										
221				<b>Other Rate Base Items</b>						
222										
223				Customer Deposits	235	Retail	(6,221,788)		(6,221,788)	(6,221,788)
224				RWIP-Production	108	Gen Dmd	-		-	-
225				RWIP-Transmission	108	Trans Dmd	-		-	-
226				RWIP-Distribution	108	Retail	-		-	-
227				CWIP - Production	107	Gen Dmd	-		-	-
228				CWIP - Transmission	107	Trans Dmd	-		-	-
229				CWIP - Distribution	107	Retail	-		-	-
230				CWIP - Renewables	107	Renewables	-		-	-
231				CWIP - Production Related	107	Gen Dmd	-		-	-
232				ARO Liability - Production	230	Gen Dmd	(28,866,513)		(28,866,513)	(28,866,513)
233				ARO Liability - Transmission	230	Trans Dmd	-		-	-
234				ARO Liability - Distribution	230	Retail	(1,606,816)		(1,606,816)	(1,606,816)
235				ARO Liability - 65MW SJGS	230	Excluded	-		-	-
236				Injuries and Damages PNM	228	Total W&S	(2,927,689)		(2,927,689)	(2,655,039)
237				NQRP - Expense in Excess of Funding		Total W&S	(3,477,633)		(3,477,633)	(3,153,768)
238				Palo Verde Dry Cask Storage	253	Gen Dmd	-		-	-
239				FERC Incremental Rates	253	FERC	(55,490,053)		(55,490,053)	-
240				Pueblos Transmission Rights-of-Way	186	Trans Dmd	114,679,603		114,679,603	51,064,237
241				Pueblos Distribution Rights-of-Way	186	Retail	7,967,592		7,967,592	7,967,592
242				Prepaid Pension Asset	182/228	Total W&S	145,821,716		145,821,716	132,241,638
243				Unamortized Loss on Reacquired Debt	189	Total Net PIt	4,100,682		4,100,682	3,117,882
244				Tucson Electric Power ROW Payment	253	Trans Dmd	(712,638)		(712,638)	(317,322)
245				PV 1&2 Excess Gain Amortization	253	Retail	(22,984)		(22,984)	(22,984)
246				Possessory Interest Tax	186	Total W&S	3,363,277		3,363,277	3,050,062
247				Pathnet	253	Retail	(5,312,329)		(5,312,329)	(5,312,329)
248				2025 Rate Change Expenses	186	Retail	3,337,546		3,337,546	3,337,546
249										
250				Total Other Rate Base Items			174,631,976	-	174,631,976	152,622,400

	A	B	C	D	E	F	G	H	I	J
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
251										
252				<b>Working Capital</b>						
253										
254				<b>Fuel Stock</b>						
255				Production Fuel Stock	151	Energy	915,189		915,189	915,189
256				PV Nuclear Fuel (120.1 - .5)	120	Energy	81,139,432		81,139,432	81,139,432
257				Total Fuel Stock			82,054,621	-	82,054,621	82,054,621
258										
259				<b>Materials &amp; Supplies</b>						
260				Production	154	Gen Dmd	27,174,074		27,174,074	27,174,074
261				Transmission	154	Trans Plt	8,136,556		8,136,556	2,886,511
262				Distribution	154	Retail	25,045,844		25,045,844	25,045,844
263				Total Materials & Supplies			60,356,473	-	60,356,473	55,106,429
264										
265				<b>Prepayments</b>						
266				Production	165	Gen Dmd	4,673,109		4,673,109	4,673,109
267				Transmission	165	Trans Plt	2,196,901		2,196,901	779,369
268				Transmission (Incremental FERC Rates)	165	FERC	420,894		420,894	-
269				Distribution	165	Retail	4,199,418		4,199,418	4,199,418
270				Renewables	165	Renewables	124,627		124,627	-
271				Total Prepayments			11,614,949	-	11,614,949	9,651,896
272										
273				Total Cash Working Capital (see Rule 530 schedule E-1)		Retail	6,503,398		6,503,398	6,503,398
274										
275				Total Working Capital			160,529,441	-	160,529,441	153,316,343
276										
277				Total Rate Base Adjustments & Working Capital			(524,454,876)	7,359,892	(517,094,983)	(329,537,897)
278										
279				Total Net Original Cost Rate Base			4,052,237,031	7,359,892	4,059,596,923	2,998,673,667

	A	B	C	D	E	F	G	H	I	J
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
280										
281				<b>Operations and Maintenance Expense</b>						
282										
283				<u>Production Fuel related expenses</u>						
284										
285				<u>Production - FPPCAC Fuel Related</u>						
286				Steam Generation	501	Direct Assignment	59,159,008		59,159,008	59,159,008
287				Steam Fuel Handling and Disposal	501	Direct Assignment	1,978,215		1,978,215	1,978,215
288				Nuclear	518	Direct Assignment	15,470,320		15,470,320	15,470,320
289				Nuclear Disposal	518	Direct Assignment	866,288		866,288	866,288
290				Gas Generation	547	Direct Assignment	96,037,692		96,037,692	96,037,692
291				Wind PPA	555	Direct Assignment	32,252,724		32,252,724	
292				Geothermal PPA	555	Direct Assignment	8,766,039		8,766,039	
293				Purchased Power Energy	555	Direct Assignment	110,551,362		110,551,362	110,551,362
294				Spinning reserves	555	Direct Assignment	112,483		112,483	112,483
295				Energy Storage Agreement - Demand	555	Direct Assignment	-		-	-
296				Total Fuel Costs (before OSS)			325,194,132	-	325,194,132	284,175,368
297										
298				Off-system Sales	447	Direct Assignment	(97,512,369)		(97,512,369)	(97,512,369)
299				Tri State Hazard Sharing	447	Direct Assignment	-		-	-
300				EIM Fuel Benefits	447.3	Direct Assignment	-		-	-
301				Physical Sales of Gas (under FAC hedge plan)	447.7	Direct Assignment	-		-	-
302				Total Other Fuel			(97,512,369)	-	(97,512,369)	(97,512,369)
303										
304				Total Fuel (net OSS)			227,681,763	-	227,681,763	186,663,000
305										
306				<u>Production - Non Fuel Items</u>						
307				Gas Plants Fuel Transportation	547	Energy	12,528,671		12,528,671	12,528,671
308				Gas PPA - Valencia - Demand	555	Energy	20,963,221		20,963,221	20,963,221
309				Energy Storage Agreement - Demand	555	Energy	82,142,228		82,142,228	82,142,228
310				Purchase Power for Economy Service Customer	555	Energy	-		-	-
311				Purchased power for Rate 36B		Energy	-		-	-
312				FPPCAC deferral		Energy	-		-	-
313				REC Purchases and Renewable Energy Amortization	555	Renewables	4,017,630		4,017,630	-
314				City of Gallup - Mandoza Station Charges		Energy	-		-	-
315				Coal Mine Decommissioning	501.15	Retail	-		-	-
316				Broker Fees		Gen Dmd	158,441		158,441	158,441
317				Total Non Fuel Items			119,810,191	-	119,810,191	115,792,561
318										
319				Total Fuel Related Expense			347,491,954	-	347,491,954	302,455,561

	A	B	C	D	E	F	G	H	I	J
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
320										
321				<u>O&amp;M</u>						
322				<u>Steam Production</u>						
323				Oper-Sup & Eng-Prod	500	Gen Dmd	5,161,937		5,161,937	5,161,937
324				Oper-Steam Expense-Major	502	Gen Dmd	5,211,646		5,211,646	5,211,646
325				Steam from Other Sources	503	Gen Dmd	-		-	-
326				Oper-Electric Exp-Major	505	Gen Dmd	1,440,208		1,440,208	1,440,208
327				Oper-Misc Steam Power Exp	506	Gen Dmd	2,099,786		2,099,786	2,099,786
328				Oper-Rents-Steam Power	507	Gen Dmd	230,497		230,497	230,497
329				Maint-Sup & Eng-Steam	510	Energy	603,898		603,898	603,898
330				Maint-Structures-Steam	511	Gen Dmd	4,083,313		4,083,313	4,083,313
331				Maint-Boiler Plant	512	Energy	6,345,507		6,345,507	6,345,507
332				Maint-Electric Plant	513	Energy	1,543,929		1,543,929	1,543,929
333				Maint-Gen & Elec Plant	514	Gen Dmd	826,735		826,735	826,735
334										
335				<u>Nuclear Production</u>						
336				Oper-Sup & Eng-Nuclear	517	Gen Dmd	5,906,711		5,906,711	5,906,711
337				Oper-Coolants and Water	519	Gen Dmd	4,944,020		4,944,020	4,944,020
338				Oper-Steam Expenses-Nuclear	520	Gen Dmd	2,415,166		2,415,166	2,415,166
339				Oper-Electric Exp	523	Gen Dmd	3,193,815		3,193,815	3,193,815
340				Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit	524	Gen Dmd	10,702,739		10,702,739	10,702,739
341				Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit	524	Retail	-		-	-
342				Total Rents - Nuclear, excluding PV 1&2 Prudency Audit and Excess Gain Amortization	525	Gen Dmd	-		-	-
343				Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization	525	Retail	(38,554)		(38,554)	(38,554)
344				Maint-Sup & Eng-Nuclear	528	Energy	1,252,819		1,252,819	1,252,819
345				Maint-Structures-Major	529	Gen Dmd	798,482		798,482	798,482
346				Maint-Reactor Plant	530	Energy	3,054,879		3,054,879	3,054,879
347				Maint-Elec Plant	531	Energy	3,671,029		3,671,029	3,671,029
348				Maint-Misc Nuclear Plant	532	Gen Dmd	858,927		858,927	858,927
349				<u>Other Production</u>						
350				Oper-Sup & Eng-Other	546	Energy	5,573,377		5,573,377	5,573,377
351				Oper-Oth Pwr Gen Exp-Other	549	Energy	124,984		124,984	124,984
352				Oper-Oth Pwr Gen Exp-Other - Renewables	549	Renewables	1,655,522		1,655,522	-
353				Maint - Structures	552	Gen Dmd	1,400,652		1,400,652	1,400,652
354				Maint-Gen & Elec Plant	553	Energy	12,392,334		12,392,334	12,392,334
355				Maint-Gen & Elec Plant - Renewables	553	Renewables	1,003,097		1,003,097	-
356				Maint-Gen & Elec Plant	556	Gen Dmd	6,002,894		6,002,894	6,002,894
357				<u>Energy Storage Related O&amp;M</u>						
358				Oper-Oth Pwr Gen Exp-Other - Energy Storage Transmission	549	Retail	-		-	-
359				Oper-Oth Pwr Gen Exp-Other - Energy Storage Distribution	549	Retail	-		-	-
360				Maint-Gen & Elec Plant-Energy Storage Transmission	553	Retail	-		-	-
361				Maint-Gen & Elec Plant-Energy Storage Distribution	553	Retail	-		-	-
362				Total Production O&M			92,460,348	-	92,460,348	89,801,728

	A	B	C	D	E	F	G	H	I	J
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study									
2	Test Period Ending June 30, 2026				FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
363										
364	Transmission O&M (560-574, excluding 565):									
365				Oper-Sup & Eng-ETrans	560	Trans Dmd	3,264,064		3,264,064	1,453,414
366				Oper-Load Dispatch-ETrans	561	Trans Dmd	1,608,016		1,608,016	716,013
367				Oper-Station Exp-ETrans	562	Trans Dmd	2,107,851		2,107,851	938,578
368				Oper-Overhead Lines-ETrans	563	Trans Dmd	78,173		78,173	34,809
369				Oper-Misc Transmission-E	566	Trans Dmd	3,087,081		3,087,081	1,374,607
370				Oper-Rents-Transmission-E	567	Trans Dmd	19,417,130		19,417,130	8,646,009
371				Maint Sup & Eng-ETrans	568	Trans Dmd	2,733		2,733	1,217
372				Maint-Structures-ETrans	569	Trans Dmd	-		-	-
373				Maint-Sta Equip-ETrans	570	Trans Dmd	5,239,950		5,239,950	2,333,231
374				Maint-Overhead Lns-ETrans	571	Trans Dmd	1,642,106		1,642,106	731,193
375				Maint-Under Ground lines-ETrans	572	Trans Dmd	-		-	-
376				Maint-Misc Trans Plant	573	Trans Dmd	-		-	-
377				Maint-Trans Plant-NonMaj-E	574	Trans Dmd	5,767		5,767	2,568
378				Incremental Rate - Transmission O&M	560-564,566-574	FERC	1,251,042		1,251,042	-
379				Total Transmission O&M, excluding FERC 565			37,703,912	-	37,703,912	16,231,640
380										
381	Transmission O&M by Others (565):									
382				Transmission by Others	565	Gen Dmd	32,013,463		32,013,463	32,013,463
383				Total Transmission by Others, FERC 565			32,013,463	-	32,013,463	32,013,463
384										
385				Total Transmission O&M			69,717,375	-	69,717,375	48,245,103

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study									
2	Test Period Ending June 30, 2026				FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
386										
387	Total Dist O&M (580-598)									
388										
389	PNM Street & Private Lighting									
390				Oper-Street Light/Signal-E	585	Retail	38		38	38
391				Maint-Streetlight/Signal-E	596	Retail	981,229		981,229	981,229
392				Total Street and Private Lighting			981,267	-	981,267	981,267
393										
394	PNM Meters									
395				Oper-Meter Expense-EDist	586	Retail	3,797,705		3,797,705	3,797,705
396				Oper-Meter Expense-Grid Mod	597	Grid Mod	3,019,068		3,019,068	-
397				Maint-Meters-EDist	597	Retail	428,051		428,051	428,051
398				Maint-Meters-Grid Mod	597	Grid Mod	-		-	-
399				Total Meters			7,244,824	-	7,244,824	4,225,755
400										
401	All Other Distribution O&M									
402				Oper-Sup & Eng-EDist	580	Retail	2,385,705		2,385,705	2,385,705
403				Oper-Station Exp-EDist	582	Retail	1,104,307		1,104,307	1,104,307
404				Oper-Overhead Lines-EDist	583	Retail	3,278,998		3,278,998	3,278,998
405				Oper-Undergrd Line-EDist	584	Retail	708,285		708,285	708,285
406				Oper-Misc Dist Exp-EDist	588	Retail	12,240,120		12,240,120	12,240,120
407				Oper-Rents-Distribution-E	589	Retail	1,148,392		1,148,392	1,148,392
408				Maint-Sup & Eng-EDist	590	Retail	3,600,779		3,600,779	3,600,779
409				Maint-Structures-EDist	591	Retail	49,552		49,552	49,552
410				Maint-Station Equip-EDist	592	Retail	1,320,092		1,320,092	1,320,092
411				Maint-Overhead Lns-EDist	593	Retail	10,814,869		10,814,869	10,814,869
412				Maint-Und Lines-EDist	594	Retail	2,412,820		2,412,820	2,412,820
413				Maintenance of Line Transformers	595	Retail	437		437	437
414				Maint-Misc Dist Plant-E	598	Retail	-		-	-
415				Other Distribution O&M - Grid Mod	580-598	Grid Mod	1,079,772		1,079,772	-
416				Total Other Distribution O&M			40,144,127	-	40,144,127	39,064,355
417										
418				Total Distribution O&M			48,370,217	-	48,370,217	44,271,376

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1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
419										
420				<u>Customer Related O&amp;M</u>						
421										
422				<u>PNM Related Customer Accounts Exp</u>						
423				Supervision-Customer Accts	901	Retail	(324,877)		(324,877)	(324,877)
424				Meter Reading Expenses	902	Retail	9,952,377		9,952,377	9,952,377
425				Customer Record and Collections	903	Retail	13,150,371		13,150,371	13,150,371
426				Uncollectible Expenses	904	Retail	3,768,813		3,768,813	3,768,813
427				Misc Customer Accts Exp	905	Retail	-		-	-
428				Cust Service/Inf Expenses	906	Retail	109,690		109,690	109,690
429				Customer Assistance Exps	908	Retail	1,600,974		1,600,974	1,600,974
430				Inform/Instruc Advert Exps	909	Retail	-		-	-
431				Demo & Selling Expenses - Non Production	912	Retail	-		-	-
432				Demo & Selling Expenses - Production	912	Sales	6,300,759		6,300,759	6,300,759
433				Advertising Expense	913	Sales	608,637		608,637	608,637
434				Total Customer Accounting Expenses - Grid Mod	901-905	Grid Mod	7,171,536		7,171,536	-
435				Total Customer Related O&M			42,338,279	-	42,338,279	35,166,744
436										
437				<u>Administrative &amp; General Expense</u>						
438										
439				Admin and General Salaries	920	Total W&S excluding Riders	5,033,871		5,033,871	4,588,086
440				AG Office Supplies Exp	921	Total W&S excluding Riders	442,737		442,737	403,530
441				A&G Charged to CWIP	922	Total W&S excluding Riders	(14,950,025)		(14,950,025)	(13,626,093)
442				Production Related - Shared Services	9229	Prod W&S	16,394,108		16,394,108	15,959,884
443				Transmission Related - Shared Services	9229	Trans W&S	13,975,431		13,975,431	6,222,944
444				Distribution Related - Shared Services	9229	Dist W&S	54,666,291		54,666,291	54,666,291
445				Outside Services	923	Total W&S excluding Riders	1,597,839		1,597,839	1,456,338
446				Property Insurance	924	Total W&S excluding Riders	2,719,905		2,719,905	2,479,038
447				Injuries or Damages-Safety	925	Total W&S excluding Riders	14,888,590		14,888,590	13,570,098
448				Empl Pension and Benefits	926	Total W&S excluding Riders	11,624,341		11,624,341	10,594,922
449				Regulatory Commission Exp	928	Total W&S excluding Riders	2,655,693		2,655,693	2,420,512
450				Regulatory Commission Exp - (Rate Case Expense)	928	Retail	966,274		966,274	966,274
451				Production - Misc AG Expenses	930	Total W&S excluding Riders	9,182,874		9,182,874	8,369,664
452				Transmission - Rents-Cust	931	Total W&S excluding Riders	274,485		274,485	250,177
453				Total Gas A&G Maintenance	932	Total W&S excluding Riders	-		-	-
454				Maint of General Plant	935	Total W&S excluding Riders	2,435,777		2,435,777	2,220,071
455				Renewables - A&G (920-935)	920-935	Renewables	309,678		309,678	-
456				Grid Mod - A&G (920-935)	920-935	Grid Mod	1,226,434		1,226,434	-
457				Total Administrative & General Expense			123,444,302	-	123,444,302	110,541,737
458										
459				Generic Adjustment		Retail		(11,771,040)	(11,771,040)	(11,771,040)
460										
461				Total Operations & Maintenance Expense			496,140,712	(11,771,040)	484,369,672	432,048,210
462										



	A	B	C	D	E	F	G	H	I	J
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
463				<b>Depreciation and Amortization Expense</b>						
464										
465				<b>Production Depreciation and Amortization</b>						
466				Steam Production Plant	403	Gen Dmd	10,014,639		10,014,639	10,014,639
467				Nuclear Production Net Plant - Palo Verde	403	Gen Dmd	19,878,271		19,878,271	19,878,271
468				Nuclear Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd	-		-	-
469				Nuclear Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd	832,053		832,053	832,053
470				Other Production Plant - Gas & 40 MW Solar	403	Gen Dmd	20,752,769		20,752,769	20,752,769
471				Other Production Plant - Renewable	403	Renewables	8,091,078		8,091,078	-
472				Total Production Depreciation and Amortization Expense			59,568,810	-	59,568,810	51,477,732
473										
474				<b>Energy Storage Depreciation and Amortization</b>						
475										
476				Transmission Sited Batteries	403	Retail	338,998	-	338,998	338,998
477				Distribution Sited Batteries	403	Retail	868,925	-	868,925	868,925
478				Total Energy Depreciation and Amortization			1,207,924	-	1,207,924	1,207,924
479										
480				<b>Transmission Depreciation and Amortization</b>						
481				Step-Up Transformers & Generation Interconnections	403	Gen Dmd	330,154		330,154	330,154
482				Transmission System Plant - Allocated	403	Trans Dmd	45,753,163		45,753,163	20,372,850
483				Transmission System Plant - FERC Incremental Rates	403	FERC	10,347,728		10,347,728	-
484				Transmission System Net Plant - Dedicated Retail	403	Retail	693,169		693,169	693,169
485				Transmission System Plant - Acq. Adj. (EIP)	406	Trans Dmd	439,476		439,476	195,689
486				Total Transmission Depreciation and Amortization			57,563,691	-	57,563,691	21,591,863
487										

	A	B	C	D	E	F	G	H	I	J
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
488				<u>Distribution Depreciation and Amortization</u>						
489				Distribution Substations Net Plant - PNM	403	Retail	7,734,096		7,734,096	7,734,096
490				Distribution Substations Net Plant - Renewables	403	Renewables	-		-	-
491				Distribution Substations Net Plant - Grid Mod	403	Grid Mod	-		-	-
492				Primary Distribution System Net Plant - PNM	403	Retail	38,186,812		38,186,812	38,186,812
493				Primary Distribution System Net Plant - Renewables	403	Renewables	188,096		188,096	-
494				Primary Distribution System Net Plant - Grid Mod	403	Grid Mod	331,718		331,718	-
495				Secondary Distribution System Net Plant - PNM	403	Retail	14,086,170		14,086,170	14,086,170
496				Secondary Distribution System Net Plant - Renewables	403	Renewables	57,167		57,167	-
497				Secondary Distribution System Net Plant - Grid Mod	403	Grid Mod	113,437		113,437	-
498				Services Net Plant - PNM	403	Retail	7,982,393		7,982,393	7,982,393
499				Meters Net Plant - PNM	403	Retail	2,564,005		2,564,005	2,564,005
500				Meters Net Plant - Grid Mod	403	Grid Mod	521,109		521,109	-
501				Private Lighting - 371	403	Retail	213,286		213,286	213,286
502				Street Lighting - 373	403	Retail	783,032		783,032	783,032
503				Total Distribution Depreciation and Amortization			72,761,322	-	72,761,322	71,549,795
504										
505				<u>General Depreciation and Amortization</u>						
506				General & Intangible Net Plant	403	Total W&S excluding Riders	24,667,013		24,667,013	22,482,571
507				Renewables General & Intangible Net Plant	403	Renewables	75,122		75,122	-
508				Grid Mod General & Intangible Net Plant	403	Grid Mod	-		-	-
509				Production Related (Shared Services)	403	Prod W&S	5,194,816		5,194,816	5,057,223
510				Transmission Related (Shared Services)	403	Trans W&S	4,017,016		4,017,016	1,788,687
511				Distribution/Customer Related (Shared Services)	403	Retail	24,478,747		24,478,747	24,478,747
512				Total General Depreciation and Amortization			58,432,714	-	58,432,714	53,807,228
513										
514				Total Depreciation and Amortization Expense			249,534,460	-	249,534,460	199,634,542
515										

	A	B	C	D	E	F	G	H	I	J
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study									
2	Test Period Ending June 30, 2026				FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
516	<u>General Taxes</u>									
517										
518	<u>Property Taxes</u>									
519	<u>Production Property Taxes</u>									
520	Steam Production Plant			408	Gen Dmd	2,331,618			2,331,618	2,331,618
521	Nuclear Production Plant - Palo Verde			408	Gen Dmd	2,936,159			2,936,159	2,936,159
522	Other Production Plant - Gas & 40 MW Solar			408	Gen Dmd	3,737,044			3,737,044	3,737,044
523	Other Production Plant - Renewable			408	Renewables	1,591,519			1,591,519	-
524	Total Production Property Taxes					10,596,339		-	10,596,339	9,004,821
525										
526	<u>Energy Storage Property Taxes</u>									
527	Transmission Sited Batteries			408	Retail	-		-	-	-
528	Distribution Sited Batteries			408	Retail	262,569		-	262,569	262,569
529	Total Energy Storage Property Taxes					262,569		-	262,569	262,569
530										
531	<u>Transmission Property Taxes</u>									
532	Step-Up Transformers - Excluding 65MW SJGS			408	Gen Dmd	41,525			41,525	41,525
533	Transmission System Plant - Allocated			408	Trans Dmd	12,361,667			12,361,667	5,504,371
534	Transmission System Plant - FERC Incremental Rates			408	FERC	3,353,567			3,353,567	-
535	Transmission System Plant - Dedicated Retail			408	Retail	62,187			62,187	62,187
536	Total Transmission Property Taxes					15,818,945		-	15,818,945	5,608,082
537										
538	<u>Distribution Property Taxes</u>									
539	Distribution Substations Net Plant - PNM			408	Retail	1,982,839			1,982,839	1,982,839
540	Distribution Substations Net Plant - Renewables			408	Renewables	-			-	-
541	Distribution Substations Net Plant - Grid Mod			408	Grid Mod	-			-	-
542	Primary Distribution System Net Plant - PNM			408	Retail	7,405,025			7,405,025	7,405,025
543	Primary Distribution System Net Plant - Renewables			408	Renewables	42,929			42,929	-
544	Primary Distribution System Net Plant - Grid Mod			408	Grid Mod	21,185			21,185	-
545	Secondary Distribution System Net Plant - PNM			408	Retail	3,246,507			3,246,507	3,246,507
546	Secondary Distribution System Net Plant - Renewables			408	Renewables	14,033			14,033	-
547	Secondary Distribution System Net Plant - Grid Mod			408	Grid Mod	11,009			11,009	-
548	Services Net Plant - PNM			408	Retail	1,185,617			1,185,617	1,185,617
549	Meters Net Plant - PNM			408	Retail	473,458			473,458	473,458
550	Meters Net Plant - Grid Mod			408	Grid Mod	31,923			31,923	-
551	Private Lighting - 371			408	Retail	10,742			10,742	10,742
552	Street Lighting - 373			408	Retail	134,991			134,991	134,991
553	Total Distribution Property Taxes					14,560,258		-	14,560,258	14,439,179
554										

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study									
2	Test Period Ending June 30, 2026				FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
555	General Property Taxes									
556	General & Intangible Net Plant			408	Total W&S excluding Riders	1,314,440	-	1,314,440	1,198,037	
557	Renewables General & Intangible Net Plant			408	Renewables	8,804	-	8,804	-	
558	Grid Mod General & Intangible Net Plant			408	Grid Mod	53,120	-	53,120	-	
559	Production Related (Shared Services)			408	Prod W&S	165,665	-	165,665	161,277	
560	Transmission Related (Shared Services)			408	Trans W&S	205,358	-	205,358	91,441	
561	Distribution/Customer Related (Shared Services)			408	Retail	831,120	-	831,120	831,120	
562	Total General Property Taxes					2,578,506	-	2,578,506	2,281,874	
563										
564	Total Property Taxes					43,816,617	-	43,816,617	31,596,526	
565										
566	Payroll Taxes									
567	Production Related			408	Prod W&S	1,554,868	-	1,554,868	1,513,685	
568	Battery Storage Related			408	Dist W&S	-	-	-	-	
569	Transmission Related			408	Trans W&S	1,257,698	-	1,257,698	560,024	
570	Distribution Related			408	Dist W&S	4,808,568	-	4,808,568	4,808,568	
571	Total Payroll Taxes					7,621,134	-	7,621,134	6,882,277	
572										
573	Other Taxes									
574	Misc Taxes - Production Related			408	Gen Dmd	1,077	-	1,077	1,077	
575	Misc Taxes - Transmission Related			408	Trans Dmd	973	-	973	433	
576	Misc Taxes - Distribution Related			408	Retail	12,492	-	12,492	12,492	
577	Regulatory Commission Fees (I&S) PNM			408	Retail	-	-	-	-	
578	Joint Projects Four Corners			408	Gen Dmd	198,209	-	198,209	198,209	
579	Joint Projects PVNGS			408	Gen Dmd	1,361,393	-	1,361,393	1,361,393	
580	Joint Projects Transmission			408	Trans Dmd	61,999	-	61,999	27,607	
581	Native American Taxes - Production			408	Gen Dmd	1,554,300	-	1,554,300	1,554,300	
582	Native American Taxes - Transmission			408	Trans Plt	1,632,582	-	1,632,582	579,172	
583	Native American Taxes - Dedicated FERC Incremental Rates			408	FERC	607,484	-	607,484	-	
584	Native American Taxes - Distribution			408	Dist Plt	69,497	-	69,497	69,497	
585	Total Other Taxes					5,500,006	-	5,500,006	3,804,180	
586										
587	Total General Taxes					56,937,756	-	56,937,756	42,282,983	

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1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
588										
589				<b>Other Allowable Expenses</b>						
590				Interest on Customer Deposits	431	Retail	220,117		220,117	220,117
591				Amortization Loss on Reacquired Debt	407.3	Rate Base	1,235,729		1,235,729	912,787
592				Renewable Grant Amortization	407	Renewables	(1,146,464)		(1,146,464)	-
593				Accretion ARO - Production Related	411	Gen Dmd	2,887,511		2,887,511	2,887,511
594				Accretion ARO - Production Related - (SJGS 65MW)	411	Excluded	-		-	-
595				Accretion ARO - Distribution Related	411	Retail	108,409		108,409	108,409
596				Western Spirit	407.3	FERC	2,778,790		2,778,790	-
597				Amortization of 50% SJGS 2&3 Undepreciated Balance	407.3	Gen Dmd	6,276,936		6,276,936	6,276,936
598				Amortization of Eastern Imbalance Market Implementation Regulatory Asset	407.3	Retail	3,758,140		3,758,140	3,758,140
599				Amortization of PVNGS Unit 1 Undepreciated Investment Post - lease renewal	407.3	Retail	2,158,805		2,158,805	2,158,805
600				Amortization of PVNGS Unit 1 Undepreciated Investment Pre - lease renewal	407.3	Retail	1,877,267		1,877,267	1,877,267
601				Amortization of PVNGS Unit 2 Undepreciated Investment Post - lease renewal	407.3	Retail	146,109		146,109	146,109
602				Amortization of PVNGS Unit 2 Undepreciated Investment Pre - lease renewal	407.3	Retail	168,146		168,146	168,146
603				Amortization of PVNGS True-up for SRP Transaction	407.3	Retail	6,974		6,974	6,974
604				Amortization of PVNGS Costs to Obtain Replacement Resources	407.3	Retail	100,964		100,964	100,964
605				Amortization of SJGS Replacement Resources	407.3	Retail	332,751		332,751	332,751
606				Amortization of SJGS Legal Expenses	407.3	Retail	19,812		19,812	19,812
607				Amortization of SJGS Obsolete Inventory	407.3	Retail	251,786		251,786	251,786
608				Amortization of Pathnet	407.3	Trans Dmd	(199,577)		(199,577)	(88,867)
609				Amortization of SO2 Allowance Credit	407.3	Retail	-		-	-
610				Carrying Charges on Advanced Payments Under ETA	407.3	Retail	108,102		108,102	108,102
611				Amortization of COVID Regulatory Asset and Liability	407.3	Retail	1,070,775		1,070,775	1,070,775
612				Amortization of SJGS Decommissioning Ordinance Costs	407.3	Retail	1,102,169		1,102,169	1,102,169
613				Amortization of Additional Coal Mine Decommissioning	407.3	Retail	732,137		732,137	732,137
614				Amortization of 2025 Rate Case Expenses	407.3	Retail	741,677		741,677	741,677
615				Amortization of Energy Transition Cost True - Up	407.3	Retail	(50,706)		(50,706)	(50,706)
616				Total Other Allowable Expenses			24,686,359	-	24,686,359	22,841,801
617										
618										
619				Total Operating Expenses			1,054,981,051	(11,771,040)	1,043,210,011	883,470,535
620				(Excl Income & Revenue Related Taxes)						
621										
622				Total Net Original Cost Rate Base			4,052,237,031	7,359,892	4,059,596,923	2,998,673,667
623				Weighted Cost of Capital			6.90%	6.90%	6.90%	6.90%
624				Return on Rate Base (excluding Debt Return- Reg Asset Adjustment)			279,562,599	507,757	280,070,355	206,877,583
625				Debt-Only Return Adjustment			(661,411)		(661,411)	(661,411)
626				Return on Rate Base			278,901,188	507,757	279,408,944	206,216,172

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1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
627										
628				<b>Federal Income Tax</b>						
629				<u>Return Adjustments</u>						
630				Interest on Long Term Debt		MDC	(83,782,108)	(152,170)	(83,934,277)	(61,999,137)
631				Debt Return- Reg Asset Adjustment Interest Adjustment			(541,065)		(541,065)	(541,065)
632				Interest on Long Term Debt			(84,323,172)	(152,170)	(84,475,342)	(62,540,202)
633										
634				<u>Tax/Book Adjustments</u>						
635										
636				Non-deductible Meals		Total Net Plt	-		-	-
637				Non-deductible Parking		Trans Dmd	123,788		123,788	55,120
638				Palo Verde 1 & 2 Gain Amort Flow Through		FERC	(39,828)		(39,828)	-
639				Palo Verde 1 & 2 Prudence Audit Flow Through		Retail	-		-	-
640				AFUDC Equity Flow Through		Gen Dmd	(18,242,549)		(18,242,549)	(18,242,549)
641				AFUDC Equity Flow Through - Renewables		Renewables	(41,891)		(41,891)	-
642				AFUDC Equity Flow Through - Grid Mod		Grid Mod	(376,955)		(376,955)	-
643				Federal Grant Amortization - Renewables		Renewables	(962,888)		(962,888)	-
644				Federal Grant Basis Adj - Renewables		Renewables	481,444		481,444	-
645				Gain/Loss Flow Through		Retail	166,269		166,269	166,269
646				ACRS Flow Through		Retail	-		-	-
647				San Juan ACRS Flow Through		Retail	-		-	-
648				Four Corners SO2 Reversal Flow Through		Retail	335,543		335,543	335,543
649				SL/GL Depreciation		Retail	-		-	-
650				Amortization of EIP Prepaid Tax Reversal		Trans Dmd	-		-	-
651				Total Tax/Book Adjustments			(18,557,067)	-	(18,557,067)	(17,685,617)
652										
653				Total Return Adjustments			(102,880,239)	(152,170)	(103,032,409)	(80,225,819)
654										
655				Net Taxable Equity Return			176,020,948	355,587	176,376,535	125,990,353

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1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
656										
657				<u>Federal Tax Adjustments</u>						
658										
659				<u>Net Provision For Deferred Income Tax</u>						
660				Excess Payroll Tax Reversal	410	Total W&S	(6,146)		(6,146)	(5,574)
661				Excess Deferred Federal Income Tax Amortization		ADIT	(20,391,747)	(5,019,261)	(25,411,008)	(20,143,007)
662				ARAM Deferred Tax Reversal	410	Total Net PIt	(31,099)		(31,099)	(23,646)
663				Total Provision For Deferred Income Tax			(20,428,992)	(5,019,261)	(25,448,253)	(20,172,226)
664										
665				<u>Investment Tax Credits</u>						
666				Palo Verde 1&2 Production ITC Amortization	411.4	Gen Dmd	-		-	-
667				Generation ITC Amortization	411.4	Gen Dmd	(168,991)		(168,991)	(168,991)
668				Renewables ITC Amortization	411.4	Renewables	-		-	-
669				PV Valley Transmission ITC Amortization	411.4	Trans Dmd	-		-	-
670				Research and Development & Other Credits	410	PV	(1,300,000)		(1,300,000)	(1,300,000)
671				Other ITC Amortization	411.4	Total Net PIt	-		-	-
672				Total Investment Tax Credit Amortization & Other Credits			(1,468,991)	-	(1,468,991)	(1,468,991)
673										
674				Total Federal Tax Adjustments			(21,897,983)	(5,019,261)	(26,917,244)	(21,641,217)
675										
676				Adjusted Equity Return			154,122,965	(4,663,674)	149,459,292	104,349,136
677				Federal Tax Factor (0.21/(1-0.21))			26.5823%	26.5823%	26.5823%	26.5823%
678				Federal Income Tax			40,969,396	(1,239,711)	39,729,685	27,738,378
679				Add:						
680				Total Provision For Deferred Income Tax			(20,428,992)	(5,019,261)	(25,448,253)	(20,172,226)
681				EIP Amortization			-	-	-	-
682				Total Investment Tax Credit Amortization & Other Credits			(1,468,991)	-	(1,468,991)	(1,468,991)
683										
684				Net Allowable Federal Income Tax			19,071,413	(6,258,972)	12,812,441	6,097,160

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1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
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3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
685										
686				<b>State Income Tax</b>						
687										
688				Return on Rate Base			278,901,188	507,757	279,408,944	206,216,172
689				Less: Return Adjustments						
690				Interest on Long Term Debt			(84,323,172)	(152,170)	(84,475,342)	(62,540,202)
691				Tax/Book Adjustments			(18,557,067)	-	(18,557,067)	(17,685,617)
692				Add: Net Allowable F I T			19,071,413	(6,258,972)	12,812,441	6,097,160
693										
694				New Mexico NOL Valuation Allowance	410	Total Net Plt	-	-	-	-
695				Amortization of Excess Deferred Taxes		ADIT	-	-	-	-
696				State Taxable Income			195,092,361	(5,903,384)	189,188,977	132,087,513
697				State Tax Factor			5.90%	5.90%	5.90%	5.90%
698				State Income Tax			11,510,449	(348,300)	11,162,150	7,793,163
699				Add: 22 MW, Battery project and PV Farm PTC	409	Renewables			-	-
700				Add: New Mexico NOL Valuation Allowance	410	Total Net Plt			-	-
701				Amortization of Excess Deferred Taxes		ADIT			-	-
702				Net Allowable State Income Tax			11,510,449	(348,300)	11,162,150	7,793,163
703										
704										
705				Return on Rate Base			278,901,188	507,757	279,408,944	206,216,172
706										
707				Total Operating Expenses			1,054,981,051	(11,771,040)	1,043,210,011	883,470,535
708				(Excluding Income & Rev Related Taxes)						
709										
710				Net Allowable Federal Income Tax			19,071,413	(6,258,972)	12,812,441	6,097,160
711										
712				Net Allowable State Income Tax			11,510,449	(348,300)	11,162,150	7,793,163
713										



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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study									
2	Test Period Ending June 30, 2026				FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
714	<b>Revenue Credits:</b>									
715	Sale of SO2 Credits			411	FERC	-			-	-
716	Rent For Electric Property Transmission			454	Trans Plt	(525,554)			(525,554)	(186,445)
717	Rent for Electric Property - Distribution			454	Retail	(3,313,235)			(3,313,235)	(3,313,235)
718	Late Payment Charges			451	Retail	(1,120,650)			(1,120,650)	(1,120,650)
719	Misc Service Charge Revenue			451	Retail	(1,818,977)			(1,818,977)	(1,818,977)
720	Other Retail Revenue - Transmission			456	Trans Dmd	(944,817)			(944,817)	(420,705)
721	Other Retail Revenue - Distribution			456	Retail	(1,238,927)			(1,238,927)	(1,238,927)
722	Generation Ancillary Services Credit Sch 2-5			456100	Gen Dmd	(3,008,078)			(3,008,078)	(3,008,078)
723	Real Power Losses (Financial)			456100	Gen Dmd	(30,930,741)			(30,930,741)	(30,930,741)
724	Transmission redispatch contract revenues			456100	Gen Dmd	4,982			4,982	4,982
725	Ancillary Services-Sch 1 and Sch 8 Transmission			456100	Trans Dmd	(7,257,626)			(7,257,626)	(3,231,657)
726	Short Term Firm Sch 7 Transmission			456100	Trans Dmd wo NITS	(9,535,268)			(9,535,268)	(4,736,152)
727	Ancillary Services-Sch 1 ST PTP and Transmission Service			456100	Trans Dmd	(46,217)			(46,217)	(20,579)
728	Economy Service Customer Revenue Credits			442&555	Retail	(4,214,090)			(4,214,090)	(4,214,090)
729	Securitization Servicing & Administration Fees			421	G&I Plt	(221,600)			(221,600)	(204,418)
730	Shared Services Revenue			418	Retail	(1,717,601)			(1,717,601)	(1,717,601)
731										
732	Total Revenue Credits					(65,888,398)		-	(65,888,398)	(56,157,274)
733										
734	Total Revenue Requirements Before Revenue Tax						1,298,575,702	(17,870,555)	1,280,705,148	1,047,419,757
735										
736	Revenue Tax Factor (I&S Fee) '(Revenue Tax Rate/(1-Revenue Tax Rate))						0.508573%	0.508573%	0.508573%	0.508573%
737	Revenue Tax						6,604,205	(90,885)	6,513,321	5,326,894
738										
739	NON-FUEL REVENUE REQUIREMENT						1,077,498,145	(17,961,439)	1,059,536,705	866,083,651
740	FUEL REVENUE REQUIREMENT						227,681,763	-	227,681,763	186,663,000
741	<b>TOTAL REVENUE REQUIREMENT</b>						<b>1,305,179,908</b>	<b>(17,961,439)</b>	<b>1,287,218,468</b>	<b>1,052,746,651</b>
742										
743	<b>Weighted Cost of Capital</b>									
744	Long Term Debt						2.07%	2.07%	2.07%	2.07%
745	Preferred Stock						0.01%	0.01%	0.01%	0.01%
746	Common Stock						4.82%	4.82%	4.82%	4.82%
747	Total Weighted Cost of Capital						6.90%	6.90%	6.90%	6.90%
748										
749	Federal Income Tax Rate						21.00%	21.00%	21.00%	21.00%
750										
751	Effective State Income Tax Rate						5.57%	5.57%	5.57%	5.57%
752										
753	I&S Fee Rate						0.508573%	0.508573%	0.508573%	0.508573%

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2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
754										
755				<b>Key Allocators</b>						
756										
757				Sales (MWh)					1,522,358	1,522,358
758				Allocator		Sales			100.00%	100.00%
759										
760				<b>Wage and Salary Ratios</b>		Ratios				
761				Production Other Prod O&M		18.93%			10,452,318	10,175,473
762						Prod W&S			100.00%	97.35%
763				Transmission Trans O&M		15.88%			8,768,835	3,904,564
764						Trans W&S			100.00%	44.53%
765				Distribution Dist O&M		33.28%			18,370,025	18,370,025
766						Dist W&S			100.00%	100.00%
767										
768				Total PTD		68.09%			37,591,178	32,450,061
769				Allocator					100.00%	86.32%
770										
771				Customer Accounting CA O&M		21.21%			11,706,229	11,706,229
772				Cust Service & Information CS&I O&M		2.86%			1,576,210	1,576,210
773				Sales Sales O&M		7.85%			4,331,248	4,331,248
774				Total PTDCAS		100.00%			55,204,865	50,063,749
775				Allocator		PTDCAS			100.00%	90.69%
776										
777				Administrative and General					-	-
778										
779				Total Wages and Salaries					55,204,865	50,063,749
780				Allocator		Total W&S			100.00%	90.69%
781									54,928,019	50,063,749
782				<b>Net Plant In Service Ratios</b>		Total W&S excluding Riders			100.00%	91.14%
783										
784				Total Production Plant					982,652,475	982,652,475
785				Allocator		Prod Plt			100.00%	100.00%
786										
787				Total Transmission Plant					1,597,656,275	566,781,944
788				Allocator		Trans Plt			100.00%	35.48%
789										
790				Total Distribution Plant					1,515,050,373	1,515,050,373
791				Allocator		Dist Plt			100.00%	100.00%
792										
793				Total General & Intangible Plant					235,038,105	216,814,370
794				Allocator		G&I Plt			100.00%	92.25%
795										

	A	B	C	D	E	F	G	H	I	J
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>						
2				<b>Test Period Ending June 30, 2026</b>	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
796				Total Net Plant					4,377,309,630	3,328,211,564
797				Allocator		Total Net Plt			100.00%	76.03%
798										
799				Total ADIT					(757,077,346)	(600,126,312)
800				Allocator		ADIT			100.00%	79.27%
801										
802				Total Rate Base					4,059,596,923	2,998,673,667
803				Allocator		Rate Base			100.00%	73.87%
804										
805				Generation Demand allocator					1,716	1,716
806						Gen Dmd			100.00%	100.00%
807										
808				Energy allocator					10,324	10,324
809						Energy			100.00%	100.00%
810										
811				Generation and Transmission Demand		Gen/Trans Dmd			100.00%	62.83%
812										
813									3,589	1,598
814				Transmission Demand		Trans Dmd			100.00%	44.53%
815										
816									3,217	1,598
817				Transmission Demand without Network		Trans Dmd wo NITS			100.00%	49.67%
818										
819										
820				<b>Other Allocators</b>						
821										
822				Excluded Costs		Excluded			100.00%	0.00%
823										
824				Direct Assignment to NEC		NEC			0.00%	0.00%
825										
826				Allocation to FERC Customers		FERC			100.00%	0.00%
827										
828				Direct Assignment to Retail		Retail			100.00%	100.00%
829										
830				Allocation to Palo Verde		PV			100.00%	100.00%
831										
832				Allocation to Grid Mod		Grid Mod			100.00%	0.00%
833										
834				Direct Assignment to Renewables		Renewables			100.00%	0.00%

	A	B	C	D	E	F	K	L	M	N	O
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>										
2	<b>Test Period Ending June 30, 2026</b>				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
4	<b>Rate Base</b>										
5											
6	<b>Net Plant</b>										
7											
8	<b>Net Production Plant</b>										
9											
10				Steam Production Net Plant	101/106	Gen Dmd	-	-	240,974,322	-	-
11				Total Steam Production Net Plant			-	-	240,974,322	-	-
12											
13				Nuclear Production Net Plant - Palo Verde	101/106	Gen Dmd	-	-	347,311,437	-	-
14				Nuclear Production Net Plant - Acq Adj (Drexel)	114	Gen Dmd	-	-	-	-	-
15				Nuclear Production Net Plant - Acq Adj (First Chicago)	114	Gen Dmd	-	-	16,779,747	-	-
16				Total Nuclear Production Net Plant			-	-	364,091,185	-	-
17											
18				Other Production Plant - Gas & 40 MW Solar	101/106	Gen Dmd	-	-	377,586,968	-	-
19				Other Production Plant - Renewable	101/106	Renewables	158,530,056	-	158,530,056	-	-
20				Total Other Production Net Plant			158,530,056	-	536,117,025	-	-
21											
22				Total Net Production Plant			158,530,056	-	1,141,182,532	-	-
23											
24	<b>Net Plant Battery Storage</b>										
25											
26				Transmission Sited Batteries	101/106	Retail	-	-	20,184,418	-	-
27				Distribution Sited Batteries	101/106	Retail	-	-	26,727,983	-	-
28				Total Battery Storage Net Plant			-	-	46,912,401	-	-
29											
30	<b>Net Transmission Plant</b>										
31											
32				Step-Up Transformers & Generation Interconnections	101/106	Gen Dmd	-	-	4,119,928	-	-
33				Total Transmission Station Equipment - Step-up Xfmr and Aux			-	-	4,119,928	-	-
34											
35				Transmission System Net Plant - Allocated	101/106	Trans Dmd	-	-	556,621,001	693,433,433	-
36				Transmission System Net Plant - FERC Incremental Rates	101/106	FERC	-	-	-	337,397,141	-
37				Transmission System Net Plant - Dedicated Retail	101/106	Retail	-	-	6,005,891	-	-
38				Transmission System Net Plant - Acq Adj (EIP)	114	Trans Dmd	-	-	35,123	43,756	-
39				Total Transmission System Net Plant			-	-	562,662,016	1,030,874,331	-
40											
41				Total Net Transmission Plant			-	-	566,781,944	1,030,874,331	-

	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
42											
43				<u>Net Distribution Plant</u>							
44											
45				Distribution Substations Net Plant - PNM	101/106	Retail	-	-	199,695,244	-	-
46				Distribution Substations Net Plant - Renewables	101/106	Renewables	-	-	-	-	-
47				Distribution Substations Net Plant - Grid Mod	101/106	Grid Mod	-	-	-	-	-
48				Total Distribution Substations Net Plant			-	-	199,695,244	-	-
49											
50				Primary Distribution System Net Plant - PNM	101/106	Retail	-	-	788,963,636	-	-
51				Primary Distribution System Net Plant - Renewables	101/106	Renewables	4,291,993	-	4,291,993	-	-
52				Primary Distribution System Net Plant - Grid Mod	101/106	Grid Mod	-	5,857,809	5,857,809	-	-
53				Total Primary Distribution Net Plant			4,291,993	5,857,809	799,113,439	-	-
54											
55				Secondary Distribution System Net Plant - PNM	101/106	Retail	-	-	340,199,544	-	-
56				Secondary Distribution System Net Plant - Renewables	101/106	Renewables	1,342,881	-	1,342,881	-	-
57				Secondary Distribution System Net Plant - Grid Mod	101/106	Grid Mod	-	3,044,182	3,044,182	-	-
58				Total Secondary Distribution Net Plant			1,342,881	3,044,182	344,586,608	-	-
59											
60				Services Net Plant - PNM	101/106	Retail	-	-	123,529,928	-	-
61											
62				Meters Net Plant - PNM	101/106	Retail	-	-	47,907,691	-	-
63				Meters Net Plant - Grid Mod	101/106	Grid Mod	-	10,201,823	10,201,823	-	-
64				Total Meters Net Plant			-	10,201,823	58,109,515	-	-
65											
66				Private Lighting - 371	101/106	Retail	-	-	1,163,014	-	-
67				Street Lighting - 373	101/106	Retail	-	-	13,591,316	-	-
68				Total Lighting Net Plant			-	-	14,754,330	-	-
69											
70				Total Net Plant Distribution Plant			5,634,875	19,103,815	1,539,789,063	-	-
71											
72				<u>Net Plant General &amp; Intangible Plant</u>							
73											
74				General & Intangible Net Plant	101/106	Total W&S excluding Riders	-	-	115,531,045	11,225,174	-
75				Renewables General & Intangible Net Plant	101/106	Renewables	1,207,658	-	1,207,658	-	-
76				Grid Mod General & Intangible Net Plant	101/106	Grid Mod	-	14,492,490	14,492,490	-	-
77				Production Related (Shared Services)	101/106	Prod W&S	413,383	-	15,607,280	-	-
78				Transmission Related (Shared Services)	101/106	Trans W&S	-	-	5,617,766	6,998,562	-
79				Distribution/Customer Related (Shared Services)	101/106	Retail	-	-	80,471,663	-	-
80				Total Net Plant General & Intangible Plant - PNM			1,621,041	14,492,490	232,927,901	18,223,735	-
81											
82				Total Net Plant			165,785,972	33,596,305	3,527,593,841	1,049,098,066	-

	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
83											
84				<b>Accumulated Deferred Income Taxes</b>							
85				Federal Tax Credit Carryforward	190	Retail	-	-	19,358,228	-	-
86				Federal Tax Credit Carryforward - Renewables	190	Renewables	-	-	-	-	-
87				Net Operating Loss (NOL)	190	Total Net PIt	-	-	6,274,218	1,977,720	-
88				Incentive Pay Plans	190	Total W&S	-	-	-	-	-
89				Regulatory Assets - Coal Mine Decommissioning	190	Retail	-	-	-	-	-
90				Regulatory Liabilities - Renewable Rider	190	Renewables	-	-	-	-	-
91				Income Tax Regulatory Liability	190	ADIT	3,426,837	-	48,741,865	8,424,402	0
92				Income Tax Regulatory Asset	283	ADIT	(3,966,477)	-	(56,417,465)	(9,751,030)	(0)
93				Lease Liability	190	Excluded	-	-	-	-	-
94				Deferred Credits - Coal Mine Decommissioning	190	Retail	-	-	-	-	-
95				Regulatory Assets - ETA Carrying Charges	283	Retail	-	-	(0)	-	-
96				Regulatory Assets - ETA Job Training & Severance	283	Retail	-	-	-	-	-
97				Regulatory Assets - ETA Payments to State Agencies	283	Retail	-	-	0	-	-
98				Regulatory Assets - ETA SJGS Plant Decommissioning	283	Retail	-	-	(667,624)	-	-
99				Regulatory Assets - ETA SJGS upfront Financing Cost	283	Retail	-	-	0	-	-
100				Regulatory Assets - ETA Westmoreland Coal Mine Sev	283	Retail	-	-	0	-	-
101				Deferred Credits - Joint Use	190	Retail	-	-	181,010	-	-
102				Deferred Credits - Pathnet	190	Retail	-	-	1,349,331	-	-
103				Deferred Credits - PVNGS Dry Casks	190	Retail	-	-	-	-	-
104				Other Deferred Credits	190	Retail	-	-	-	-	-
105				Other Liabilities - ETA Job Training and Severance	190	Retail	-	-	-	-	-
106				Other Liabilities - Navajo Workforce Training	190	Retail	-	-	-	-	-
107				Other Liabilities	190	Total W&S	-	-	-	-	-
108				Injury and Damages	283	Total W&S	7,325	-	1,331,954	128,703	-
109				Plant - AFUDC	283	Total Net PIt	-	-	(20,810,867)	(6,559,872)	-
110				Plant - Capitalized Interest	283	Total Net PIt	-	-	4,222,289	1,330,924	-
111				Decommissioning and Reclamation Trusts	283	Retail	-	-	-	-	-
112				ASC 740-10 (FIN 48) Reclassifications	283	Total Net PIt	-	-	-	-	-
113				PVNGS Licensing	283	Retail	-	-	41,710	-	-
114				Plant - 263A Adjustment	283	Total Net PIt	-	-	(17,975,631)	(5,666,166)	-
115				Deferred State Taxes	283	Total Net PIt	-	-	-	-	-
116				Plant - CIAC	283	Total Net PIt	-	-	9,322,737	2,938,655	-
117				Plant - Depreciation Nuclear Fuel	282	Gen Dmd	-	-	9,663,055	-	-
118				Plant - Removal Cost	282	Total Net PIt	-	-	(5,649,558)	(1,780,818)	-
119				Plant - Repairs	282	Total Net PIt	-	-	(51,624,857)	(16,272,865)	-
120				Plant - Section 174 Deduction	282	Total Net PIt	-	-	(677,195)	(213,461)	-
121				Plant - Asset Retirement Obligation	282	Retail	-	-	7,857,390	-	-
122				Plant - Pollution Control Property	282	Gen Dmd	-	-	(2,154,701)	-	-
123				Plant - Liberalized Depreciation: Production	282	Gen Dmd	-	-	(169,234,057)	-	-
124				Plant - Liberalized Depreciation: Transmission	282	Trans Dmd	-	-	(65,432,118)	(81,514,743)	-
125				Plant - Liberalized Depreciation: Distribution	282	Retail	-	-	(154,067,714)	-	-
126				Plant - Liberalized Depreciation: General and Intangible	282	Total W&S	(90,410)	-	(16,439,828)	(1,588,535)	-
127				Plant - Liberalized Depreciation: Renewables	282	Renewables	(48,205,503)	-	(48,205,503)	-	-

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3				Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
128				Plant - Four Corners Imprudence	282	Gen Dmd	-	-	-	-	-
129				Regulatory Assets - SIGS Stranded Costs Units 2&3	282	Retail	-	-	(19,264,979)	-	-
130				Pension	283	Total W&S	(185,745)	-	(33,775,121)	(3,263,595)	-
131				Retiree Medical	283	Total W&S	-	-	-	-	-
132				Lease Asset	283	Excluded	-	-	-	-	-
133				Loss on Reacquired Debt	283	Total Net PIt	-	-	(787,503)	(248,232)	-
134				Other Comprehensive Income (OCI)	283	Excluded	-	-	-	-	-
135				Deferred Credits - SO2 Allowance	283	Retail	-	-	10,507	-	-
136				Deferred Debits - Rate Case Expense	283	Retail	-	-	(847,737)	-	-
137				Deferred Debits - Decoupling	283	Excluded	-	-	-	-	-
138				Deferred Debits - Grid Modernization	283	grid mod	-	-	-	-	-
139				Deferred Debits - RR Underground Rider	283	Retail	-	-	-	-	-
140				Prepaid Expenses	283	Total Net PIt	-	-	(1,254,754)	(395,516)	-
141				Regulatory Assets - COVID-19 Costs	283	Retail	-	-	(370,501)	-	-
142				Regulatory assets - FAC	283	Retail	-	-	-	-	-
143				Regulatory Assets - EIM Costs	283	Retail	-	-	(2,903,476)	-	-
144				Regulatory Assets - Energy Efficiency	283	Excluded	-	-	-	-	(0)
145				Regulatory Assets - ETA	283	Retail	-	-	-	-	-
146				Regulatory Assets - Sky Blue Under Recovery	283	Renewables	-	-	-	-	-
147				Regulatory Assets - Renewable Energy	283	Renewables	3,091,257	-	3,091,257	-	-
148				Regulatory Assets - Renewable Energy Credits	283	Renewables	(0)	-	(0)	-	-
149				Regulatory Assets - SIGS External Legal Fees	283	Retail	-	-	(115,954)	-	-
150				Regulatory Assets - SIGS Replacement Resources	283	Retail	-	-	(1,947,453)	-	-
151				Regulatory Assets - SIGS Undepreciated Investment	283	Retail	-	-	0	-	-
152				Regulatory Assets - SIGS Underground Coal Mine	283	Retail	-	-	(0)	-	-
153				Regulatory Assets - Solar Direct Regulatory Assets	283	Retail	-	-	-	-	-
154				Regulatory Assets - Transportation Electrification	283	Retail	-	-	-	-	-
155				Regulatory Assets - WCC Transaction Costs	283	Retail	-	-	-	-	-
156				Regulatory Liabilities - Energy Efficiency	283	Excluded	-	-	-	-	-
157				Regulatory Liabilities - FAC	283	Retail	-	-	-	-	-
158				Regulatory Assets - PCB Refinancing Hedge	283	Total Net PIt	-	-	(1,384,741)	(436,489)	-
159				Prepaid Expenses: Production	283	Gen Dmd	-	-	(393)	-	-
160				Prepaid Expenses: Transmission	283	Trans PIt	-	-	(2,016)	(3,667)	-
161				Prepaid Expenses: Transmission (incremental FERC Rates)	283	FERC	-	-	-	-	-
162				Prepaid Expenses: Distribution	283	Retail	-	-	(1,729)	-	-
163				Prepaid Expenses: Renewables	283	Renewables	-	-	-	-	-
164				Regulatory Assets - 2024 Rate Change	283	Retail	-	-	(736,301)	-	-
165				Regulatory Assets - SIGS Obsolete Inventory	283	Retail	-	-	(1,473,597)	-	-
166				Regulatory Liabilities - Earnings Test	283	Retail	-	-	-	-	-
167				Regulatory Assets - PVNGS Undepreciated Investment	283	Retail	-	-	(10,596,037)	-	-

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026			FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded	
3				Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	
168				Regulatory Assets - ETC Over/Under SPE	283	Retail	-	-	-	-	-
169				Regulatory Assets - PVNGS Replacement Resources	283	Retail	-	-	(462,677)	-	-
170				Regulatory Assets - Rate Rider 12 UG Rate	283	Retail	-	-	-	-	-
171				Regulatory Assets - Renewable Rider Curr Reg	283	Renewables	-	-	-	-	-
172				Regulatory Assets - SJ Energy Transition Property (SPE)	283	Retail	-	-	(79,654,063)	-	-
173				Regulatory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail	-	-	-	-	-
174				Regulatory Liabilities - Energy Transition Cost True Up	283	Retail	-	-	305,611	-	-
175				Regulatory Liabilities - SJGS Retirements Rate Credit	283	Retail	-	-	-	-	-
176				Deferred Debits - WS-Transmission Revenue	283	FERC	-	-	-	-	-
177				Customer Advance	190	Retail	-	-	-	-	-
178				Deferred Credits - ETA	283	Retail	-	-	-	-	-
179				Other Liabilities - ETA Coal Mine Severance	283	Retail	-	-	-	-	-
180				Other Liabilities - ETA State Agency Payments	283	Retail	-	-	-	-	-
181											
182											
183											
184											
185											
186											
187											
188											
189				Total Accumulated Deferred Income Taxes			(45,922,715)	-	(653,184,987)	(112,894,587)	(0)



	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
190											
191				<b>Regulatory Assets &amp; Liabilities</b>							
192											
193				Coal Mine Decommissioning	182	Retail	-	-	-	-	-
194				PCB Refinancing Hedge	182	Total Net PIt	-	-	5,451,736	1,718,462	-
195				Reg Liab Renewables Fed Grant	254	Renewables	(10,222,296)	-	(10,222,296)	-	-
196				Reg Liab Renewables St Credit	254	Renewables	(1,948,008)	-	(1,948,008)	-	-
197				SJGS Coal Agreement Transaction Costs	182	Gen Dmd	-	-	-	-	-
198				SJGS 2&3 50% Undepreciated Investment	182	Gen Dmd	-	-	75,846,374	-	-
199				SJGS County Ordinance Decommission	182	Gen Dmd	-	-	-	-	-
200				Energy Imbalance Market (EIM) One Time Implementation Costs	182	Retail	-	-	11,431,010	-	-
201				SJGS Replacement Resources	182	Gen Dmd	-	-	7,667,139	-	-
202				SJGS External Legal Expenses	182	Gen Dmd	-	-	456,510	-	-
203				SJGS Obsolete Inventory	182	Gen Dmd	-	-	5,801,562	-	-
204				COVID Regulatory Asset and Liability	182	Retail	-	-	1,561,547	-	-
205				Sky Blue Under Recovery	182	Retail	-	-	-	-	-
206				Solar Direct	182	Retail	-	-	-	-	-
207				Transportation Electrification Program (TEP)	182	Retail	-	-	-	-	-
208				SO2 Allowance Credit	182	Retail	-	-	0	-	-
209				PVNGS Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	38,948,435	-	-
210				PVNGS Unit 1 - 104MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
211				PVNGS Unit 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	2,642,134	-	-
212				PVNGS Unit 2 - 10MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
213				PVNGS Costs to Obtain Replacement Resources	182	Gen Dmd	-	-	1,821,562	-	-
214				PVNGS True-up for SRP Transaction Proceeds	182	Gen Dmd	-	-	126,114	-	-
215				2024 Rate Change Expenses	182	Retail	-	-	2,898,823	-	-
216				Energy Transition Cost True-up	182	Gen Dmd	-	-	(1,203,193)	-	-
217				Excess Deferred Income Tax Regulatory Liability	254	ADIT	(13,737,902)	-	(195,402,021)	(33,772,715)	(0)
218											
219				Total Regulatory Assets & Liabilities			(25,908,206)	-	(54,122,574)	(32,054,253)	(0)

	A	B	C	D	E	F	K	L	M	N	O
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>										
2	<b>Test Period Ending June 30, 2026</b>				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
220											
221	<b>Other Rate Base Items</b>										
222											
223				Customer Deposits	235	Retail	-	-	(6,221,788)	-	-
224				RWIP-Production	108	Gen Dmd	-	-	-	-	-
225				RWIP-Transmission	108	Trans Dmd	-	-	-	-	-
226				RWIP-Distribution	108	Retail	-	-	-	-	-
227				CWIP - Production	107	Gen Dmd	-	-	-	-	-
228				CWIP - Transmission	107	Trans Dmd	-	-	-	-	-
229				CWIP - Distribution	107	Retail	-	-	-	-	-
230				CWIP - Renewables	107	Renewables	-	-	-	-	-
231				CWIP - Production Related	107	Gen Dmd	-	-	-	-	-
232				ARO Liability - Production	230	Gen Dmd	-	-	(28,866,513)	-	-
233				ARO Liability - Transmission	230	Trans Dmd	-	-	-	-	-
234				ARO Liability - Distribution	230	Retail	-	-	(1,606,816)	-	-
235				ARO Liability - 65MW SJGS	230	Excluded	-	-	-	-	-
236				Injuries and Damages PNM	228	Total W&S	(14,682)	-	(2,669,721)	(257,968)	-
237				NQRP - Expense in Excess of Funding		Total W&S	(17,440)	-	(3,171,208)	(306,425)	-
238				Palo Verde Dry Cask Storage	253	Gen Dmd	-	-	-	-	-
239				FERC Incremental Rates	253	FERC	-	-	-	(55,490,053)	-
240				Pueblos Transmission Rights-of-Way	186	Trans Dmd	-	-	51,064,237	63,615,366	-
241				Pueblos Distribution Rights-of-Way	186	Retail	-	-	7,967,592	-	-
242				Prepaid Pension Asset	182/228	Total W&S	731,278	-	132,972,916	12,848,800	-
243				Unamortized Loss on Reacquired Debt	189	Total Net Pit	-	-	3,117,882	982,799	-
244				Tucson Electric Power ROW Payment	253	Trans Dmd	-	-	(317,322)	(395,316)	-
245				PV 1&2 Excess Gain Amortization	253	Retail	-	-	(22,984)	-	-
246				Possessory Interest Tax	186	Total W&S	16,866	-	3,066,928	296,349	-
247				Pathnet	253	Retail	-	-	(5,312,329)	-	-
248				2025 Rate Change Expenses	186	Retail	-	-	3,337,546	-	-
249											
250				Total Other Rate Base Items			716,023	-	153,338,423	21,293,553	-

	A	B	C	D	E	F	K	L	M	N	O
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>										
2	<b>Test Period Ending June 30, 2026</b>				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
251											
252	<b>Working Capital</b>										
253											
254	<b>Fuel Stock</b>										
255		Production Fuel Stock		151	Energy		-	-	915,189	-	-
256		PV Nuclear Fuel (120.1 - .5)		120	Energy		-	-	81,139,432	-	-
257		Total Fuel Stock					-	-	82,054,621	-	-
258											
259	<b>Materials &amp; Supplies</b>										
260		Production		154	Gen Dmd		-	-	27,174,074	-	-
261		Transmission		154	Trans Plt		-	-	2,886,511	5,250,045	-
262		Distribution		154	Retail		-	-	25,045,844	-	-
263		Total Materials & Supplies					-	-	55,106,429	5,250,045	-
264											
265	<b>Prepayments</b>										
266		Production		165	Gen Dmd		-	-	4,673,109	-	-
267		Transmission		165	Trans Plt		-	-	779,369	1,417,532	-
268		Transmission (Incremental FERC Rates)		165	FERC		-	-	-	420,894	-
269		Distribution		165	Retail		-	-	4,199,418	-	-
270		Renewables		165	Renewables		124,627	-	124,627	-	-
271		Total Prepayments					124,627	-	9,776,523	1,838,426	-
272											
273		Total Cash Working Capital (see Rule 530 schedule E-1)					-	-	6,503,398	-	-
274											
275		Total Working Capital					124,627	-	153,440,970	7,088,471	-
276											
277		Total Rate Base Adjustments & Working Capital					(70,990,271)	-	(400,528,168)	(116,566,816)	(0)
278											
279		Total Net Original Cost Rate Base					94,795,701	33,596,305	3,127,065,673	932,531,250	(0)

	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
280											
281				<b>Operations and Maintenance Expense</b>							
282											
283				<u>Production Fuel related expenses</u>							
284											
285				<u>Production - FPPCAC Fuel Related</u>							
286				Steam Generation	501	Direct Assignment	-	-	59,159,008	-	-
287				Steam Fuel Handling and Disposal	501	Direct Assignment	-	-	1,978,215	-	-
288				Nuclear	518	Direct Assignment	-	-	15,470,320	-	-
289				Nuclear Disposal	518	Direct Assignment	-	-	866,288	-	-
290				Gas Generation	547	Direct Assignment	-	-	96,037,692	-	-
291				Wind PPA	555	Direct Assignment	32,252,724	-	32,252,724	-	-
292				Geothermal PPA	555	Direct Assignment	8,766,039	-	8,766,039	-	-
293				Purchased Power Energy	555	Direct Assignment	-	-	110,551,362	-	-
294				Spinning reserves	555	Direct Assignment	-	-	112,483	-	-
295				Energy Storage Agreement - Demand	555	Direct Assignment	-	-	-	-	-
296				Total Fuel Costs (before OSS)			41,018,763	-	325,194,132	-	-
297											
298				Off-system Sales	447	Direct Assignment	-	-	(97,512,369)	-	-
299				Tri State Hazard Sharing	447	Direct Assignment	-	-	-	-	-
300				EIM Fuel Benefits	447.3	Direct Assignment	-	-	-	-	-
301				Physical Sales of Gas (under FAC hedge plan)	447.7	Direct Assignment	-	-	-	-	-
302				Total Other Fuel			-	-	(97,512,369)	-	-
303											
304				Total Fuel (net OSS)			41,018,763	-	227,681,763	-	-
305											
306				<u>Production - Non Fuel Items</u>							
307				Gas Plants Fuel Transportation	547	Energy	-	-	12,528,671	-	-
308				Gas PPA - Valencia - Demand	555	Energy	-	-	20,963,221	-	-
309				Energy Storage Agreement - Demand	555	Energy	-	-	82,142,228	-	-
310				Purchase Power for Economy Service Customer	555	Energy	-	-	-	-	-
311				Purchased power for Rate 36B		Energy	-	-	-	-	-
312				FPPCAC deferral		Energy	-	-	-	-	-
313				REC Purchases and Renewable Energy Amortization	555	Renewables	4,017,630	-	4,017,630	-	-
314				City of Gallup - Mandoza Station Charges		Energy	-	-	-	-	-
315				Coal Mine Decommissioning	501.15	Retail	-	-	-	-	-
316				Broker Fees		Gen Dmd	-	-	158,441	-	-
317				Total Non Fuel Items			4,017,630	-	119,810,191	-	-
318											
319				Total Fuel Related Expense			45,036,393	-	347,491,954	-	-

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
320											
321	O&M										
322	Steam Production										
323				Oper-Sup & Eng-Prod	500	Gen Dmd	-	-	5,161,937	-	-
324				Oper-Steam Expense-Major	502	Gen Dmd	-	-	5,211,646	-	-
325				Steam from Other Sources	503	Gen Dmd	-	-	-	-	-
326				Oper-Electric Exp-Major	505	Gen Dmd	-	-	1,440,208	-	-
327				Oper-Misc Steam Power Exp	506	Gen Dmd	-	-	2,099,786	-	-
328				Oper-Rents-Steam Power	507	Gen Dmd	-	-	230,497	-	-
329				Maint-Sup & Eng-Steam	510	Energy	-	-	603,898	-	-
330				Maint-Structures-Steam	511	Gen Dmd	-	-	4,083,313	-	-
331				Maint-Boiler Plant	512	Energy	-	-	6,345,507	-	-
332				Maint-Electric Plant	513	Energy	-	-	1,543,929	-	-
333				Maint-Gen & Elec Plant	514	Gen Dmd	-	-	826,735	-	-
334											
335	Nuclear Production										
336				Oper-Sup & Eng-Nuclear	517	Gen Dmd	-	-	5,906,711	-	-
337				Oper-Coolants and Water	519	Gen Dmd	-	-	4,944,020	-	-
338				Oper-Steam Expenses-Nuclear	520	Gen Dmd	-	-	2,415,166	-	-
339				Oper-Electric Exp	523	Gen Dmd	-	-	3,193,815	-	-
340				Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit	524	Gen Dmd	-	-	10,702,739	-	-
341				Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit	524	Retail	-	-	-	-	-
342				Total Rents - Nuclear, excluding PV 1&2 Prudency Audit and Excess Gain Amortization	525	Gen Dmd	-	-	-	-	-
343				Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization	525	Retail	-	-	(38,554)	-	-
344				Maint-Sup & Eng-Nuclear	528	Energy	-	-	1,252,819	-	-
345				Maint-Structures-Major	529	Gen Dmd	-	-	798,482	-	-
346				Maint-Reactor Plant	530	Energy	-	-	3,054,879	-	-
347				Maint-Elec Plant	531	Energy	-	-	3,671,029	-	-
348				Maint-Misc Nuclear Plant	532	Gen Dmd	-	-	858,927	-	-
349	Other Production										
350				Oper-Sup & Eng-Other	546	Energy	-	-	5,573,377	-	-
351				Oper-Oth Pwr Gen Exp-Other	549	Energy	-	-	124,984	-	-
352				Oper-Oth Pwr Gen Exp-Other - Renewables	549	Renewables	1,655,522	-	1,655,522	-	-
353				Maint - Structures	552	Gen Dmd	-	-	1,400,652	-	-
354				Maint-Gen & Elec Plant	553	Energy	-	-	12,392,334	-	-
355				Maint-Gen & Elec Plant - Renewables	553	Renewables	1,003,097	-	1,003,097	-	-
356				Maint-Gen & Elec Plant	556	Gen Dmd	-	-	6,002,894	-	-
357	Energy Storage Related O&M										
358				Oper-Oth Pwr Gen Exp-Other - Energy Storage Transmission	549	Retail	-	-	-	-	-
359				Oper-Oth Pwr Gen Exp-Other - Energy Storage Distribution	549	Retail	-	-	-	-	-
360				Maint-Gen & Elec Plant-Energy Storage Transmission	553	Retail	-	-	-	-	-
361				Maint-Gen & Elec Plant-Energy Storage Distribution	553	Retail	-	-	-	-	-
362				Total Production O&M			2,658,619	-	92,460,348	-	-

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
363											
364	Transmission O&M (560-574, excluding 565):										
365				Oper-Sup & Eng-ETrans	560	Trans Dmd	-	-	1,453,414	1,810,650	-
366				Oper-Load Dispatch-ETrans	561	Trans Dmd	-	-	716,013	892,003	-
367				Oper-Station Exp-ETrans	562	Trans Dmd	-	-	938,578	1,169,273	-
368				Oper-Overhead Lines-ETrans	563	Trans Dmd	-	-	34,809	43,364	-
369				Oper-Misc Transmission-E	566	Trans Dmd	-	-	1,374,607	1,712,473	-
370				Oper-Rents-Transmission-E	567	Trans Dmd	-	-	8,646,009	10,771,121	-
371				Maint Sup & Eng-ETrans	568	Trans Dmd	-	-	1,217	1,516	-
372				Maint-Structures-ETrans	569	Trans Dmd	-	-	-	-	-
373				Maint-Sta Equip-ETrans	570	Trans Dmd	-	-	2,333,231	2,906,719	-
374				Maint-Overhead Lns-ETrans	571	Trans Dmd	-	-	731,193	910,913	-
375				Maint-Under Ground lines-ETrans	572	Trans Dmd	-	-	-	-	-
376				Maint-Misc Trans Plant	573	Trans Dmd	-	-	-	-	-
377				Maint-Trans Plant-NonMaj-E	574	Trans Dmd	-	-	2,568	3,199	-
378				Incremental Rate - Transmission O&M	560-564,566-574	FERC	-	-	-	1,251,042	-
379				Total Transmission O&M, excluding FERC 565			-	-	16,231,640	21,472,272	-
380											
381	Transmission O&M by Others (565):										
382				Transmission by Others	565	Gen Dmd	-	-	32,013,463	-	-
383				Total Transmission by Others, FERC 565			-	-	32,013,463	-	-
384											
385				Total Transmission O&M			-	-	48,245,103	21,472,272	-

	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
386											
387				Total Dist O&M (580-598)							
388											
389				<u>PNM Street &amp; Private Lighting</u>							
390				Oper-Street Light/Signal-E	585	Retail	-	-	38	-	-
391				Maint-Streetlight/Signal-E	596	Retail	-	-	981,229	-	-
392				Total Street and Private Lighting			-	-	981,267	-	-
393											
394				<u>PNM Meters</u>							
395				Oper-Meter Expense-EDist	586	Retail	-	-	3,797,705	-	-
396				Oper-Meter Expense-Grid Mod	597	Grid Mod	-	3,019,068	3,019,068	-	-
397				Maint-Meters-EDist	597	Retail	-	-	428,051	-	-
398				Maint-Meters-Grid Mod	597	Grid Mod	-	-	-	-	-
399				Total Meters			-	3,019,068	7,244,824	-	-
400											
401				<u>All Other Distribution O&amp;M</u>							
402				Oper-Sup & Eng-EDist	580	Retail	-	-	2,385,705	-	-
403				Oper-Station Exp-EDist	582	Retail	-	-	1,104,307	-	-
404				Oper-Overhead Lines-EDist	583	Retail	-	-	3,278,998	-	-
405				Oper-Undergrd Line-EDist	584	Retail	-	-	708,285	-	-
406				Oper-Misc Dist Exp-EDist	588	Retail	-	-	12,240,120	-	-
407				Oper-Rents-Distribution-E	589	Retail	-	-	1,148,392	-	-
408				Maint-Sup & Eng-EDist	590	Retail	-	-	3,600,779	-	-
409				Maint-Structures-EDist	591	Retail	-	-	49,552	-	-
410				Maint-Station Equip-EDist	592	Retail	-	-	1,320,092	-	-
411				Maint-Overhead Lns-EDist	593	Retail	-	-	10,814,869	-	-
412				Maint-Und Lines-EDist	594	Retail	-	-	2,412,820	-	-
413				Maintenance of Line Transformers	595	Retail	-	-	437	-	-
414				Maint-Misc Dist Plant-E	598	Retail	-	-	-	-	-
415				Other Distribution O&M - Grid Mod	580-598	Grid Mod	-	1,079,772	1,079,772	-	-
416				Total Other Distribution O&M			-	1,079,772	40,144,127	-	-
417											
418				Total Distribution O&M			-	4,098,841	48,370,217	-	-

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
419											
420	Customer Related O&M										
421											
422	PNM Related Customer Accounts Exp										
423				Supervision-Customer Accts	901	Retail	-	-	(324,877)	-	-
424				Meter Reading Expenses	902	Retail	-	-	9,952,377	-	-
425				Customer Record and Collections	903	Retail	-	-	13,150,371	-	-
426				Uncollectible Expenses	904	Retail	-	-	3,768,813	-	-
427				Misc Customer Accts Exp	905	Retail	-	-	-	-	-
428				Cust Service/Inf Expenses	906	Retail	-	-	109,690	-	-
429				Customer Assistance Exps	908	Retail	-	-	1,600,974	-	-
430				Inform/Instruc Advert Exps	909	Retail	-	-	-	-	-
431				Demo & Selling Expenses - Non Production	912	Retail	-	-	-	-	-
432				Demo & Selling Expenses - Production	912	Sales	-	-	6,300,759	-	-
433				Advertising Expense	913	Sales	-	-	608,637	-	-
434				Total Customer Accounting Expenses - Grid Mod	901-905	Grid Mod	-	7,171,536	7,171,536	-	-
435				Total Customer Related O&M			-	7,171,536	42,338,279	-	-
436											
437	Administrative & General Expense										
438											
439				Admin and General Salaries	920	Total W&S excluding Riders	-	-	4,588,086	445,785	-
440				AG Office Supplies Exp	921	Total W&S excluding Riders	-	-	403,530	39,208	-
441				A&G Charged to CWIP	922	Total W&S excluding Riders	-	-	(13,626,093)	(1,323,932)	-
442				Production Related - Shared Services	9229	Prod W&S	434,223	-	16,394,108	-	-
443				Transmission Related - Shared Services	9229	Trans W&S	-	-	6,222,944	7,752,487	-
444				Distribution Related - Shared Services	9229	Dist W&S	-	-	54,666,291	-	-
445				Outside Services	923	Total W&S excluding Riders	-	-	1,456,338	141,500	-
446				Property Insurance	924	Total W&S excluding Riders	-	-	2,479,038	240,867	-
447				Injuries or Damages-Safety	925	Total W&S excluding Riders	-	-	13,570,098	1,318,492	-
448				Empl Pension and Benefits	926	Total W&S excluding Riders	-	-	10,594,922	1,029,419	-
449				Regulatory Commission Exp	928	Total W&S excluding Riders	-	-	2,420,512	235,181	-
450				Regulatory Commission Exp - (Rate Case Expense)	928	Retail	-	-	966,274	-	-
451				Production - Misc AG Expenses	930	Total W&S excluding Riders	-	-	8,369,664	813,209	-
452				Transmission - Rents-Cust	931	Total W&S excluding Riders	-	-	250,177	24,308	-
453				Total Gas A&G Maintenance	932	Total W&S excluding Riders	-	-	-	-	-
454				Maint of General Plant	935	Total W&S excluding Riders	-	-	2,220,071	215,706	-
455				Renewables - A&G (920-935)	920-935	Renewables	309,678	-	309,678	-	-
456				Grid Mod - A&G (920-935)	920-935	Grid Mod	-	1,226,434	1,226,434	-	-
457				Total Administrative & General Expense			743,901	1,226,434	112,512,072	10,932,229	-
458											
459				Generic Adjustment		Retail	-	-	(11,771,040)	-	-
460											
461				Total Operations & Maintenance Expense			7,420,150	12,496,810	451,965,171	32,404,502	-
462											



	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
463				<b>Depreciation and Amortization Expense</b>							
464											
465				<u>Production Depreciation and Amortization</u>							
466				Steam Production Plant	403	Gen Dmd	-	-	10,014,639	-	-
467				Nuclear Production Net Plant - Palo Verde	403	Gen Dmd	-	-	19,878,271	-	-
468				Nuclear Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd	-	-	-	-	-
469				Nuclear Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd	-	-	832,053	-	-
470				Other Production Plant - Gas & 40 MW Solar	403	Gen Dmd	-	-	20,752,769	-	-
471				Other Production Plant - Renewable	403	Renewables	8,091,078	-	8,091,078	-	-
472				Total Production Depreciation and Amortization Expense			8,091,078	-	59,568,810	-	-
473											
474				<u>Energy Storage Depreciation and Amortization</u>							
475											
476				Transmission Sited Batteries	403	Retail	-	-	338,998	-	-
477				Distribution Sited Batteries	403	Retail	-	-	868,925	-	-
478				Total Energy Depreciation and Amortization			-	-	1,207,924	-	-
479											
480				<u>Transmission Depreciation and Amortization</u>							
481				Step-Up Transformers & Generation Interconnections	403	Gen Dmd	-	-	330,154	-	-
482				Transmission System Plant - Allocated	403	Trans Dmd	-	-	20,372,850	25,380,313	-
483				Transmission System Plant - FERC Incremental Rates	403	FERC	-	-	-	10,347,728	-
484				Transmission System Net Plant - Dedicated Retail	403	Retail	-	-	693,169	-	-
485				Transmission System Plant - Acq. Adj. (EIP)	406	Trans Dmd	-	-	195,689	243,788	-
486				Total Transmission Depreciation and Amortization			-	-	21,591,863	35,971,829	-
487											

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
488	Distribution Depreciation and Amortization										
489				Distribution Substations Net Plant - PNM	403	Retail	-	-	7,734,096	-	-
490				Distribution Substations Net Plant - Renewables	403	Renewables	-	-	-	-	-
491				Distribution Substations Net Plant - Grid Mod	403	Grid Mod	-	-	-	-	-
492				Primary Distribution System Net Plant - PNM	403	Retail	-	-	38,186,812	-	-
493				Primary Distribution System Net Plant - Renewables	403	Renewables	188,096	-	188,096	-	-
494				Primary Distribution System Net Plant - Grid Mod	403	Grid Mod	-	331,718	331,718	-	-
495				Secondary Distribution System Net Plant - PNM	403	Retail	-	-	14,086,170	-	-
496				Secondary Distribution System Net Plant - Renewables	403	Renewables	57,167	-	57,167	-	-
497				Secondary Distribution System Net Plant - Grid Mod	403	Grid Mod	-	113,437	113,437	-	-
498				Services Net Plant - PNM	403	Retail	-	-	7,982,393	-	-
499				Meters Net Plant - PNM	403	Retail	-	-	2,564,005	-	-
500				Meters Net Plant - Grid Mod	403	Grid Mod	-	521,109	521,109	-	-
501				Private Lighting - 371	403	Retail	-	-	213,286	-	-
502				Street Lighting - 373	403	Retail	-	-	783,032	-	-
503				Total Distribution Depreciation and Amortization			245,263	966,264	72,761,322	-	-
504											
505	General Depreciation and Amortization										
506				General & Intangible Net Plant	403	Total W&S excluding Riders	-	-	22,482,571	2,184,441	-
507				Renewables General & Intangible Net Plant	403	Renewables	75,122	-	75,122	-	-
508				Grid Mod General & Intangible Net Plant	403	Grid Mod	-	-	-	-	-
509				Production Related (Shared Services)	403	Prod W&S	137,593	-	5,194,816	-	-
510				Transmission Related (Shared Services)	403	Trans W&S	-	-	1,788,687	2,228,330	-
511				Distribution/Customer Related (Shared Services)	403	Retail	-	-	24,478,747	-	-
512				Total General Depreciation and Amortization			212,715	-	54,019,943	4,412,771	-
513											
514				Total Depreciation and Amortization Expense			8,549,055	966,264	209,149,861	40,384,599	-
515											

	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
516				<b>General Taxes</b>							
517											
518				<u>Property Taxes</u>							
519				<u>Production Property Taxes</u>							
520				Steam Production Plant	408	Gen Dmd	-	-	2,331,618	-	-
521				Nuclear Production Plant - Palo Verde	408	Gen Dmd	-	-	2,936,159	-	-
522				Other Production Plant - Gas & 40 MW Solar	408	Gen Dmd	-	-	3,737,044	-	-
523				Other Production Plant - Renewable	408	Renewables	1,591,519	-	1,591,519	-	-
524				Total Production Property Taxes			1,591,519	-	10,596,339	-	-
525											
526				<u>Energy Storage Property Taxes</u>							
527				Transmission Sited Batteries	408	Retail	-	-	-	-	-
528				Distribution Sited Batteries	408	Retail	-	-	262,569	-	-
529				Total Energy Storage Property Taxes			-	-	262,569	-	-
530											
531				<u>Transmission Property Taxes</u>							
532				Step-Up Transformers - Excluding 65MW SJGS	408	Gen Dmd	-	-	41,525	-	-
533				Transmission System Plant - Allocated	408	Trans Dmd	-	-	5,504,371	6,857,296	-
534				Transmission System Plant - FERC Incremental Rates	408	FERC	-	-	-	3,353,567	-
535				Transmission System Plant - Dedicated Retail	408	Retail	-	-	62,187	-	-
536				Total Transmission Property Taxes			-	-	5,608,082	10,210,862	-
537											
538				<u>Distribution Property Taxes</u>							
539				Distribution Substations Net Plant - PNM	408	Retail	-	-	1,982,839	-	-
540				Distribution Substations Net Plant - Renewables	408	Renewables	-	-	-	-	-
541				Distribution Substations Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
542				Primary Distribution System Net Plant - PNM	408	Retail	-	-	7,405,025	-	-
543				Primary Distribution System Net Plant - Renewables	408	Renewables	42,929	-	42,929	-	-
544				Primary Distribution System Net Plant - Grid Mod	408	Grid Mod	-	21,185	21,185	-	-
545				Secondary Distribution System Net Plant - PNM	408	Retail	-	-	3,246,507	-	-
546				Secondary Distribution System Net Plant - Renewables	408	Renewables	14,033	-	14,033	-	-
547				Secondary Distribution System Net Plant - Grid Mod	408	Grid Mod	-	11,009	11,009	-	-
548				Services Net Plant - PNM	408	Retail	-	-	1,185,617	-	-
549				Meters Net Plant - PNM	408	Retail	-	-	473,458	-	-
550				Meters Net Plant - Grid Mod	408	Grid Mod	-	31,923	31,923	-	-
551				Private Lighting - 371	408	Retail	-	-	10,742	-	-
552				Street Lighting - 373	408	Retail	-	-	134,991	-	-
553				Total Distribution Property Taxes			56,963	64,117	14,560,258	-	-
554											

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
555	General Property Taxes										
556	General & Intangible Net Plant			408	Total W&S excluding Riders	-	-	-	1,198,037	116,403	-
557	Renewables General & Intangible Net Plant			408	Renewables	8,804	-	-	8,804	-	-
558	Grid Mod General & Intangible Net Plant			408	Grid Mod	-	-	53,120	53,120	-	-
559	Production Related (Shared Services)			408	Prod W&S	4,388	-	-	165,665	-	-
560	Transmission Related (Shared Services)			408	Trans W&S	-	-	-	91,441	113,916	-
561	Distribution/Customer Related (Shared Services)			408	Retail	-	-	-	831,120	-	-
562	Total General Property Taxes						13,192	53,120	2,348,186	230,320	-
563											
564	Total Property Taxes						1,661,673	117,236	33,375,435	10,441,182	-
565											
566	Payroll Taxes										
567	Production Related			408	Prod W&S	41,183	-	-	1,554,868	-	-
568	Battery Storage Related			408	Dist W&S	-	-	-	-	-	-
569	Transmission Related			408	Trans W&S	-	-	-	560,024	697,673	-
570	Distribution Related			408	Dist W&S	-	-	-	4,808,568	-	-
571	Total Payroll Taxes						41,183	-	6,923,460	697,673	-
572											
573	Other Taxes										
574	Misc Taxes - Production Related			408	Gen Dmd	-	-	-	1,077	-	-
575	Misc Taxes - Transmission Related			408	Trans Dmd	-	-	-	433	540	-
576	Misc Taxes - Distribution Related			408	Retail	-	-	-	12,492	-	-
577	Regulatory Commission Fees (I&S) PNM			408	Retail	-	-	-	-	-	-
578	Joint Projects Four Corners			408	Gen Dmd	-	-	-	198,209	-	-
579	Joint Projects PVNGS			408	Gen Dmd	-	-	-	1,361,393	-	-
580	Joint Projects Transmission			408	Trans Dmd	-	-	-	27,607	34,392	-
581	Native American Taxes - Production			408	Gen Dmd	-	-	-	1,554,300	-	-
582	Native American Taxes - Transmission			408	Trans Plt	-	-	-	579,172	1,053,410	-
583	Native American Taxes - Dedicated FERC Incremental Rates			408	FERC	-	-	-	-	607,484	-
584	Native American Taxes - Distribution			408	Dist Plt	-	-	-	69,497	-	-
585	Total Other Taxes						-	-	3,804,180	1,695,826	-
586											
587	Total General Taxes						1,702,856	117,236	44,103,075	12,834,681	-

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
588											
589	Other Allowable Expenses										
590					431	Retail	-	-	220,117	-	-
591					407.3	Rate Base	28,856	10,227	951,869	283,860	(0)
592					407	Renewables	(1,146,464)	-	(1,146,464)	-	-
593					411	Gen Dmd	-	-	2,887,511	-	-
594					411	Excluded	-	-	-	-	-
595					411	Retail	-	-	108,409	-	-
596					407.3	FERC	-	-	-	2,778,790	-
597					407.3	Gen Dmd	-	-	6,276,936	-	-
598					407.3	Retail	-	-	3,758,140	-	-
599					407.3	Retail	-	-	2,158,805	-	-
600					407.3	Retail	-	-	1,877,267	-	-
601					407.3	Retail	-	-	146,109	-	-
602					407.3	Retail	-	-	168,146	-	-
603					407.3	Retail	-	-	6,974	-	-
604					407.3	Retail	-	-	100,964	-	-
605					407.3	Retail	-	-	332,751	-	-
606					407.3	Retail	-	-	19,812	-	-
607					407.3	Retail	-	-	251,786	-	-
608					407.3	Trans Dmd	-	-	(88,867)	(110,710)	-
609					407.3	Retail	-	-	-	-	-
610					407.3	Retail	-	-	108,102	-	-
611					407.3	Retail	-	-	1,070,775	-	-
612					407.3	Retail	-	-	1,102,169	-	-
613					407.3	Retail	-	-	732,137	-	-
614					407.3	Retail	-	-	741,677	-	-
615					407.3	Retail	-	-	(50,706)	-	-
616						Total Other Allowable Expenses	(1,117,608)	10,227	21,734,420	2,951,939	(0)
617											
618											
619						Total Operating Expenses	57,573,217	13,590,537	954,634,289	88,575,722	(0)
620						(Excl Income & Revenue Related Taxes)					
621											
622						Total Net Original Cost Rate Base	94,795,701	33,596,305	3,127,065,673	932,531,250	(0)
623						Weighted Cost of Capital	6.90%	6.90%	6.90%	6.90%	6.90%
624						Return on Rate Base (excluding Debt Return- Reg Asset Adjustment)	6,539,927	2,317,799	215,735,308	64,335,047	-
625						Debt-Only Return Adjustment	-	-	-	-	-
626						Return on Rate Base	6,539,927	2,317,799	215,735,308	64,335,047	-

	A	B	C	D	E	F	K	L	M	N	O
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>										
2	<b>Test Period Ending June 30, 2026</b>				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
627											
628	<b>Federal Income Tax</b>										
629	<u>Return Adjustments</u>										
630				Interest on Long Term Debt		MDC	(1,959,950)	(694,621)	(64,653,709)	(19,280,568)	0
631				Debt Return- Reg Asset Adjustment Interest Adjustment			(0)	(0)	(0)	-	
632				Interest on Long Term Debt			(1,959,950)	(694,621)	(64,653,709)	(19,280,568)	0
633											
634	<u>Tax/Book Adjustments</u>										
635											
636				Non-deductible Meals		Total Net Pit	-	-	-	-	-
637				Non-deductible Parking		Trans Dmd	-	-	55,120	68,668	-
638				Palo Verde 1 & 2 Gain Amort Flow Through		FERC	-	-	-	(39,828)	-
639				Palo Verde 1 & 2 Prudence Audit Flow Through		Retail	-	-	-	-	-
640				AFUDC Equity Flow Through		Gen Dmd	-	-	(18,242,549)	-	-
641				AFUDC Equity Flow Through - Renewables		Renewables	(41,891)	-	(41,891)	-	-
642				AFUDC Equity Flow Through - Grid Mod		Grid Mod	-	(376,955)	(376,955)	-	-
643				Federal Grant Amortization - Renewables		Renewables	(962,888)	-	(962,888)	-	-
644				Federal Grant Basis Adj - Renewables		Renewables	481,444	-	481,444	-	-
645				Gain/Loss Flow Through		Retail	-	-	166,269	-	-
646				ACRS Flow Through		Retail	-	-	-	-	-
647				San Juan ACRS Flow Through		Retail	-	-	-	-	-
648				Four Corners SO2 Reversal Flow Through		Retail	-	-	335,543	-	-
649				SL/GL Depreciation		Retail	-	-	-	-	-
650				Amortization of EIP Prepaid Tax Reversal		Trans Dmd	-	-	-	-	-
651				Total Tax/Book Adjustments			(523,335)	(376,955)	(18,585,907)	28,840	-
652											
653				Total Return Adjustments			(2,483,285)	(1,071,576)	(83,239,615)	(19,251,728)	0
654											
655				Net Taxable Equity Return			4,056,641	1,246,223	132,495,693	45,083,318	0

	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
656											
657				<u>Federal Tax Adjustments</u>							
658											
659				<u>Net Provision For Deferred Income Tax</u>							
660				Excess Payroll Tax Reversal	410	Total W&S	(31)	-	(5,604)	(542)	-
661				Excess Deferred Federal Income Tax Amortization		ADIT	(1,523,265)	-	(21,666,273)	(3,744,735)	(0)
662				ARAM Deferred Tax Reversal	410	Total Net PIt	-	-	(23,646)	(7,453)	-
663				Total Provision For Deferred Income Tax			(1,523,296)	-	(21,695,523)	(3,752,730)	(0)
664											
665				<u>Investment Tax Credits</u>							
666				Palo Verde 1&2 Production ITC Amortization	411.4	Gen Dmd	-	-	-	-	-
667				Generation ITC Amortization	411.4	Gen Dmd	-	-	(168,991)	-	-
668				Renewables ITC Amortization	411.4	Renewables	-	-	-	-	-
669				PV Valley Transmission ITC Amortization	411.4	Trans Dmd	-	-	-	-	-
670				Research and Development & Other Credits	410	PV	-	-	(1,300,000)	-	-
671				Other ITC Amortization	411.4	Total Net PIt	-	-	-	-	-
672				Total Investment Tax Credit Amortization & Other Credits			-	-	(1,468,991)	-	-
673											
674				Total Federal Tax Adjustments			(1,523,296)	-	(23,164,514)	(3,752,730)	(0)
675											
676				Adjusted Equity Return			2,533,345	1,246,223	109,331,179	41,330,588	(0)
677				Federal Tax Factor (0.21/(1-0.21))			26.5823%	26.5823%	26.5823%	26.5823%	26.5823%
678				Federal Income Tax			673,421	331,274	29,062,719	10,986,612	(0)
679				Add:							
680				Total Provision For Deferred Income Tax			(1,523,296)	-	(21,695,523)	(3,752,730)	(0)
681				EIP Amortization			-	-	-	-	-
682				Total Investment Tax Credit Amortization & Other Credits			-	-	(1,468,991)	-	-
683											
684				Net Allowable Federal Income Tax			(849,875)	331,274	5,898,205	7,233,882	(0)

	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
685											
686				<b>State Income Tax</b>							
687											
688				Return on Rate Base			6,539,927	2,317,799	215,735,308	64,335,047	-
689				Less: Return Adjustments							
690				Interest on Long Term Debt			(1,959,950)	(694,621)	(64,653,709)	(19,280,568)	0
691				Tax/Book Adjustments			(523,335)	(376,955)	(18,585,907)	28,840	-
692				Add: Net Allowable F I T			(849,875)	331,274	5,898,205	7,233,882	(0)
693											
694				New Mexico NOL Valuation Allowance	410	Total Net Pit	-	-	-	-	-
695				Amortization of Excess Deferred Taxes		ADIT	-	-	-	-	-
696				State Taxable Income			3,206,766	1,577,497	138,393,898	52,317,200	(0)
697				State Tax Factor			5.90%	5.90%	5.90%	5.90%	5.90%
698				State Income Tax			189,199	93,072	8,165,240	3,086,715	(0)
699				Add: 22 MW, Battery project and PV Farm PTC	409	Renewables	-	-	-	-	-
700				Add: New Mexico NOL Valuation Allowance	410	Total Net Pit	-	-	-	-	-
701				Amortization of Excess Deferred Taxes		ADIT	-	-	-	-	-
702				Net Allowable State Income Tax			189,199	93,072	8,165,240	3,086,715	(0)
703											
704											
705				Return on Rate Base			6,539,927	2,317,799	215,735,308	64,335,047	-
706											
707				Total Operating Expenses			57,573,217	13,590,537	954,634,289	88,575,722	(0)
708				(Excluding Income & Rev Related Taxes)							
709											
710				Net Allowable Federal Income Tax			(849,875)	331,274	5,898,205	7,233,882	(0)
711											
712				Net Allowable State Income Tax			189,199	93,072	8,165,240	3,086,715	(0)
713											



	A	B	C	D	E	F	K	L	M	N	O
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
714				<b>Revenue Credits:</b>							
715				Sale of SO2 Credits	411	FERC	-	-	-	-	-
716				Rent For Electric Property Transmission	454	Trans Plt	-	-	(186,445)	(339,109)	-
717				Rent for Electric Property - Distribution	454	Retail	-	-	(3,313,235)	-	-
718				Late Payment Charges	451	Retail	-	-	(1,120,650)	-	-
719				Misc Service Charge Revenue	451	Retail	-	-	(1,818,977)	-	-
720				Other Retail Revenue - Transmission	456	Trans Dmd	-	-	(420,705)	(524,111)	-
721				Other Retail Revenue - Distribution	456	Retail	-	-	(1,238,927)	-	-
722				Generation Ancillary Services Credit Sch 2-5	456100	Gen Dmd	-	-	(3,008,078)	-	-
723				Real Power Losses (Financial)	456100	Gen Dmd	-	-	(30,930,741)	-	-
724				Transmission redispatch contract revenues	456100	Gen Dmd	-	-	4,982	-	-
725				Ancillary Services-Sch 1 and Sch 8 Transmission	456100	Trans Dmd	-	-	(3,231,657)	(4,025,969)	-
726				Short Term Firm Sch 7 Transmission	456100	Trans Dmd wo NITS	-	-	(4,736,152)	(4,799,116)	-
727				Ancillary Services-Sch 1 ST PTP and Transmission Service	456100	Trans Dmd	-	-	(20,579)	(25,637)	-
728				Economy Service Customer Revenue Credits	442&555	Retail	-	-	(4,214,090)	-	-
729				Securitization Servicing & Administration Fees	421	G&I Plt	-	-	(204,418)	(17,182)	-
730				Shared Services Revenue	418	Retail	-	-	(1,717,601)	-	-
731											
732				Total Revenue Credits			-	-	(56,157,274)	(9,731,124)	-
733											
734				Total Revenue Requirements Before Revenue Tax			63,452,467	16,332,683	1,128,275,769	153,500,241	(0)
735											
736				Revenue Tax Factor (I&S Fee) (Revenue Tax Rate/(1-Revenue Tax Rate))			0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
737				Revenue Tax			322,702	83,064	5,738,106	780,661	(0)
738											
739				NON-FUEL REVENUE REQUIREMENT			22,756,406	16,415,747	906,332,112	154,280,902	(0)
740				FUEL REVENUE REQUIREMENT			41,018,763	-	227,681,763	-	-
741				<b>TOTAL REVENUE REQUIREMENT</b>			<b>63,775,169</b>	<b>16,415,747</b>	<b>1,134,013,875</b>	<b>154,280,902</b>	<b>(0)</b>
742											
743				<b>Weighted Cost of Capital</b>							
744				Long Term Debt			2.07%	2.07%	2.07%	2.07%	2.07%
745				Preferred Stock			0.01%	0.01%	0.01%	0.01%	0.01%
746				Common Stock			4.82%	4.82%	4.82%	4.82%	4.82%
747				Total Weighted Cost of Capital			6.90%	6.90%	6.90%	6.90%	6.90%
748											
749				Federal Income Tax Rate			21.00%	21.00%	21.00%	21.00%	21.00%
750											
751				Effective State Income Tax Rate			5.57%	5.57%	5.57%	5.57%	5.57%
752											
753				I&S Fee Rate			0.508573%	0.508573%	0.508573%	0.508573%	0.508573%

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
754											
755	<b>Key Allocators</b>										
756											
757			Sales (MWh)				-	-	-	-	-
758			Allocator			Sales	0.00%	0.00%	0.00%	0.00%	0.00%
759											
760	<b>Wage and Salary Ratios</b>					Ratios					
761			Production Other Prod O&M			18.93%	276,846	0	0	0	0
762						Prod W&S	2.65%	0.00%	0.00%	0.00%	0.00%
763			Transmission Trans O&M			15.88%	0	0	0	4,864,271	0
764						Trans W&S	0.00%	0.00%	0.00%	55.47%	0.00%
765			Distribution Dist O&M			33.28%	0	0	0	0	0
766						Dist W&S	0.00%	0.00%	0.00%	0.00%	0.00%
767											
768			Total PTD			68.09%	276,846	0	0	4,864,271	0
769			Allocator				0.74%	0.00%	0.00%	12.94%	0.00%
770											
771			Customer Accounting CA O&M			21.21%	-	-	-	-	-
772			Cust Service & Information CS&I O&M			2.86%	-	-	-	-	-
773			Sales Sales O&M			7.85%	-	-	-	-	-
774			Total PTDCAS			100.00%	276,846	-	-	4,864,271	-
775			Allocator			PTDCAS	0.50%	0.00%	0.00%	8.81%	0.00%
776											
777			Administrative and General				-	-	-	-	-
778											
779			Total Wages and Salaries				276,846	-	-	4,864,271	-
780			Allocator			Total W&S	0.50%	0.00%	0.00%	8.81%	0.00%
781							-	-	-	4,864,271	-
782	<b>Net Plant In Service Ratios</b>					Total W&S excluding Riders	0.00%	0.00%	0.00%	8.86%	0.00%
783											
784			Total Production Plant				-	-	-	-	-
785			Allocator			Prod Plt	0.00%	0.00%	-	0.00%	0.00%
786											
787			Total Transmission Plant				-	-	-	1,030,874,331	-
788			Allocator			Trans Plt	0.00%	0.00%	0.00%	64.52%	0.00%
789											
790			Total Distribution Plant				-	-	-	-	-
791			Allocator			Dist Plt	0.00%	0.00%	0.00%	0.00%	0.00%
792											
793			Total General & Intangible Plant				-	-	-	18,223,735	-
794			Allocator			G&I Plt	0.00%	0.00%	-	7.75%	0.00%
795											

	A	B	C	D	E	F	K	L	M	N	O
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
796				Total Net Plant			-	-	-	1,049,098,066	-
797				Allocator		Total Net Pit	0.00%	0.00%		23.97%	0.00%
798											
799				Total ADIT			(45,383,076)	-		(111,567,958)	(0)
800				Allocator		ADIT	5.99%	0.00%		14.74%	0.00%
801											
802				Total Rate Base			94,795,701	33,596,305		932,531,250	(0)
803				Allocator		Rate Base	2.34%	0.83%		22.97%	0.00%
804											
805				Generation Demand allocator			-	-	-	-	-
806						Gen Dmd	0.00%	0.00%	0.00%	0.00%	0.00%
807											
808				Energy allocator			-	-	-	-	-
809						Energy	0.00%	0.00%	0.00%	0.00%	0.00%
810											
811				Generation and Transmission Demand		Gen/Trans Dmd	0.00%	0.00%	0.00%	37.17%	0.00%
812											
813							-	-	-	1,991	-
814				Transmission Demand		Trans Dmd	0.00%	0.00%		55.47%	0.00%
815											
816							-	-	-	1,619	-
817				Transmission Demand without Network		Trans Dmd wo NITS	0.00%	0.00%		50.33%	0.00%
818											
819											
820	Other Allocators										
821											
822				Excluded Costs		Excluded	0.00%	0.00%	0.00%	0.00%	100.00%
823											
824				Direct Assignment to NEC		NEC	0.00%	0.00%	0.00%	0.00%	0.00%
825											
826				Allocation to FERC Customers		FERC	0.00%	0.00%	0.00%	100.00%	0.00%
827											
828				Direct Assignment to Retail		Retail	0.00%	0.00%	0.00%	0.00%	0.00%
829											
830				Allocation to Palo Verde		PV	0.00%	0.00%	0.00%	0.00%	0.00%
831											
832				Allocation to Grid Mod		Grid Mod	0.00%	100.00%	0.00%	0.00%	0.00%
833											
834				Direct Assignment to Renewables		Renewables	100.00%	0.00%	0.00%	0.00%	0.00%

	A	B	C	D	E	F	P	Q	R	S	T	U
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>											
2	<b>Test Period Ending June 30, 2026</b>				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
4	<b>Rate Base</b>											
5												
6	<b>Net Plant</b>											
7												
8	<b>Net Production Plant</b>											
9												
10				Steam Production Net Plant	101/106	Gen Dmd		230,775,053	-	-	10,199,269	-
11				Total Steam Production Net Plant				230,775,053	-	-	10,199,269	-
12												
13				Nuclear Production Net Plant - Palo Verde	101/106	Gen Dmd		347,311,437	-	-	-	-
14				Nuclear Production Net Plant - Acq Adj (Drexel)	114	Gen Dmd		-	-	-	-	-
15				Nuclear Production Net Plant - Acq Adj (First Chicago)	114	Gen Dmd		16,779,747	-	-	-	-
16				Total Nuclear Production Net Plant				364,091,185	-	-	-	-
17												
18				Other Production Plant - Gas & 40 MW Solar	101/106	Gen Dmd		377,586,968	-	-	-	-
19				Other Production Plant - Renewable	101/106	Renewables		-	-	-	-	-
20				Total Other Production Net Plant				377,586,968	-	-	-	-
21												
22				Total Net Production Plant				972,453,206	-	-	10,199,269	-
23												
24	<b>Net Plant Battery Storage</b>											
25												
26				Transmission Sited Batteries	101/106	Retail		20,184,418	-	-	-	-
27				Distribution Sited Batteries	101/106	Retail		26,727,983	-	-	-	-
28				Total Battery Storage Net Plant				46,912,401	-	-	-	-
29												
30	<b>Net Transmission Plant</b>											
31												
32				Step-Up Transformers & Generation Interconnections	101/106	Gen Dmd		4,119,928	-	-	-	-
33				Total Transmission Station Equipment - Step-up Xfmr and Aux				4,119,928				
34												
35				Transmission System Net Plant - Allocated	101/106	Trans Dmd		556,621,001	-	-	-	-
36				Transmission System Net Plant - FERC Incremental Rates	101/106	FERC		-	-	-	-	-
37				Transmission System Net Plant - Dedicated Retail	101/106	Retail		6,005,891	-	-	-	-
38				Transmission System Net Plant - Acq Adj (EIP)	114	Trans Dmd		35,123	-	-	-	-
39				Total Transmission System Net Plant				562,662,016	-	-	-	-
40												
41				Total Net Transmission Plant				566,781,944				

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
42												
43	Net Distribution Plant											
44												
45				Distribution Substations Net Plant - PNM	101/106	Retail		199,695,244	-	-	-	-
46				Distribution Substations Net Plant - Renewables	101/106	Renewables		-	-	-	-	-
47				Distribution Substations Net Plant - Grid Mod	101/106	Grid Mod		-	-	-	-	-
48				Total Distribution Substations Net Plant				199,695,244	-	-	-	-
49												
50				Primary Distribution System Net Plant - PNM	101/106	Retail		788,963,636	-	-	-	-
51				Primary Distribution System Net Plant - Renewables	101/106	Renewables		-	-	-	-	-
52				Primary Distribution System Net Plant - Grid Mod	101/106	Grid Mod		-	-	-	-	-
53				Total Primary Distribution Net Plant				788,963,636	-	-	-	-
54												
55				Secondary Distribution System Net Plant - PNM	101/106	Retail		340,199,544	-	-	-	-
56				Secondary Distribution System Net Plant - Renewables	101/106	Renewables		-	-	-	-	-
57				Secondary Distribution System Net Plant - Grid Mod	101/106	Grid Mod		-	-	-	-	-
58				Total Secondary Distribution Net Plant				340,199,544	-	-	-	-
59												
60				Services Net Plant - PNM	101/106	Retail		123,529,928	-	-	-	-
61												
62				Meters Net Plant - PNM	101/106	Retail		47,907,691	-	-	-	-
63				Meters Net Plant - Grid Mod	101/106	Grid Mod		-	-	-	-	-
64				Total Meters Net Plant				47,907,691	-	-	-	-
65												
66				Private Lighting - 371	101/106	Retail		1,163,014	-	-	-	-
67				Street Lighting - 373	101/106	Retail		13,591,316	-	-	-	-
68				Total Lighting Net Plant				14,754,330	-	-	-	-
69												
70				Total Net Plant Distribution Plant				1,515,050,373				
71												
72	Net Plant General & Intangible Plant											
73												
74				General & Intangible Net Plant	101/106	Total W&S excluding Riders		115,531,045	-	-	-	-
75				Renewables General & Intangible Net Plant	101/106	Renewables		-	-	-	-	-
76				Grid Mod General & Intangible Net Plant	101/106	Grid Mod		-	-	-	-	-
77				Production Related (Shared Services)	101/106	Prod W&S		15,193,897	-	-	-	-
78				Transmission Related (Shared Services)	101/106	Trans W&S		5,617,766	-	-	-	-
79				Distribution/Customer Related (Shared Services)	101/106	Retail		80,471,663	-	-	-	-
80				Total Net Plant General & Intangible Plant - PNM				216,814,370	-	-	-	-
81												
82				Total Net Plant				3,318,012,295	-	-	10,199,269	-

	A	B	C	D	E	F	P	Q	R	S	T	U
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>											
2	<b>Test Period Ending June 30, 2026</b>				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
83												
84	<b>Accumulated Deferred Income Taxes</b>											
85					190	Retail		19,358,228	-	-	-	-
86					190	Renewables		-	-	-	-	-
87					190	Total Net Plt		2,100,187	-	-	1,547	-
88					190	Total W&S		-	-	-	-	-
89					190	Retail		-	-	-	-	-
90					190	Renewables		-	-	-	-	-
91					190	ADIT		45,802,148	-	-	4,716	(505,148)
92					283	ADIT		(52,430,182)	-	-	(5,399)	-
93					190	Excluded		-	-	-	-	-
94					190	Retail		-	-	-	-	-
95					283	Retail		(0)	-	-	-	-
96					283	Retail		-	-	-	-	-
97					283	Retail		0	-	-	-	-
98					283	Retail		(667,624)	-	-	-	-
99					283	Retail		0	-	-	-	-
100					283	Retail		0	-	-	-	-
101					190	Retail		181,010	-	-	-	-
102					190	Retail		1,349,331	-	-	-	-
103					190	Retail		-	-	-	-	-
104					190	Retail		-	-	-	-	-
105					190	Retail		-	-	-	-	-
106					190	Retail		-	-	-	-	-
107					190	Total W&S		-	-	-	-	-
108					283	Total W&S		1,324,629	-	-	-	-
109					283	Total Net Plt		(20,795,547)	-	-	(15,320)	-
110					283	Total Net Plt		4,219,181	-	-	3,108	-
111					283	Retail		-	-	-	-	-
112					283	Total Net Plt		-	-	-	-	-
113					283	Retail		41,710	-	-	-	-
114					283	Total Net Plt		(17,962,398)	-	-	(13,233)	-
115					283	Total Net Plt		-	-	-	-	-
116					283	Total Net Plt		9,315,874	-	-	6,863	-
117					282	Gen Dmd		9,663,055	-	-	-	-
118					282	Total Net Plt		(5,645,399)	-	-	(4,159)	-
119					282	Total Net Plt		(51,586,852)	-	-	(38,005)	-
120					282	Total Net Plt		(676,697)	-	-	(499)	-
121					282	Retail		7,857,390	-	-	-	-
122					282	Gen Dmd		(2,154,701)	-	-	-	-
123					282	Gen Dmd		(169,234,057)	-	-	-	-
124					282	Trans Dmd		(65,432,118)	-	-	-	-
125					282	Retail		(154,067,714)	-	-	-	-
126					282	Total W&S		(16,349,418)	-	-	-	-
127					282	Renewables		-	-	-	-	-

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
128	Plant - Four Corners Imprudence			282	Gen Dmd		-	-	-	-	-	-
129	Regulatory Assets - SJGS Stranded Costs Units 2&3			282	Retail		(19,264,979)	-	-	-	-	-
130	Pension			283	Total W&S		(33,589,376)	-	-	-	-	-
131	Retiree Medical			283	Total W&S		-	-	-	-	-	-
132	Lease Asset			283	Excluded		-	-	-	-	-	-
133	Loss on Reacquired Debt			283	Total Net Plt		(786,924)	-	-	-	(580)	-
134	Other Comprehensive Income (OCI)			283	Excluded		-	-	-	-	-	-
135	Deferred Credits - SO2 Allowance			283	Retail		10,507	-	-	-	-	-
136	Deferred Debits - Rate Case Expense			283	Retail		(847,737)	-	-	-	-	-
137	Deferred Debits - Decoupling			283	Excluded		-	-	-	-	-	-
138	Deferred Debits - Grid Modernization			283	grid mod		-	-	-	-	-	-
139	Deferred Debits - RR Underground Rider			283	Retail		-	-	-	-	-	-
140	Prepaid Expenses			283	Total Net Plt		(1,253,830)	-	-	-	(924)	-
141	Regulatory Assets - COVID-19 Costs			283	Retail		(370,501)	-	-	-	-	-
142	Regulatory assets - FAC			283	Retail		-	-	-	-	-	-
143	Regulatory Assets - EIM Costs			283	Retail		(2,903,476)	-	-	-	-	-
144	Regulatory Assets - Energy Efficiency			283	Excluded		-	-	-	-	-	-
145	Regulatory Assets - ETA			283	Retail		-	-	-	-	-	-
146	Regulatory Assets - Sky Blue Under Recovery			283	Renewables		-	-	-	-	-	-
147	Regulatory Assets - Renewable Energy			283	Renewables		-	-	-	-	-	-
148	Regulatory Assets - Renewable Energy Credits			283	Renewables		-	-	-	-	-	-
149	Regulatory Assets - SJGS External Legal Fees			283	Retail		(115,954)	-	-	-	-	-
150	Regulatory Assets - SJGS Replacement Resources			283	Retail		(1,947,453)	-	-	-	-	-
151	Regulatory Assets - SJGS Undepreciated Investment			283	Retail		0	-	-	-	-	-
152	Regulatory Assets - SJGS Underground Coal Mine			283	Retail		(0)	-	-	-	-	-
153	Regulatory Assets - Solar Direct Regulatory Assets			283	Retail		-	-	-	-	-	-
154	Regulatory Assets - Transportation Electrification			283	Retail		-	-	-	-	-	-
155	Regulatory Assets - WCC Transaction Costs			283	Retail		-	-	-	-	-	-
156	Regulatory Liabilities - Energy Efficiency			283	Excluded		-	-	-	-	-	-
157	Regulatory Liabilities - FAC			283	Retail		-	-	-	-	-	-
158	Regulatory Assets - PCB Refinancing Hedge			283	Total Net Plt		(1,383,722)	-	-	-	(1,019)	-
159	Prepaid Expenses: Production			283	Gen Dmd		(393)	-	-	-	-	-
160	Prepaid Expenses: Transmission			283	Trans Plt		(2,016)	-	-	-	-	-
161	Prepaid Expenses: Transmission (incremental FERC Rates)			283	FERC		-	-	-	-	-	-
162	Prepaid Expenses: Distribution			283	Retail		(1,729)	-	-	-	-	-
163	Prepaid Expenses: Renewables			283	Renewables		-	-	-	-	-	-
164	Regulatory Assets - 2024 Rate Change			283	Retail		(736,301)	-	-	-	-	-
165	Regulatory Assets - SJGS Obsolete Inventory			283	Retail		(1,473,597)	-	-	-	-	-
166	Regulatory Liabilities - Earnings Test			283	Retail		-	-	-	-	-	-
167	Regulatory Assets - PVNGS Undepreciated Investment			283	Retail		(10,596,037)	-	-	-	-	-

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
168				Regulatory Assets - ETC Over/Under SPE	283	Retail		-	-	-	-	-
169				Regulatory Assets - PVNGS Replacement Resources	283	Retail		(462,677)	-	-	-	-
170				Regulatory Assets - Rate Rider 12 UG Rate	283	Retail		-	-	-	-	-
171				Regulatory Assets - Renewable Rider Curr Reg	283	Renewables		-	-	-	-	-
172				Regulatory Assets - SJ Energy Transition Property (SPE)	283	Retail		(79,654,063)	-	-	-	-
173				Regulatory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail		-	-	-	-	-
174				Regulatory Liabilities - Energy Transition Cost True Up	283	Retail		305,611	-	-	-	-
175				Regulatory Liabilities - SJGS Retirements Rate Credit	283	Retail		-	-	-	-	-
176				Deferred Debits - WS-Transmission Revenue	283	FERC		-	-	-	-	-
177				Customer Advance	190	Retail		-	-	-	-	-
178				Deferred Credits - ETA	283	Retail		-	-	-	-	-
179				Other Liabilities - ETA Coal Mine Severance	283	Retail		-	-	-	-	-
180				Other Liabilities - ETA State Agency Payments	283	Retail		-	-	-	-	-
181												
182												
183												
184												
185												
186												
187												
188												
189				Total Accumulated Deferred Income Taxes				(610,864,610)	-	-	(62,903)	(505,148)



	A	B	C	D	E	F	P	Q	R	S	T	U
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>								
2				<b>Test Period Ending June 30, 2026</b>	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
190												
191				<b>Regulatory Assets &amp; Liabilities</b>								
192												
193				Coal Mine Decommissioning	182	Retail		-	-	-	-	-
194				PCB Refinancing Hedge	182	Total Net PIt		5,447,723	-	-	4,013	-
195				Reg Liab Renewables Fed Grant	254	Renewables		-	-	-	-	-
196				Reg Liab Renewables St Credit	254	Renewables		-	-	-	-	-
197				SJGS Coal Agreement Transaction Costs	182	Gen Dmd		-	-	-	-	-
198				SJGS 2&3 50% Undepreciated Investment	182	Gen Dmd		75,846,374	-	-	-	-
199				SJGS County Ordinance Decommission	182	Gen Dmd		-	-	-	-	-
200				Energy Imbalance Market (EIM) One Time Implementation Costs	182	Retail		11,431,010	-	-	-	-
201				SJGS Replacement Resources	182	Gen Dmd		7,667,139	-	-	-	-
202				SJGS External Legal Expenses	182	Gen Dmd		456,510	-	-	-	-
203				SJGS Obsolete Inventory	182	Gen Dmd		5,801,562	-	-	-	-
204				COVID Regulatory Asset and Liability	182	Retail		1,561,547	-	-	-	-
205				Sky Blue Under Recovery	182	Retail		-	-	-	-	-
206				Solar Direct	182	Retail		-	-	-	-	-
207				Transportation Electrification Program (TEP)	182	Retail		-	-	-	-	-
208				SO2 Allowance Credit	182	Retail		0	-	-	-	-
209				PVNGS Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd		38,948,435	-	-	-	-
210				PVNGS Unit 1 - 104MW Undepreciated Investment Post - lease renewal	182	Gen Dmd		-	-	-	-	-
211				PVNGS Unit 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd		2,642,134	-	-	-	-
212				PVNGS Unit 2 - 10MW Undepreciated Investment Post - lease renewal	182	Gen Dmd		-	-	-	-	-
213				PVNGS Costs to Obtain Replacement Resources	182	Gen Dmd		1,821,562	-	-	-	-
214				PVNGS True-up for SRP Transaction Proceeds	182	Gen Dmd		126,114	-	-	-	-
215				2024 Rate Change Expenses	182	Retail		2,898,823	-	-	-	-
216				Energy Transition Cost True-up	182	Gen Dmd		(1,203,193)	-	-	-	-
217				Excess Deferred Income Tax Regulatory Liability	254	ADIT		(183,580,624)	-	-	(18,904)	1,988,770
218												
219				Total Regulatory Assets & Liabilities				(30,134,886)	-	-	(14,890)	1,988,770

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
220												
221	<b>Other Rate Base Items</b>											
222												
223				Customer Deposits	235	Retail		(6,221,788)	-	-	-	-
224				RWIP-Production	108	Gen Dmd		-	-	-	-	-
225				RWIP-Transmission	108	Trans Dmd		-	-	-	-	-
226				RWIP-Distribution	108	Retail		-	-	-	-	-
227				CWIP - Production	107	Gen Dmd		-	-	-	-	-
228				CWIP - Transmission	107	Trans Dmd		-	-	-	-	-
229				CWIP - Distribution	107	Retail		-	-	-	-	-
230				CWIP - Renewables	107	Renewables		-	-	-	-	-
231				CWIP - Production Related	107	Gen Dmd		-	-	-	-	-
232				ARO Liability - Production	230	Gen Dmd		(28,866,513)	-	-	-	-
233				ARO Liability - Transmission	230	Trans Dmd		-	-	-	-	-
234				ARO Liability - Distribution	230	Retail		(1,606,816)	-	-	-	-
235				ARO Liability - 65MW SJGS	230	Excluded		-	-	-	-	-
236				Injuries and Damages PNM	228	Total W&S		(2,655,039)	-	-	-	-
237				NQRP - Expense in Excess of Funding		Total W&S		(3,153,768)	-	-	-	-
238				Palo Verde Dry Cask Storage	253	Gen Dmd		-	-	-	-	-
239				FERC Incremental Rates	253	FERC		-	-	-	-	-
240				Pueblos Transmission Rights-of-Way	186	Trans Dmd		51,064,237	-	-	-	-
241				Pueblos Distribution Rights-of-Way	186	Retail		7,967,592	-	-	-	-
242				Prepaid Pension Asset	182/228	Total W&S		132,241,638	-	-	-	-
243				Unamortized Loss on Reacquired Debt	189	Total Net PIt		3,115,587	-	-	2,295	-
244				Tucson Electric Power ROW Payment	253	Trans Dmd		(317,322)	-	-	-	-
245				PV 1&2 Excess Gain Amortization	253	Retail		(22,984)	-	-	-	-
246				Possessory Interest Tax	186	Total W&S		3,050,062	-	-	-	-
247				Pathnet	253	Retail		(5,312,329)	-	-	-	-
248				2025 Rate Change Expenses	186	Retail		3,337,546	-	-	-	-
249												
250				Total Other Rate Base Items				152,620,105	-	-	2,295	-

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
251												
252	<b>Working Capital</b>											
253												
254	<b>Fuel Stock</b>											
255				Production Fuel Stock	151	Energy		915,189	-	-	-	-
256				PV Nuclear Fuel (120.1 - .5)	120	Energy		81,139,432	-	-	-	-
257				Total Fuel Stock				82,054,621	-	-	-	-
258												
259	<b>Materials &amp; Supplies</b>											
260				Production	154	Gen Dmd		27,174,074	-	-	-	-
261				Transmission	154	Trans Plt		2,886,511	-	-	-	-
262				Distribution	154	Retail		25,045,844	-	-	-	-
263				Total Materials & Supplies				55,106,429	-	-	-	-
264												
265	<b>Prepayments</b>											
266				Production	165	Gen Dmd		4,673,109	-	-	-	-
267				Transmission	165	Trans Plt		779,369	-	-	-	-
268				Transmission (Incremental FERC Rates)	165	FERC		-	-	-	-	-
269				Distribution	165	Retail		4,199,418	-	-	-	-
270				Renewables	165	Renewables		-	-	-	-	-
271				Total Prepayments				9,651,896	-	-	-	-
272												
273				Total Cash Working Capital (see Rule 530 schedule E-1)				6,503,398	-	-	-	-
274												
275				Total Working Capital				153,316,343	-	-	-	-
276												
277				Total Rate Base Adjustments & Working Capital				(335,063,048)	-	-	(75,498)	1,483,623
278												
279				Total Net Original Cost Rate Base				2,982,949,247	-	-	10,123,771	1,483,623

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
280												
281	Operations and Maintenance Expense											
282												
283	Production Fuel related expenses											
284												
285	Production - FPPCAC Fuel Related											
286				Steam Generation	501	Direct Assignment		59,159,008	-	-	-	-
287				Steam Fuel Handling and Disposal	501	Direct Assignment		1,978,215	-	-	-	-
288				Nuclear	518	Direct Assignment		15,470,320	-	-	-	-
289				Nuclear Disposal	518	Direct Assignment		866,288	-	-	-	-
290				Gas Generation	547	Direct Assignment		96,037,692	-	-	-	-
291				Wind PPA	555	Direct Assignment			-	-	-	-
292				Geothermal PPA	555	Direct Assignment			-	-	-	-
293				Purchased Power Energy	555	Direct Assignment		110,551,362	-	-	-	-
294				Spinning reserves	555	Direct Assignment		112,483	-	-	-	-
295				Energy Storage Agreement - Demand	555	Direct Assignment		82,142,228	-	-	-	-
296				Total Fuel Costs (before OSS)				366,317,597	-	-	-	-
297												
298				Off-system Sales	447	Direct Assignment		(97,512,369)	-	-	-	-
299				Tri State Hazard Sharing	447	Direct Assignment		-	-	-	-	-
300				EIM Fuel Benefits	447.3	Direct Assignment		-	-	-	-	-
301				Physical Sales of Gas (under FAC hedge plan)	447.7	Direct Assignment		-	-	-	-	-
302				Total Other Fuel				(97,512,369)	-	-	-	-
303												
304				Total Fuel (net OSS)				268,805,228	-	-	-	-
305												
306	Production - Non Fuel Items											
307				Gas Plants Fuel Transportation	547	Energy		12,528,671	-	-	-	-
308				Gas PPA - Valencia - Demand	555	Energy		20,963,221	-	-	-	-
309				Energy Storage Agreement - Demand	555	Energy		-	-	-	-	-
310				Purchase Power for Economy Service Customer	555	Energy		-	-	-	-	-
311				Purchased power for Rate 36B		Energy		-	-	-	-	-
312				FPPCAC deferral		Energy		-	-	-	-	-
313				REC Purchases and Renewable Energy Amortization	555	Renewables		-	-	-	-	-
314				City of Gallup - Mandoza Station Charges		Energy		-	-	-	-	-
315				Coal Mine Decommissioning	501.15	Retail		-	-	-	-	-
316				Broker Fees		Gen Dmd		158,441	-	-	-	-
317				Total Non Fuel Items				33,650,333	-	-	-	-
318												
319				Total Fuel Related Expense				302,455,561	-	-	-	-

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
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3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
320												
321	O&M											
322	Steam Production											
323					500	Gen Dmd		5,161,937	-	-	-	-
324					502	Gen Dmd		5,211,646	-	-	-	-
325					503	Gen Dmd		-	-	-	-	-
326					505	Gen Dmd		1,440,208	-	-	-	-
327					506	Gen Dmd		2,099,786	-	-	-	-
328					507	Gen Dmd		230,497	-	-	-	-
329					510	Energy		603,898	-	-	-	-
330					511	Gen Dmd		4,083,313	-	-	-	-
331					512	Energy		6,345,507	-	-	-	-
332					513	Energy		1,543,929	-	-	-	-
333					514	Gen Dmd		826,735	-	-	-	-
334												
335	Nuclear Production											
336					517	Gen Dmd		5,906,711	-	-	-	-
337					519	Gen Dmd		4,944,020	-	-	-	-
338					520	Gen Dmd		2,415,166	-	-	-	-
339					523	Gen Dmd		3,193,815	-	-	-	-
340					524	Gen Dmd		10,702,739	-	-	-	-
341					524	Retail		-	-	-	-	-
342					525	Gen Dmd		-	-	-	-	-
343					525	Retail		(38,554)	-	-	-	-
344					528	Energy		1,252,819	-	-	-	-
345					529	Gen Dmd		798,482	-	-	-	-
346					530	Energy		3,054,879	-	-	-	-
347					531	Energy		3,671,029	-	-	-	-
348					532	Gen Dmd		858,927	-	-	-	-
349	Other Production											
350					546	Energy		5,573,377	-	-	-	-
351					549	Energy		124,984	-	-	-	-
352					549	Renewables		-	-	-	-	-
353					552	Gen Dmd		1,400,652	-	-	-	-
354					553	Energy		12,392,334	-	-	-	-
355					553	Renewables		-	-	-	-	-
356					556	Gen Dmd		6,002,894	-	-	-	-
357	Energy Storage Related O&M											
358					549	Retail		-	-	-	-	-
359					549	Retail		-	-	-	-	-
360					553	Retail		-	-	-	-	-
361					553	Retail		-	-	-	-	-
362								89,801,728	-	-	-	-

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
363												
364	<u>Transmission O&amp;M (560-574, excluding 565):</u>											
365					560	Trans Dmd		1,453,414	-	-	-	-
366					561	Trans Dmd		716,013	-	-	-	-
367					562	Trans Dmd		938,578	-	-	-	-
368					563	Trans Dmd		34,809	-	-	-	-
369					566	Trans Dmd		1,374,607	-	-	-	-
370					567	Trans Dmd		8,646,009	-	-	-	-
371					568	Trans Dmd		1,217	-	-	-	-
372					569	Trans Dmd		-	-	-	-	-
373					570	Trans Dmd		2,333,231	-	-	-	-
374					571	Trans Dmd		731,193	-	-	-	-
375					572	Trans Dmd		-	-	-	-	-
376					573	Trans Dmd		-	-	-	-	-
377					574	Trans Dmd		2,568	-	-	-	-
378					560-564,566-574	FERC		-	-	-	-	-
379					Total Transmission O&M, excluding FERC 565			16,231,640	-	-	-	-
380												
381	<u>Transmission O&amp;M by Others (565):</u>											
382					565	Gen Dmd		32,013,463	-	-	-	-
383					Total Transmission by Others, FERC 565			32,013,463	-	-	-	-
384												
385					Total Transmission O&M			48,245,103	-	-	-	-

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
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3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
386												
387	Total Dist O&M (580-598)											
388												
389	PNM Street & Private Lighting											
390				Oper-Street Light/Signal-E	585	Retail		38	-	-	-	-
391				Maint-Streetlight/Signal-E	596	Retail		981,229	-	-	-	-
392				Total Street and Private Lighting				981,267	-	-	-	-
393												
394	PNM Meters											
395				Oper-Meter Expense-EDist	586	Retail		3,797,705	-	-	-	-
396				Oper-Meter Expense-Grid Mod	597	Grid Mod		-	-	-	-	-
397				Maint-Meters-EDist	597	Retail		428,051	-	-	-	-
398				Maint-Meters-Grid Mod	597	Grid Mod		-	-	-	-	-
399				Total Meters				4,225,755	-	-	-	-
400												
401	All Other Distribution O&M											
402				Oper-Sup & Eng-EDist	580	Retail		2,385,705	-	-	-	-
403				Oper-Station Exp-EDist	582	Retail		1,104,307	-	-	-	-
404				Oper-Overhead Lines-EDist	583	Retail		3,278,998	-	-	-	-
405				Oper-Undergrd Line-EDist	584	Retail		708,285	-	-	-	-
406				Oper-Misc Dist Exp-EDist	588	Retail		12,240,120	-	-	-	-
407				Oper-Rents-Distribution-E	589	Retail		1,148,392	-	-	-	-
408				Maint-Sup & Eng-EDist	590	Retail		3,600,779	-	-	-	-
409				Maint-Structures-EDist	591	Retail		49,552	-	-	-	-
410				Maint-Station Equip-EDist	592	Retail		1,320,092	-	-	-	-
411				Maint-Overhead Lns-EDist	593	Retail		10,814,869	-	-	-	-
412				Maint-Und Lines-EDist	594	Retail		2,412,820	-	-	-	-
413				Maintenance of Line Transformers	595	Retail		437	-	-	-	-
414				Maint-Misc Dist Plant-E	598	Retail		-	-	-	-	-
415				Other Distribution O&M - Grid Mod	580-598	Grid Mod		-	-	-	-	-
416				Total Other Distribution O&M				39,064,355	-	-	-	-
417												
418				Total Distribution O&M				44,271,376	-	-	-	-

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3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
419												
420	Customer Related O&M											
421												
422	PNM Related Customer Accounts Exp											
423				Supervision-Customer Accts	901	Retail		(324,877)	-	-	-	-
424				Meter Reading Expenses	902	Retail		9,952,377	-	-	-	-
425				Customer Record and Collections	903	Retail		13,150,371	-	-	-	-
426				Uncollectible Expenses	904	Retail		3,768,813	-	-	-	-
427				Misc Customer Accts Exp	905	Retail		-	-	-	-	-
428				Cust Service/Inf Expenses	906	Retail		109,690	-	-	-	-
429				Customer Assistance Exps	908	Retail		1,600,974	-	-	-	-
430				Inform/Instruc Advert Exps	909	Retail		-	-	-	-	-
431				Demo & Selling Expenses - Non Production	912	Retail		-	-	-	-	-
432				Demo & Selling Expenses - Production	912	Sales		6,300,759	-	-	-	-
433				Advertising Expense	913	Sales		608,637	-	-	-	-
434				Total Customer Accounting Expenses - Grid Mod	901-905	Grid Mod		-	-	-	-	-
435				Total Customer Related O&M				35,166,744	-	-	-	-
436												
437	Administrative & General Expense											
438												
439				Admin and General Salaries	920	Total W&S excluding Riders		4,588,086	-	-	-	-
440				AG Office Supplies Exp	921	Total W&S excluding Riders		403,530	-	-	-	-
441				A&G Charged to CWIP	922	Total W&S excluding Riders		(13,626,093)	-	-	-	-
442				Production Related - Shared Services	9229	Prod W&S		17,877,857	0	-	-	-
443				Transmission Related - Shared Services	9229	Trans W&S		6,607,776	0	-	-	-
444				Distribution Related - Shared Services	9229	Dist W&S		58,152,533	0	-	-	-
445				Outside Services	923	Total W&S excluding Riders		1,456,338	-	-	-	-
446				Property Insurance	924	Total W&S excluding Riders		2,479,038	-	-	-	-
447				Injuries or Damages-Safety	925	Total W&S excluding Riders		13,570,098	-	-	-	-
448				Empl Pension and Benefits	926	Total W&S excluding Riders		10,594,922	-	-	-	-
449				Regulatory Commission Exp	928	Total W&S excluding Riders		2,420,512	-	-	-	-
450				Regulatory Commission Exp - (Rate Case Expense)	928	Retail		966,274	-	-	-	-
451				Production - Misc AG Expenses	930	Total W&S excluding Riders		8,369,664	-	-	-	-
452				Transmission - Rents-Cust	931	Total W&S excluding Riders		250,177	-	-	-	-
453				Total Gas A&G Maintenance	932	Total W&S excluding Riders		-	-	-	-	-
454				Maint of General Plant	935	Total W&S excluding Riders		2,220,071	-	-	-	-
455				Renewables - A&G (920-935)	920-935	Renewables		-	-	-	-	-
456				Grid Mod - A&G (920-935)	920-935	Grid Mod		-	-	-	-	-
457				Total Administrative & General Expense				116,330,783	0	-	-	-
458												
459				Generic Adjustment		Retail		-	-	-	-	-
460												
461				Total Operations & Maintenance Expense				367,466,068	0	-	-	-
462												



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3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
463	<b>Depreciation and Amortization Expense</b>											
464												
465	<u>Production Depreciation and Amortization</u>											
466				Steam Production Plant	403	Gen Dmd		30,442,960	-	-	(20,428,320)	-
467				Nuclear Production Net Plant - Palo Verde	403	Gen Dmd		19,878,271	-	-	-	-
468				Nuclear Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd		-	-	-	-	-
469				Nuclear Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd		832,053	-	-	-	-
470				Other Production Plant - Gas & 40 MW Solar	403	Gen Dmd		20,752,769	-	-	-	-
471				Other Production Plant - Renewable	403	Renewables		-	-	-	-	-
472				Total Production Depreciation and Amortization Expense				71,906,053	-	-	(20,428,320)	-
473												
474	<u>Energy Storage Depreciation and Amortization</u>											
475												
476				Transmission Sited Batteries	403	Retail		338,998	-	-	-	-
477				Distribution Sited Batteries	403	Retail		868,925	-	-	-	-
478				Total Energy Depreciation and Amortization				1,207,924	-	-	-	-
479												
480	<u>Transmission Depreciation and Amortization</u>											
481				Step-Up Transformers & Generation Interconnections	403	Gen Dmd		330,154	-	-	-	-
482				Transmission System Plant - Allocated	403	Trans Dmd		20,372,850	-	-	-	-
483				Transmission System Plant - FERC Incremental Rates	403	FERC		-	-	-	-	-
484				Transmission System Net Plant - Dedicated Retail	403	Retail		693,169	-	-	-	-
485				Transmission System Plant - Acq. Adj. (EIP)	406	Trans Dmd		195,689	-	-	-	-
486				Total Transmission Depreciation and Amortization				21,591,863	-	-	-	-
487												

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488	Distribution Depreciation and Amortization											
489				Distribution Substations Net Plant - PNM	403	Retail		7,734,096	-	-	-	-
490				Distribution Substations Net Plant - Renewables	403	Renewables		-	-	-	-	-
491				Distribution Substations Net Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
492				Primary Distribution System Net Plant - PNM	403	Retail		38,186,812	-	-	-	-
493				Primary Distribution System Net Plant - Renewables	403	Renewables		-	-	-	-	-
494				Primary Distribution System Net Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
495				Secondary Distribution System Net Plant - PNM	403	Retail		14,086,170	-	-	-	-
496				Secondary Distribution System Net Plant - Renewables	403	Renewables		-	-	-	-	-
497				Secondary Distribution System Net Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
498				Services Net Plant - PNM	403	Retail		7,982,393	-	-	-	-
499				Meters Net Plant - PNM	403	Retail		2,564,005	-	-	-	-
500				Meters Net Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
501				Private Lighting - 371	403	Retail		213,286	-	-	-	-
502				Street Lighting - 373	403	Retail		783,032	-	-	-	-
503				Total Distribution Depreciation and Amortization				71,549,795	-	-	-	-
504												
505	General Depreciation and Amortization											
506				General & Intangible Net Plant	403	Total W&S excluding Riders		22,482,571	-	-	-	-
507				Renewables General & Intangible Net Plant	403	Renewables		-	-	-	-	-
508				Grid Mod General & Intangible Net Plant	403	Grid Mod		-	-	-	-	-
509				Production Related (Shared Services)	403	Prod W&S		5,057,223	-	-	-	-
510				Transmission Related (Shared Services)	403	Trans W&S		1,788,687	-	-	-	-
511				Distribution/Customer Related (Shared Services)	403	Retail		24,478,747	-	-	-	-
512				Total General Depreciation and Amortization				53,807,228	-	-	-	-
513												
514				Total Depreciation and Amortization Expense				220,062,862	-	-	(20,428,320)	-
515												

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
516	<u>General Taxes</u>											
517												
518	<u>Property Taxes</u>											
519	<u>Production Property Taxes</u>											
520	Steam Production Plant			408	Gen Dmd		2,281,749	-	-		49,868	-
521	Nuclear Production Plant - Palo Verde			408	Gen Dmd		2,936,159	-	-		-	-
522	Other Production Plant - Gas & 40 MW Solar			408	Gen Dmd		3,737,044	-	-		-	-
523	Other Production Plant - Renewable			408	Renewables		-	-	-		-	-
524	Total Production Property Taxes						8,954,952	-	-		49,868	-
525												
526	<u>Energy Storage Property Taxes</u>											
527	Transmission Sited Batteries			408	Retail		-	-	-		-	-
528	Distribution Sited Batteries			408	Retail		262,569	-	-		-	-
529	Total Energy Storage Property Taxes						262,569	-	-		-	-
530												
531	<u>Transmission Property Taxes</u>											
532	Step-Up Transformers - Excluding 65MW SJGS			408	Gen Dmd		41,525	-	-		-	-
533	Transmission System Plant - Allocated			408	Trans Dmd		5,504,371	-	-		-	-
534	Transmission System Plant - FERC Incremental Rates			408	FERC		-	-	-		-	-
535	Transmission System Plant - Dedicated Retail			408	Retail		62,187	-	-		-	-
536	Total Transmission Property Taxes						5,608,082	-	-		-	-
537												
538	<u>Distribution Property Taxes</u>											
539	Distribution Substations Net Plant - PNM			408	Retail		1,982,839	-	-		-	-
540	Distribution Substations Net Plant - Renewables			408	Renewables		-	-	-		-	-
541	Distribution Substations Net Plant - Grid Mod			408	Grid Mod		-	-	-		-	-
542	Primary Distribution System Net Plant - PNM			408	Retail		7,405,025	-	-		-	-
543	Primary Distribution System Net Plant - Renewables			408	Renewables		-	-	-		-	-
544	Primary Distribution System Net Plant - Grid Mod			408	Grid Mod		-	-	-		-	-
545	Secondary Distribution System Net Plant - PNM			408	Retail		3,246,507	-	-		-	-
546	Secondary Distribution System Net Plant - Renewables			408	Renewables		-	-	-		-	-
547	Secondary Distribution System Net Plant - Grid Mod			408	Grid Mod		-	-	-		-	-
548	Services Net Plant - PNM			408	Retail		1,185,617	-	-		-	-
549	Meters Net Plant - PNM			408	Retail		473,458	-	-		-	-
550	Meters Net Plant - Grid Mod			408	Grid Mod		-	-	-		-	-
551	Private Lighting - 371			408	Retail		10,742	-	-		-	-
552	Street Lighting - 373			408	Retail		134,991	-	-		-	-
553	Total Distribution Property Taxes						14,439,179	-	-		-	-
554												

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
555	General Property Taxes											
556	General & Intangible Net Plant			408	Total W&S excluding Riders		1,198,037	-	-	-	-	-
557	Renewables General & Intangible Net Plant			408	Renewables		-	-	-	-	-	-
558	Grid Mod General & Intangible Net Plant			408	Grid Mod		-	-	-	-	-	-
559	Production Related (Shared Services)			408	Prod W&S		161,277	-	-	-	-	-
560	Transmission Related (Shared Services)			408	Trans W&S		91,441	-	-	-	-	-
561	Distribution/Customer Related (Shared Services)			408	Retail		831,120	-	-	-	-	-
562	Total General Property Taxes						2,281,874	-	-	-	-	-
563												
564	Total Property Taxes						31,546,657	-	-		49,868	-
565												
566	Payroll Taxes											
567	Production Related			408	Prod W&S		1,790,288	0	-	-	-	-
568	Battery Storage Related			408	Dist W&S		-	-	-	-	-	-
569	Transmission Related			408	Trans W&S		631,522	0	-	-	-	-
570	Distribution Related			408	Dist W&S		4,879,005	0	-	-	-	-
571	Total Payroll Taxes						7,300,814	0	-	-	-	-
572												
573	Other Taxes											
574	Misc Taxes - Production Related			408	Gen Dmd		1,077	-	-	-	-	-
575	Misc Taxes - Transmission Related			408	Trans Dmd		433	-	-	-	-	-
576	Misc Taxes - Distribution Related			408	Retail		12,492	-	-	-	-	-
577	Regulatory Commission Fees (I&S) PNM			408	Retail		-	-	-	-	-	-
578	Joint Projects Four Corners			408	Gen Dmd		198,209	-	-	-	-	-
579	Joint Projects PVNGS			408	Gen Dmd		1,361,393	-	-	-	-	-
580	Joint Projects Transmission			408	Trans Dmd		27,607	-	-	-	-	-
581	Native American Taxes - Production			408	Gen Dmd		1,554,300	-	-	-	-	-
582	Native American Taxes - Transmission			408	Trans Plt		579,172	-	-	-	-	-
583	Native American Taxes - Dedicated FERC Incremental Rates			408	FERC		-	-	-	-	-	-
584	Native American Taxes - Distribution			408	Dist Plt		69,497	-	-	-	-	-
585	Total Other Taxes						3,804,180	-	-	-	-	-
586												
587	Total General Taxes						42,651,651	0	-	-	49,868	-

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
588												
589	Other Allowable Expenses											
590				Interest on Customer Deposits	431	Retail		220,117	-	-	-	-
591				Amortization Loss on Reacquired Debt	407.3	Rate Base		911,945	-	-	792	31
592				Renewable Grant Amortization	407	Renewables		-	-	-	-	-
593				Accretion ARO - Production Related	411	Gen Dmd		2,887,511	-	-	-	-
594				Accretion ARO - Production Related - (SJGS 65MW)	411	Excluded		-	-	-	-	-
595				Accretion ARO - Distribution Related	411	Retail		108,409	-	-	-	-
596				Western Spirit	407.3	FERC		-	-	-	-	-
597				Amortization of 50% SJGS 2&3 Undepreciated Balance	407.3	Gen Dmd		6,276,936	-	-	-	-
598				Amortization of Eastern Imbalance Market Implementation Regulatory Asset	407.3	Retail		3,758,140	-	-	-	-
599				Amortization of PVNGS Unit 1 Undepreciated Investment Post - lease renewal	407.3	Retail		2,158,805	-	-	-	-
600				Amortization of PVNGS Unit 1 Undepreciated Investment Pre - lease renewal	407.3	Retail		1,877,267	-	-	-	-
601				Amortization of PVNGS Unit 2 Undepreciated Investment Post - lease renewal	407.3	Retail		146,109	-	-	-	-
602				Amortization of PVNGS Unit 2 Undepreciated Investment Pre - lease renewal	407.3	Retail		168,146	-	-	-	-
603				Amortization of PVNGS True-up for SRP Transaction	407.3	Retail		6,974	-	-	-	-
604				Amortization of PVNGS Costs to Obtain Replacement Resources	407.3	Retail		100,964	-	-	-	-
605				Amortization of SJGS Replacement Resources	407.3	Retail		332,751	-	-	-	-
606				Amortization of SJGS Legal Expenses	407.3	Retail		19,812	-	-	-	-
607				Amortization of SJGS Obsolete Inventory	407.3	Retail		251,786	-	-	-	-
608				Amortization of Pathnet	407.3	Trans Dmd		(88,867)	-	-	-	-
609				Amortization of SO2 Allowance Credit	407.3	Retail		-	-	-	-	-
610				Carrying Charges on Advanced Payments Under ETA	407.3	Retail		108,102	-	-	-	-
611				Amortization of COVID Regulatory Asset and Liability	407.3	Retail		1,070,775	-	-	-	-
612				Amortization of SJGS Decommissioning Ordinance Costs	407.3	Retail		1,102,169	-	-	-	-
613				Amortization of Additional Coal Mine Decommissioning	407.3	Retail		732,137	-	-	-	-
614				Amortization of 2025 Rate Case Expenses	407.3	Retail		741,677	-	-	-	-
615				Amortization of Energy Transition Cost True - Up	407.3	Retail		(50,706)	-	-	-	-
616				Total Other Allowable Expenses				22,840,959	-	-	792	31
617												
618												
619				Total Operating Expenses				921,826,769	0	-	(20,377,660)	31
620				(Excl Income & Revenue Related Taxes)								
621												
622				Total Net Original Cost Rate Base				2,982,949,247	-	-	10,123,771	1,483,623
623				Weighted Cost of Capital				7.50%				
624				Return on Rate Base (excluding Debt Return- Reg Asset Adjustment)				223,777,202	(15,660,483)	(2,323,960)	698,436	102,355
625				Debt-Only Return Adjustment				(730,289)	117,594	17,451	-	-
626				Return on Rate Base				223,046,913	(15,542,889)	(2,306,509)	698,436	102,355

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
627												
628	<b>Federal Income Tax</b>											
629	Return Adjustments											
630	Interest on Long Term Debt					MDC		(59,790,510)	-	(1,883,516)	(209,314)	(30,675)
631	Debt Return- Reg Asset Adjustment Interest Adjustment							(501,081)	-	14,143	-	-
632	Interest on Long Term Debt							(60,291,592)	-	(1,869,373)	(209,314)	(30,675)
633												
634	Tax/Book Adjustments											
635												
636	Non-deductible Meals					Total Net Plt		-	-	-	-	-
637	Non-deductible Parking					Trans Dmd		55,120	-	-	-	-
638	Palo Verde 1 & 2 Gain Amort Flow Through					FERC		-	-	-	-	-
639	Palo Verde 1 & 2 Prudence Audit Flow Through					Retail		-	-	-	-	-
640	AFUDC Equity Flow Through					Gen Dmd		(18,242,549)	-	-	-	-
641	AFUDC Equity Flow Through - Renewables					Renewables		-	-	-	-	-
642	AFUDC Equity Flow Through - Grid Mod					Grid Mod		-	-	-	-	-
643	Federal Grant Amortization - Renewables					Renewables		-	-	-	-	-
644	Federal Grant Basis Adj - Renewables					Renewables		-	-	-	-	-
645	Gain/Loss Flow Through					Retail		166,269	-	-	-	-
646	ACRS Flow Through					Retail		-	-	-	-	-
647	San Juan ACRS Flow Through					Retail		-	-	-	-	-
648	Four Corners SO2 Reversal Flow Through					Retail		335,543	-	-	-	-
649	SL/GL Depreciation					Retail		-	-	-	-	-
650	Amortization of EIP Prepaid Tax Reversal					Trans Dmd		-	-	-	-	-
651								(17,685,617)	-	-	-	-
652												
653								(77,977,209)	-	(1,869,373)	(209,314)	(30,675)
654												
655								145,069,704	(15,542,889)	(4,175,882)	489,122	71,680

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
656												
657	Federal Tax Adjustments											
658												
659	Net Provision For Deferred Income Tax											
660				Excess Payroll Tax Reversal	410	Total W&S		(5,574)	-	-	-	-
661				Excess Deferred Federal Income Tax Amortization		ADIT		(16,157,886)	-	-	(1,664)	(3,977,540)
662				ARAM Deferred Tax Reversal	410	Total Net PIt		(23,628)	-	-	(17)	-
663				Total Provision For Deferred Income Tax				(16,187,088)	-	-	(1,681)	(3,977,540)
664												
665	Investment Tax Credits											
666				Palo Verde 1&2 Production ITC Amortization	411.4	Gen Dmd		-	-	-	-	-
667				Generation ITC Amortization	411.4	Gen Dmd		(168,991)	-	-	-	-
668				Renewables ITC Amortization	411.4	Renewables		-	-	-	-	-
669				PV Valley Transmission ITC Amortization	411.4	Trans Dmd		-	-	-	-	-
670				Research and Development & Other Credits	410	PV		(1,300,000)	-	-	-	-
671				Other ITC Amortization	411.4	Total Net PIt		-	-	-	-	-
672				Total Investment Tax Credit Amortization & Other Credits				(1,468,991)	-	-	-	-
673												
674				Total Federal Tax Adjustments				(17,656,079)	-	-	(1,681)	(3,977,540)
675												
676				Adjusted Equity Return				127,413,625	(15,542,889)	(4,175,882)	487,440	(3,905,860)
677				Federal Tax Factor (0.21/(1-0.21))				26.5823%				
678				Federal Income Tax				33,869,445	(4,131,654)	(1,110,045)	129,573	(1,038,267)
679				Add:								
680				Total Provision For Deferred Income Tax				(16,187,088)	-	-	(1,681)	(3,977,540)
681				EIP Amortization				-	-	-	-	-
682				Total Investment Tax Credit Amortization & Other Credits				(1,468,991)	-	-	-	-
683												
684				Net Allowable Federal Income Tax				16,213,366	(4,131,654)	(1,110,045)	127,892	(5,015,807)

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
685												
686	State Income Tax											
687												
688								223,046,913	(15,542,889)	(2,306,509)	698,436	102,355
689									-	-	-	-
690								(60,291,592)	-	(1,869,373)	(209,314)	(30,675)
691								(17,685,617)	-	-	-	-
692								16,213,366	(4,131,654)	(1,110,045)	127,892	(5,015,807)
693												
694					410	Total Net Plt		-	-	-	-	-
695						ADIT		-	-	-	-	-
696								161,283,070	(19,674,542)	(5,285,927)	617,013	(4,944,127)
697								5.90%				
698								9,515,701	(1,160,798)	(311,870)	36,404	(291,703)
699					409	Renewables		-	-	-	-	-
700					410	Total Net Plt		-	-	-	-	-
701						ADIT		-	-	-	-	-
702								9,515,701	(1,160,798)	(311,870)	36,404	(291,703)
703												
704												
705								223,046,913	(15,542,889)	(2,306,509)	698,436	102,355
706												
707								921,826,769	0	-	(20,377,660)	31
708												
709												
710								16,213,366	(4,131,654)	(1,110,045)	127,892	(5,015,807)
711												
712								9,515,701	(1,160,798)	(311,870)	36,404	(291,703)
713												



	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
714	<b>Revenue Credits:</b>											
715				Sale of SO2 Credits	411	FERC		-	-	-	-	-
716				Rent For Electric Property Transmission	454	Trans Plt		(186,445)	-	-	-	-
717				Rent for Electric Property - Distribution	454	Retail		(3,313,235)	-	-	-	-
718				Late Payment Charges	451	Retail		(1,120,650)	-	-	-	-
719				Misc Service Charge Revenue	451	Retail		(1,818,977)	-	-	-	-
720				Other Retail Revenue - Transmission	456	Trans Dmd		(420,705)	-	-	-	-
721				Other Retail Revenue - Distribution	456	Retail		(1,238,927)	-	-	-	-
722				Generation Ancillary Services Credit Sch 2-5	456100	Gen Dmd		(3,008,078)	-	-	-	-
723				Real Power Losses (Financial)	456100	Gen Dmd		(30,930,741)	-	-	-	-
724				Transmission redispatch contract revenues	456100	Gen Dmd		4,982	-	-	-	-
725				Ancillary Services-Sch 1 and Sch 8 Transmission	456100	Trans Dmd		(3,231,657)	-	-	-	-
726				Short Term Firm Sch 7 Transmission	456100	Trans Dmd wo NITS		(4,736,152)	-	-	-	-
727				Ancillary Services-Sch 1 ST PTP and Transmission Service	456100	Trans Dmd		(20,579)	-	-	-	-
728				Economy Service Customer Revenue Credits	442&555	Retail		(4,214,090)	-	-	-	-
729				Securitization Servicing & Administration Fees	421	G&I Plt		(204,418)	-	-	-	-
730				Shared Services Revenue	418	Retail		(1,717,601)	-	-	-	-
731												
732				Total Revenue Credits				(56,157,274)	-	-	-	-
733												
734				Total Revenue Requirements Before Revenue Tax				1,114,445,474	(20,835,340)	(3,728,423)	(19,514,929)	(5,205,125)
735												
736				Revenue Tax Factor (I&S Fee) '(Revenue Tax Rate/(1-Revenue Tax Rate))				0.508573%				
737				Revenue Tax				5,667,769	(105,963)	(18,962)	(99,248)	(26,472)
738												
739				NON-FUEL REVENUE REQUIREMENT				851,308,015	(20,941,303)	(3,747,385)	(19,614,177)	(5,231,597)
740				FUEL REVENUE REQUIREMENT				268,805,228	-	-	-	-
741				<b>TOTAL REVENUE REQUIREMENT</b>				<b>1,120,113,243</b>	<b>(20,941,303)</b>	<b>(3,747,385)</b>	<b>(19,614,177)</b>	<b>(5,231,597)</b>
742												
743				<u>Weighted Cost of Capital</u>								
744				Long Term Debt								
745				Preferred Stock								
746				Common Stock								
747				Total Weighted Cost of Capital								
748												
749				Federal Income Tax Rate								
750												
751				Effective State Income Tax Rate								
752												
753				I&S Fee Rate								

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
754												
755	<b>Key Allocators</b>											
756												
757				Sales (MWh)								
758				Allocator		Sales						
759												
760	<b>Wage and Salary Ratios</b>					Ratios						
761				Production Other Prod O&M		18.93%						
762						Prod W&S						
763				Transmission Trans O&M		15.88%						
764						Trans W&S						
765				Distribution Dist O&M		33.28%						
766						Dist W&S						
767												
768				Total PTD		68.09%						
769				Allocator								
770												
771				Customer Accounting CA O&M		21.21%						
772				Cust Service & Information CS&I O&M		2.86%						
773				Sales Sales O&M		7.85%						
774				Total PTDCAS		100.00%						
775				Allocator		PTDCAS						
776												
777				Administrative and General								
778												
779				Total Wages and Salaries								
780				Allocator		Total W&S						
781												
782	<b>Net Plant In Service Ratios</b>					Total W&S excluding Riders						
783												
784				Total Production Plant								
785				Allocator		Prod Plt						
786												
787				Total Transmission Plant								
788				Allocator		Trans Plt						
789												
790				Total Distribution Plant								
791				Allocator		Dist Plt						
792												
793				Total General & Intangible Plant								
794				Allocator		G&I Plt						
795												

	A	B	C	D	E	F	P	Q	R	S	T	U
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study											
2	Test Period Ending June 30, 2026				FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCCP Depreciation	EDFIT Amort
796				Total Net Plant								
797				Allocator		Total Net Plt						
798												
799				Total ADIT								
800				Allocator		ADIT						
801												
802				Total Rate Base								
803				Allocator		Rate Base						
804												
805				Generation Demand allocator								
806						Gen Dmd						
807												
808				Energy allocator								
809						Energy						
810												
811				Generation and Transmission Demand		Gen/Trans Dmd						
812												
813												
814				Transmission Demand		Trans Dmd						
815												
816												
817				Transmission Demand without Network		Trans Dmd wo NITS						
818												
819												
820	Other Allocators											
821												
822				Excluded Costs		Excluded						
823												
824				Direct Assignment to NEC		NEC						
825												
826				Allocation to FERC Customers		FERC						
827												
828				Direct Assignment to Retail		Retail						
829												
830				Allocation to Palo Verde		PV						
831												
832				Allocation to Grid Mod		Grid Mod						
833												
834				Direct Assignment to Renewables		Renewables						

	A	B	C	D	E	F	V	W	X	Y	Z
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>										
2	<b>Test Period Ending June 30, 2026</b>				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
4	<b>Rate Base</b>										
5											
6	<b>Net Plant</b>										
7											
8	<b>Net Production Plant</b>										
9											
10		Steam Production Net Plant			101/106	Gen Dmd	-	-	-	-	-
11		Total Steam Production Net Plant					-	-	-	-	-
12											
13		Nuclear Production Net Plant - Palo Verde			101/106	Gen Dmd	-	-	-	-	-
14		Nuclear Production Net Plant - Acq Adj (Drexel)			114	Gen Dmd	-	-	-	-	-
15		Nuclear Production Net Plant - Acq Adj (First Chicago)			114	Gen Dmd	-	-	-	-	-
16		Total Nuclear Production Net Plant					-	-	-	-	-
17											
18		Other Production Plant - Gas & 40 MW Solar			101/106	Gen Dmd	-	-	-	-	-
19		Other Production Plant - Renewable			101/106	Renewables	-	-	-	-	-
20		Total Other Production Net Plant					-	-	-	-	-
21											
22		Total Net Production Plant					-	-	-	-	-
23											
24	<b>Net Plant Battery Storage</b>										
25											
26		Transmission Sited Batteries			101/106	Retail	-	-	-	-	-
27		Distribution Sited Batteries			101/106	Retail	-	-	-	-	-
28		Total Battery Storage Net Plant					-	-	-	-	-
29											
30	<b>Net Transmission Plant</b>										
31											
32		Step-Up Transformers & Generation Interconnections			101/106	Gen Dmd	-	-	-	-	-
33		Total Transmission Station Equipment - Step-up Xfmr and Aux									
34											
35		Transmission System Net Plant - Allocated			101/106	Trans Dmd	-	-	-	-	-
36		Transmission System Net Plant - FERC Incremental Rates			101/106	FERC	-	-	-	-	-
37		Transmission System Net Plant - Dedicated Retail			101/106	Retail	-	-	-	-	-
38		Transmission System Net Plant - Acq Adj (EIP)			114	Trans Dmd	-	-	-	-	-
39		Total Transmission System Net Plant					-	-	-	-	-
40											
41		Total Net Transmission Plant									

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
42											
43				<u>Net Distribution Plant</u>							
44											
45				Distribution Substations Net Plant - PNM	101/106	Retail	-	-	-	-	-
46				Distribution Substations Net Plant - Renewables	101/106	Renewables	-	-	-	-	-
47				Distribution Substations Net Plant - Grid Mod	101/106	Grid Mod	-	-	-	-	-
48				Total Distribution Substations Net Plant			-	-	-	-	-
49											
50				Primary Distribution System Net Plant - PNM	101/106	Retail	-	-	-	-	-
51				Primary Distribution System Net Plant - Renewables	101/106	Renewables	-	-	-	-	-
52				Primary Distribution System Net Plant - Grid Mod	101/106	Grid Mod	-	-	-	-	-
53				Total Primary Distribution Net Plant			-	-	-	-	-
54											
55				Secondary Distribution System Net Plant - PNM	101/106	Retail	-	-	-	-	-
56				Secondary Distribution System Net Plant - Renewables	101/106	Renewables	-	-	-	-	-
57				Secondary Distribution System Net Plant - Grid Mod	101/106	Grid Mod	-	-	-	-	-
58				Total Secondary Distribution Net Plant			-	-	-	-	-
59											
60				Services Net Plant - PNM	101/106	Retail	-	-	-	-	-
61											
62				Meters Net Plant - PNM	101/106	Retail	-	-	-	-	-
63				Meters Net Plant - Grid Mod	101/106	Grid Mod	-	-	-	-	-
64				Total Meters Net Plant			-	-	-	-	-
65											
66				Private Lighting - 371	101/106	Retail	-	-	-	-	-
67				Street Lighting - 373	101/106	Retail	-	-	-	-	-
68				Total Lighting Net Plant			-	-	-	-	-
69											
70				Total Net Plant Distribution Plant							
71											
72				<u>Net Plant General &amp; Intangible Plant</u>							
73											
74				General & Intangible Net Plant	101/106	Total W&S excluding Riders	-	-	-	-	-
75				Renewables General & Intangible Net Plant	101/106	Renewables	-	-	-	-	-
76				Grid Mod General & Intangible Net Plant	101/106	Grid Mod	-	-	-	-	-
77				Production Related (Shared Services)	101/106	Prod W&S	-	-	-	-	-
78				Transmission Related (Shared Services)	101/106	Trans W&S	-	-	-	-	-
79				Distribution/Customer Related (Shared Services)	101/106	Retail	-	-	-	-	-
80				Total Net Plant General & Intangible Plant - PNM			-	-	-	-	-
81											
82				Total Net Plant			-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
83											
84				<b>Accumulated Deferred Income Taxes</b>							
85				Federal Tax Credit Carryforward	190	Retail	-	-	-	-	-
86				Federal Tax Credit Carryforward - Renewables	190	Renewables	-	-	-	-	-
87				Net Operating Loss (NOL)	190	Total Net PIt	-	-	-	4,172,484	-
88				Incentive Pay Plans	190	Total W&S	-	-	-	-	-
89				Regulatory Assets - Coal Mine Decommissioning	190	Retail	-	-	-	-	-
90				Regulatory Liabilities - Renewable Rider	190	Renewables	-	-	-	-	-
91				Income Tax Regulatory Liability	190	ADIT	-	-	-	13,311	-
92				Income Tax Regulatory Asset	283	ADIT	-	-	-	(15,407)	-
93				Lease Liability	190	Excluded	-	-	-	-	-
94				Deferred Credits - Coal Mine Decommissioning	190	Retail	-	-	-	-	-
95				Regulatory Assets - ETA Carrying Charges	283	Retail	-	-	-	-	-
96				Regulatory Assets - ETA Job Training & Severance	283	Retail	-	-	-	-	-
97				Regulatory Assets - ETA Payments to State Agencies	283	Retail	-	-	-	-	-
98				Regulatory Assets - ETA SJGS Plant Decommissioning	283	Retail	-	-	-	-	-
99				Regulatory Assets - ETA SJGS upfront Financing Cost	283	Retail	-	-	-	-	-
100				Regulatory Assets - ETA Westmoreland Coal Mine Sev	283	Retail	-	-	-	-	-
101				Deferred Credits - Joint Use	190	Retail	-	-	-	-	-
102				Deferred Credits - Pathnet	190	Retail	-	-	-	-	-
103				Deferred Credits - PVNGS Dry Casks	190	Retail	-	-	-	-	-
104				Other Deferred Credits	190	Retail	-	-	-	-	-
105				Other Liabilities - ETA Job Training and Severance	190	Retail	-	-	-	-	-
106				Other Liabilities - Navajo Workforce Training	190	Retail	-	-	-	-	-
107				Other Liabilities	190	Total W&S	-	-	-	-	-
108				Injury and Damages	283	Total W&S	-	-	-	-	-
109				Plant - AFUDC	283	Total Net PIt	-	-	-	-	-
110				Plant - Capitalized Interest	283	Total Net PIt	-	-	-	-	-
111				Decommissioning and Reclamation Trusts	283	Retail	-	-	-	-	-
112				ASC 740-10 (FIN 48) Reclassifications	283	Total Net PIt	-	-	-	-	-
113				PVNGS Licensing	283	Retail	-	-	-	-	-
114				Plant - 263A Adjustment	283	Total Net PIt	-	-	-	-	-
115				Deferred State Taxes	283	Total Net PIt	-	-	-	-	-
116				Plant - CIAC	283	Total Net PIt	-	-	-	-	-
117				Plant - Depreciation Nuclear Fuel	282	Gen Dmd	-	-	-	-	-
118				Plant - Removal Cost	282	Total Net PIt	-	-	-	-	-
119				Plant - Repairs	282	Total Net PIt	-	-	-	-	-
120				Plant - Section 174 Deduction	282	Total Net PIt	-	-	-	-	-
121				Plant - Asset Retirement Obligation	282	Retail	-	-	-	-	-
122				Plant - Pollution Control Property	282	Gen Dmd	-	-	-	-	-
123				Plant - Liberalized Depreciation: Production	282	Gen Dmd	-	-	-	-	-
124				Plant - Liberalized Depreciation: Transmission	282	Trans Dmd	-	-	-	-	-
125				Plant - Liberalized Depreciation: Distribution	282	Retail	-	-	-	-	-
126				Plant - Liberalized Depreciation: General and Intangible	282	Total W&S	-	-	-	-	-
127				Plant - Liberalized Depreciation: Renewables	282	Renewables	-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3				Account	Allocator						
128				Plant - Four Corners Imprudence	282	Gen Dmd	-	-	-	-	-
129				Regulatory Assets - SIGS Stranded Costs Units 2&3	282	Retail	-	-	-	-	-
130				Pension	283	Total W&S	-	-	-	-	-
131				Retiree Medical	283	Total W&S	-	-	-	-	-
132				Lease Asset	283	Excluded	-	-	-	-	-
133				Loss on Reacquired Debt	283	Total Net Pit	-	-	-	-	-
134				Other Comprehensive Income (OCI)	283	Excluded	-	-	-	-	-
135				Deferred Credits - SO2 Allowance	283	Retail	-	-	-	-	-
136				Deferred Debits - Rate Case Expense	283	Retail	-	-	-	-	-
137				Deferred Debits - Decoupling	283	Excluded	-	-	-	-	-
138				Deferred Debits - Grid Modernization	283	grid mod	-	-	-	-	-
139				Deferred Debits - RR Underground Rider	283	Retail	-	-	-	-	-
140				Prepaid Expenses	283	Total Net Pit	-	-	-	-	-
141				Regulatory Assets - COVID-19 Costs	283	Retail	-	-	-	-	-
142				Regulatory assets - FAC	283	Retail	-	-	-	-	-
143				Regulatory Assets - EIM Costs	283	Retail	-	-	-	-	-
144				Regulatory Assets - Energy Efficiency	283	Excluded	-	-	-	-	-
145				Regulatory Assets - ETA	283	Retail	-	-	-	-	-
146				Regulatory Assets - Sky Blue Under Recovery	283	Renewables	-	-	-	-	-
147				Regulatory Assets - Renewable Energy	283	Renewables	-	-	-	-	-
148				Regulatory Assets - Renewable Energy Credits	283	Renewables	-	-	-	-	-
149				Regulatory Assets - SIGS External Legal Fees	283	Retail	-	-	-	-	-
150				Regulatory Assets - SIGS Replacement Resources	283	Retail	-	-	-	-	-
151				Regulatory Assets - SIGS Undepreciated Investment	283	Retail	-	-	-	-	-
152				Regulatory Assets - SIGS Underground Coal Mine	283	Retail	-	-	-	-	-
153				Regulatory Assets - Solar Direct Regulatory Assets	283	Retail	-	-	-	-	-
154				Regulatory Assets - Transportation Electrification	283	Retail	-	-	-	-	-
155				Regulatory Assets - WCC Transaction Costs	283	Retail	-	-	-	-	-
156				Regulatory Liabilities - Energy Efficiency	283	Excluded	-	-	-	-	-
157				Regulatory Liabilities - FAC	283	Retail	-	-	-	-	-
158				Regulatory Assets - PCB Refinancing Hedge	283	Total Net Pit	-	-	-	-	-
159				Prepaid Expenses: Production	283	Gen Dmd	-	-	-	-	-
160				Prepaid Expenses: Transmission	283	Trans Pit	-	-	-	-	-
161				Prepaid Expenses: Transmission (incremental FERC Rates)	283	FERC	-	-	-	-	-
162				Prepaid Expenses: Distribution	283	Retail	-	-	-	-	-
163				Prepaid Expenses: Renewables	283	Renewables	-	-	-	-	-
164				Regulatory Assets - 2024 Rate Change	283	Retail	-	-	-	-	-
165				Regulatory Assets - SIGS Obsolete Inventory	283	Retail	-	-	-	-	-
166				Regulatory Liabilities - Earnings Test	283	Retail	-	-	-	-	-
167				Regulatory Assets - PVNGS Undepreciated Investment	283	Retail	-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3				Account		Allocator					
168				Regulatory Assets - ETC Over/Under SPE	283	Retail	-	-	-	-	-
169				Regulatory Assets - PVNGS Replacement Resources	283	Retail	-	-	-	-	-
170				Regulatory Assets - Rate Rider 12 UG Rate	283	Retail	-	-	-	-	-
171				Regulatory Assets - Renewable Rider Curr Reg	283	Renewables	-	-	-	-	-
172				Regulatory Assets - SJ Energy Transition Property (SPE)	283	Retail	-	-	-	-	-
173				Regulatory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail	-	-	-	-	-
174				Regulatory Liabilities - Energy Transition Cost True Up	283	Retail	-	-	-	-	-
175				Regulatory Liabilities - SJGS Retirements Rate Credit	283	Retail	-	-	-	-	-
176				Deferred Debits - WS-Transmission Revenue	283	FERC	-	-	-	-	-
177				Customer Advance	190	Retail	-	-	-	-	-
178				Deferred Credits - ETA	283	Retail	-	-	-	-	-
179				Other Liabilities - ETA Coal Mine Severance	283	Retail	-	-	-	-	-
180				Other Liabilities - ETA State Agency Payments	283	Retail	-	-	-	-	-
181											
182											
183											
184											
185											
186											
187											
188											
189				Total Accumulated Deferred Income Taxes			-	-	-	4,170,388	-



	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
190											
191				<b>Regulatory Assets &amp; Liabilities</b>							
192											
193				Coal Mine Decommissioning	182	Retail	-	-	-	-	-
194				PCB Refinancing Hedge	182	Total Net PIt	-	-	-	-	-
195				Reg Liab Renewables Fed Grant	254	Renewables	-	-	-	-	-
196				Reg Liab Renewables St Credit	254	Renewables	-	-	-	-	-
197				SJGS Coal Agreement Transaction Costs	182	Gen Dmd	-	-	-	-	-
198				SJGS 2&3 50% Undepreciated Investment	182	Gen Dmd	-	-	-	-	-
199				SJGS County Ordinance Decommission	182	Gen Dmd	-	-	-	-	-
200				Energy Imbalance Market (EIM) One Time Implementation Costs	182	Retail	-	-	-	-	-
201				SJGS Replacement Resources	182	Gen Dmd	-	-	-	-	-
202				SJGS External Legal Expenses	182	Gen Dmd	-	-	-	-	-
203				SJGS Obsolete Inventory	182	Gen Dmd	-	-	-	-	-
204				COVID Regulatory Asset and Liability	182	Retail	-	-	-	-	-
205				Sky Blue Under Recovery	182	Retail	-	-	-	-	-
206				Solar Direct	182	Retail	-	-	-	-	-
207				Transportation Electrification Program (TEP)	182	Retail	-	-	-	-	-
208				SO2 Allowance Credit	182	Retail	-	-	-	-	-
209				PVNGS Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	-	-	-
210				PVNGS Unit 1 - 104MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
211				PVNGS Unit 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	-	-	-
212				PVNGS Unit 2 - 10MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
213				PVNGS Costs to Obtain Replacement Resources	182	Gen Dmd	-	-	-	-	-
214				PVNGS True-up for SRP Transaction Proceeds	182	Gen Dmd	-	-	-	-	-
215				2024 Rate Change Expenses	182	Retail	-	-	-	-	-
216				Energy Transition Cost True-up	182	Gen Dmd	-	-	-	-	-
217				Excess Deferred Income Tax Regulatory Liability	254	ADIT	-	-	-	(53,362)	-
218											
219				Total Regulatory Assets & Liabilities			-	-	-	(53,362)	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
220											
221				<b>Other Rate Base Items</b>							
222											
223				Customer Deposits	235	Retail	-	-	-	-	-
224				RWIP-Production	108	Gen Dmd	-	-	-	-	-
225				RWIP-Transmission	108	Trans Dmd	-	-	-	-	-
226				RWIP-Distribution	108	Retail	-	-	-	-	-
227				CWIP - Production	107	Gen Dmd	-	-	-	-	-
228				CWIP - Transmission	107	Trans Dmd	-	-	-	-	-
229				CWIP - Distribution	107	Retail	-	-	-	-	-
230				CWIP - Renewables	107	Renewables	-	-	-	-	-
231				CWIP - Production Related	107	Gen Dmd	-	-	-	-	-
232				ARO Liability - Production	230	Gen Dmd	-	-	-	-	-
233				ARO Liability - Transmission	230	Trans Dmd	-	-	-	-	-
234				ARO Liability - Distribution	230	Retail	-	-	-	-	-
235				ARO Liability - 65MW SJGS	230	Excluded	-	-	-	-	-
236				Injuries and Damages PNM	228	Total W&S	-	-	-	-	-
237				NQRP - Expense in Excess of Funding		Total W&S	-	-	-	-	-
238				Palo Verde Dry Cask Storage	253	Gen Dmd	-	-	-	-	-
239				FERC Incremental Rates	253	FERC	-	-	-	-	-
240				Pueblos Transmission Rights-of-Way	186	Trans Dmd	-	-	-	-	-
241				Pueblos Distribution Rights-of-Way	186	Retail	-	-	-	-	-
242				Prepaid Pension Asset	182/228	Total W&S	-	-	-	-	-
243				Unamortized Loss on Reacquired Debt	189	Total Net Pit	-	-	-	-	-
244				Tucson Electric Power ROW Payment	253	Trans Dmd	-	-	-	-	-
245				PV 1&2 Excess Gain Amortization	253	Retail	-	-	-	-	-
246				Possessory Interest Tax	186	Total W&S	-	-	-	-	-
247				Pathnet	253	Retail	-	-	-	-	-
248				2025 Rate Change Expenses	186	Retail	-	-	-	-	-
249											
250				Total Other Rate Base Items			-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
251											
252	<b>Working Capital</b>										
253											
254	<u>Fuel Stock</u>										
255		Production Fuel Stock		151	Energy		-	-	-	-	-
256		PV Nuclear Fuel (120.1 - .5)		120	Energy		-	-	-	-	-
257		Total Fuel Stock					-	-	-	-	-
258											
259	<u>Materials &amp; Supplies</u>										
260		Production		154	Gen Dmd		-	-	-	-	-
261		Transmission		154	Trans Plt		-	-	-	-	-
262		Distribution		154	Retail		-	-	-	-	-
263		Total Materials & Supplies					-	-	-	-	-
264											
265	<u>Prepayments</u>										
266		Production		165	Gen Dmd		-	-	-	-	-
267		Transmission		165	Trans Plt		-	-	-	-	-
268		Transmission (Incremental FERC Rates)		165	FERC		-	-	-	-	-
269		Distribution		165	Retail		-	-	-	-	-
270		Renewables		165	Renewables		-	-	-	-	-
271		Total Prepayments					-	-	-	-	-
272											
273		Total Cash Working Capital (see Rule 530 schedule E-1)			Retail		-	-	-	-	-
274											
275		Total Working Capital					-	-	-	-	-
276											
277		Total Rate Base Adjustments & Working Capital					-	-	-	4,117,026	-
278											
279		Total Net Original Cost Rate Base					-	-	-	4,117,026	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
280											
281				<b>Operations and Maintenance Expense</b>							
282											
283				<u>Production Fuel related expenses</u>							
284											
285				<u>Production - FPPCAC Fuel Related</u>							
286				Steam Generation	501	Direct Assignment	-	-	-	-	-
287				Steam Fuel Handling and Disposal	501	Direct Assignment	-	-	-	-	-
288				Nuclear	518	Direct Assignment	-	-	-	-	-
289				Nuclear Disposal	518	Direct Assignment	-	-	-	-	-
290				Gas Generation	547	Direct Assignment	-	-	-	-	-
291				Wind PPA	555	Direct Assignment	-	-	-	-	-
292				Geothermal PPA	555	Direct Assignment	-	-	-	-	-
293				Purchased Power Energy	555	Direct Assignment	-	-	-	-	-
294				Spinning reserves	555	Direct Assignment	-	-	-	-	-
295				Energy Storage Agreement - Demand	555	Direct Assignment	-	(82,142,228)	-	-	-
296				Total Fuel Costs (before OSS)			-	(82,142,228)	-	-	-
297											
298				Off-system Sales	447	Direct Assignment	-	-	-	-	-
299				Tri State Hazard Sharing	447	Direct Assignment	-	-	-	-	-
300				EIM Fuel Benefits	447.3	Direct Assignment	-	-	-	-	-
301				Physical Sales of Gas (under FAC hedge plan)	447.7	Direct Assignment	-	-	-	-	-
302				Total Other Fuel			-	-	-	-	-
303											
304				Total Fuel (net OSS)			-	(82,142,228)	-	-	-
305											
306				<u>Production - Non Fuel Items</u>							
307				Gas Plants Fuel Transportation	547	Energy	-	-	-	-	-
308				Gas PPA - Valencia - Demand	555	Energy	-	-	-	-	-
309				Energy Storage Agreement - Demand	555	Energy	-	82,142,228	-	-	-
310				Purchase Power for Economy Service Customer	555	Energy	-	-	-	-	-
311				Purchased power for Rate 36B		Energy	-	-	-	-	-
312				FPPCAC deferral		Energy	-	-	-	-	-
313				REC Purchases and Renewable Energy Amortization	555	Renewables	-	-	-	-	-
314				City of Gallup - Mandoza Station Charges		Energy	-	-	-	-	-
315				Coal Mine Decommissioning	501.15	Retail	-	-	-	-	-
316				Broker Fees		Gen Dmd	-	-	-	-	-
317				Total Non Fuel Items			-	82,142,228	-	-	-
318											
319				Total Fuel Related Expense			-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
320											
321				<u>O&amp;M</u>							
322				<u>Steam Production</u>							
323				Oper-Sup & Eng-Prod	500	Gen Dmd	-	-	-	-	-
324				Oper-Steam Expense-Major	502	Gen Dmd	-	-	-	-	-
325				Steam from Other Sources	503	Gen Dmd	-	-	-	-	-
326				Oper-Electric Exp-Major	505	Gen Dmd	-	-	-	-	-
327				Oper-Misc Steam Power Exp	506	Gen Dmd	-	-	-	-	-
328				Oper-Rents-Steam Power	507	Gen Dmd	-	-	-	-	-
329				Maint-Sup & Eng-Steam	510	Energy	-	-	-	-	-
330				Maint-Structures-Steam	511	Gen Dmd	-	-	-	-	-
331				Maint-Boiler Plant	512	Energy	-	-	-	-	-
332				Maint-Electric Plant	513	Energy	-	-	-	-	-
333				Maint-Gen & Elec Plant	514	Gen Dmd	-	-	-	-	-
334											
335				<u>Nuclear Production</u>							
336				Oper-Sup & Eng-Nuclear	517	Gen Dmd	-	-	-	-	-
337				Oper-Coolants and Water	519	Gen Dmd	-	-	-	-	-
338				Oper-Steam Expenses-Nuclear	520	Gen Dmd	-	-	-	-	-
339				Oper-Electric Exp	523	Gen Dmd	-	-	-	-	-
340				Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit	524	Gen Dmd	-	-	-	-	-
341				Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit	524	Retail	-	-	-	-	-
342				Total Rents - Nuclear, excluding PV 1&2 Prudency Audit and Excess Gain Amortization	525	Gen Dmd	-	-	-	-	-
343				Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization	525	Retail	-	-	-	-	-
344				Maint-Sup & Eng-Nuclear	528	Energy	-	-	-	-	-
345				Maint-Structures-Major	529	Gen Dmd	-	-	-	-	-
346				Maint-Reactor Plant	530	Energy	-	-	-	-	-
347				Maint-Elec Plant	531	Energy	-	-	-	-	-
348				Maint-Misc Nuclear Plant	532	Gen Dmd	-	-	-	-	-
349				<u>Other Production</u>							
350				Oper-Sup & Eng-Other	546	Energy	-	-	-	-	-
351				Oper-Oth Pwr Gen Exp-Other	549	Energy	-	-	-	-	-
352				Oper-Oth Pwr Gen Exp-Other - Renewables	549	Renewables	-	-	-	-	-
353				Maint - Structures	552	Gen Dmd	-	-	-	-	-
354				Maint-Gen & Elec Plant	553	Energy	-	-	-	-	-
355				Maint-Gen & Elec Plant - Renewables	553	Renewables	-	-	-	-	-
356				Maint-Gen & Elec Plant	556	Gen Dmd	-	-	-	-	-
357				<u>Energy Storage Related O&amp;M</u>							
358				Oper-Oth Pwr Gen Exp-Other - Energy Storage Transmission	549	Retail	-	-	-	-	-
359				Oper-Oth Pwr Gen Exp-Other - Energy Storage Distribution	549	Retail	-	-	-	-	-
360				Maint-Gen & Elec Plant-Energy Storage Transmission	553	Retail	-	-	-	-	-
361				Maint-Gen & Elec Plant-Energy Storage Distribution	553	Retail	-	-	-	-	-
362				Total Production O&M			-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
363											
364	Transmission O&M (560-574, excluding 565):										
365				Oper-Sup & Eng-ETrans	560	Trans Dmd	-	-	-	-	-
366				Oper-Load Dispatch-ETrans	561	Trans Dmd	-	-	-	-	-
367				Oper-Station Exp-ETrans	562	Trans Dmd	-	-	-	-	-
368				Oper-Overhead Lines-ETrans	563	Trans Dmd	-	-	-	-	-
369				Oper-Misc Transmission-E	566	Trans Dmd	-	-	-	-	-
370				Oper-Rents-Transmission-E	567	Trans Dmd	-	-	-	-	-
371				Maint Sup & Eng-ETrans	568	Trans Dmd	-	-	-	-	-
372				Maint-Structures-ETrans	569	Trans Dmd	-	-	-	-	-
373				Maint-Sta Equip-ETrans	570	Trans Dmd	-	-	-	-	-
374				Maint-Overhead Lns-ETrans	571	Trans Dmd	-	-	-	-	-
375				Maint-Under Ground lines-ETrans	572	Trans Dmd	-	-	-	-	-
376				Maint-Misc Trans Plant	573	Trans Dmd	-	-	-	-	-
377				Maint-Trans Plant-NonMaj-E	574	Trans Dmd	-	-	-	-	-
378				Incremental Rate - Transmission O&M	560-564,566-574	FERC	-	-	-	-	-
379				Total Transmission O&M, excluding FERC 565			-	-	-	-	-
380											
381	Transmission O&M by Others (565):										
382				Transmission by Others	565	Gen Dmd	-	-	-	-	-
383				Total Transmission by Others, FERC 565			-	-	-	-	-
384											
385				Total Transmission O&M			-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
386											
387				Total Dist O&M (580-598)							
388											
389				<u>PNM Street &amp; Private Lighting</u>							
390				Oper-Street Light/Signal-E	585	Retail	-	-	-	-	-
391				Maint-Streetlight/Signal-E	596	Retail	-	-	-	-	-
392				Total Street and Private Lighting			-	-	-	-	-
393											
394				<u>PNM Meters</u>							
395				Oper-Meter Expense-EDist	586	Retail	-	-	-	-	-
396				Oper-Meter Expense-Grid Mod	597	Grid Mod	-	-	-	-	-
397				Maint-Meters-EDist	597	Retail	-	-	-	-	-
398				Maint-Meters-Grid Mod	597	Grid Mod	-	-	-	-	-
399				Total Meters			-	-	-	-	-
400											
401				<u>All Other Distribution O&amp;M</u>							
402				Oper-Sup & Eng-EDist	580	Retail	-	-	-	-	-
403				Oper-Station Exp-EDist	582	Retail	-	-	-	-	-
404				Oper-Overhead Lines-EDist	583	Retail	-	-	-	-	-
405				Oper-Undergrd Line-EDist	584	Retail	-	-	-	-	-
406				Oper-Misc Dist Exp-EDist	588	Retail	-	-	-	-	-
407				Oper-Rents-Distribution-E	589	Retail	-	-	-	-	-
408				Maint-Sup & Eng-EDist	590	Retail	-	-	-	-	-
409				Maint-Structures-EDist	591	Retail	-	-	-	-	-
410				Maint-Station Equip-EDist	592	Retail	-	-	-	-	-
411				Maint-Overhead Lns-EDist	593	Retail	-	-	-	-	-
412				Maint-Und Lines-EDist	594	Retail	-	-	-	-	-
413				Maintenance of Line Transformers	595	Retail	-	-	-	-	-
414				Maint-Misc Dist Plant-E	598	Retail	-	-	-	-	-
415				Other Distribution O&M - Grid Mod	580-598	Grid Mod	-	-	-	-	-
416				Total Other Distribution O&M			-	-	-	-	-
417											
418				Total Distribution O&M			-	-	-	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
419											
420				<u>Customer Related O&amp;M</u>							
421											
422				<u>PNM Related Customer Accounts Exp</u>							
423				Supervision-Customer Accts	901	Retail	-	-	-	-	-
424				Meter Reading Expenses	902	Retail	-	-	-	-	-
425				Customer Record and Collections	903	Retail	-	-	-	-	-
426				Uncollectible Expenses	904	Retail	-	-	-	-	-
427				Misc Customer Accts Exp	905	Retail	-	-	-	-	-
428				Cust Service/Inf Expenses	906	Retail	-	-	-	-	-
429				Customer Assistance Exps	908	Retail	-	-	-	-	-
430				Inform/Instruc Advert Exps	909	Retail	-	-	-	-	-
431				Demo & Selling Expenses - Non Production	912	Retail	-	-	-	-	-
432				Demo & Selling Expenses - Production	912	Sales	-	-	-	-	-
433				Advertising Expense	913	Sales	-	-	-	-	-
434				Total Customer Accounting Expenses - Grid Mod	901-905	Grid Mod	-	-	-	-	-
435				Total Customer Related O&M			-	-	-	-	-
436											
437				<u>Administrative &amp; General Expense</u>							
438											
439				Admin and General Salaries	920	Total W&S excluding Riders	-	-	-	-	-
440				AG Office Supplies Exp	921	Total W&S excluding Riders	-	-	-	-	-
441				A&G Charged to CWIP	922	Total W&S excluding Riders	-	-	-	-	-
442				Production Related - Shared Services	9229	Prod W&S	-	-	(1,917,973)	-	-
443				Transmission Related - Shared Services	9229	Trans W&S	-	-	(384,832)	-	-
444				Distribution Related - Shared Services	9229	Dist W&S	-	-	(3,486,242)	-	-
445				Outside Services	923	Total W&S excluding Riders	-	-	-	-	-
446				Property Insurance	924	Total W&S excluding Riders	-	-	-	-	-
447				Injuries or Damages-Safety	925	Total W&S excluding Riders	-	-	-	-	-
448				Empl Pension and Benefits	926	Total W&S excluding Riders	-	-	-	-	-
449				Regulatory Commission Exp	928	Total W&S excluding Riders	-	-	-	-	-
450				Regulatory Commission Exp - (Rate Case Expense)	928	Retail	-	-	-	-	-
451				Production - Misc AG Expenses	930	Total W&S excluding Riders	-	-	-	-	-
452				Transmission - Rents-Cust	931	Total W&S excluding Riders	-	-	-	-	-
453				Total Gas A&G Maintenance	932	Total W&S excluding Riders	-	-	-	-	-
454				Maint of General Plant	935	Total W&S excluding Riders	-	-	-	-	-
455				Renewables - A&G (920-935)	920-935	Renewables	-	-	-	-	-
456				Grid Mod - A&G (920-935)	920-935	Grid Mod	-	-	-	-	-
457				Total Administrative & General Expense			-	-	(5,789,046)	-	-
458											
459				Generic Adjustment		Retail	-	-	-	-	(11,771,040)
460											
461				Total Operations & Maintenance Expense			-	82,142,228	(5,789,046)	-	(11,771,040)
462											



	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
463				<b>Depreciation and Amortization Expense</b>							
464											
465				<u>Production Depreciation and Amortization</u>							
466				Steam Production Plant	403	Gen Dmd	-	-	-	-	-
467				Nuclear Production Net Plant - Palo Verde	403	Gen Dmd	-	-	-	-	-
468				Nuclear Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd	-	-	-	-	-
469				Nuclear Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd	-	-	-	-	-
470				Other Production Plant - Gas & 40 MW Solar	403	Gen Dmd	-	-	-	-	-
471				Other Production Plant - Renewable	403	Renewables	-	-	-	-	-
472				Total Production Depreciation and Amortization Expense			-	-	-	-	-
473											
474				<u>Energy Storage Depreciation and Amortization</u>							
475											
476				Transmission Sited Batteries	403	Retail	-	-	-	-	-
477				Distribution Sited Batteries	403	Retail	-	-	-	-	-
478				Total Energy Depreciation and Amortization			-	-	-	-	-
479											
480				<u>Transmission Depreciation and Amortization</u>							
481				Step-Up Transformers & Generation Interconnections	403	Gen Dmd	-	-	-	-	-
482				Transmission System Plant - Allocated	403	Trans Dmd	-	-	-	-	-
483				Transmission System Plant - FERC Incremental Rates	403	FERC	-	-	-	-	-
484				Transmission System Net Plant - Dedicated Retail	403	Retail	-	-	-	-	-
485				Transmission System Plant - Acq. Adj. (EIP)	406	Trans Dmd	-	-	-	-	-
486				Total Transmission Depreciation and Amortization			-	-	-	-	-
487											

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
488	Distribution Depreciation and Amortization										
489				Distribution Substations Net Plant - PNM	403	Retail	-	-	-	-	-
490				Distribution Substations Net Plant - Renewables	403	Renewables	-	-	-	-	-
491				Distribution Substations Net Plant - Grid Mod	403	Grid Mod	-	-	-	-	-
492				Primary Distribution System Net Plant - PNM	403	Retail	-	-	-	-	-
493				Primary Distribution System Net Plant - Renewables	403	Renewables	-	-	-	-	-
494				Primary Distribution System Net Plant - Grid Mod	403	Grid Mod	-	-	-	-	-
495				Secondary Distribution System Net Plant - PNM	403	Retail	-	-	-	-	-
496				Secondary Distribution System Net Plant - Renewables	403	Renewables	-	-	-	-	-
497				Secondary Distribution System Net Plant - Grid Mod	403	Grid Mod	-	-	-	-	-
498				Services Net Plant - PNM	403	Retail	-	-	-	-	-
499				Meters Net Plant - PNM	403	Retail	-	-	-	-	-
500				Meters Net Plant - Grid Mod	403	Grid Mod	-	-	-	-	-
501				Private Lighting - 371	403	Retail	-	-	-	-	-
502				Street Lighting - 373	403	Retail	-	-	-	-	-
503				Total Distribution Depreciation and Amortization			-	-	-	-	-
504											
505	General Depreciation and Amortization										
506				General & Intangible Net Plant	403	Total W&S excluding Riders	-	-	-	-	-
507				Renewables General & Intangible Net Plant	403	Renewables	-	-	-	-	-
508				Grid Mod General & Intangible Net Plant	403	Grid Mod	-	-	-	-	-
509				Production Related (Shared Services)	403	Prod W&S	-	-	-	-	-
510				Transmission Related (Shared Services)	403	Trans W&S	-	-	-	-	-
511				Distribution/Customer Related (Shared Services)	403	Retail	-	-	-	-	-
512				Total General Depreciation and Amortization			-	-	-	-	-
513											
514				Total Depreciation and Amortization Expense			-	-	-	-	-
515											

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
516				<b>General Taxes</b>							
517											
518				<u>Property Taxes</u>							
519				<u>Production Property Taxes</u>							
520				Steam Production Plant	408	Gen Dmd	-	-	-	-	-
521				Nuclear Production Plant - Palo Verde	408	Gen Dmd	-	-	-	-	-
522				Other Production Plant - Gas & 40 MW Solar	408	Gen Dmd	-	-	-	-	-
523				Other Production Plant - Renewable	408	Renewables	-	-	-	-	-
524				Total Production Property Taxes			-	-	-	-	-
525											
526				<u>Energy Storage Property Taxes</u>							
527				Transmission Sited Batteries	408	Retail	-	-	-	-	-
528				Distribution Sited Batteries	408	Retail	-	-	-	-	-
529				Total Energy Storage Property Taxes			-	-	-	-	-
530											
531				<u>Transmission Property Taxes</u>							
532				Step-Up Transformers - Excluding 65MW SJGS	408	Gen Dmd	-	-	-	-	-
533				Transmission System Plant - Allocated	408	Trans Dmd	-	-	-	-	-
534				Transmission System Plant - FERC Incremental Rates	408	FERC	-	-	-	-	-
535				Transmission System Plant - Dedicated Retail	408	Retail	-	-	-	-	-
536				Total Transmission Property Taxes			-	-	-	-	-
537											
538				<u>Distribution Property Taxes</u>							
539				Distribution Substations Net Plant - PNM	408	Retail	-	-	-	-	-
540				Distribution Substations Net Plant - Renewables	408	Renewables	-	-	-	-	-
541				Distribution Substations Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
542				Primary Distribution System Net Plant - PNM	408	Retail	-	-	-	-	-
543				Primary Distribution System Net Plant - Renewables	408	Renewables	-	-	-	-	-
544				Primary Distribution System Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
545				Secondary Distribution System Net Plant - PNM	408	Retail	-	-	-	-	-
546				Secondary Distribution System Net Plant - Renewables	408	Renewables	-	-	-	-	-
547				Secondary Distribution System Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
548				Services Net Plant - PNM	408	Retail	-	-	-	-	-
549				Meters Net Plant - PNM	408	Retail	-	-	-	-	-
550				Meters Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
551				Private Lighting - 371	408	Retail	-	-	-	-	-
552				Street Lighting - 373	408	Retail	-	-	-	-	-
553				Total Distribution Property Taxes			-	-	-	-	-
554											

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
555	General Property Taxes										
556	General & Intangible Net Plant			408	Total W&S excluding Riders		-	-	-	-	-
557	Renewables General & Intangible Net Plant			408	Renewables		-	-	-	-	-
558	Grid Mod General & Intangible Net Plant			408	Grid Mod		-	-	-	-	-
559	Production Related (Shared Services)			408	Prod W&S		-	-	-	-	-
560	Transmission Related (Shared Services)			408	Trans W&S		-	-	-	-	-
561	Distribution/Customer Related (Shared Services)			408	Retail		-	-	-	-	-
562	Total General Property Taxes						-	-	-	-	-
563											
564	Total Property Taxes						-	-	-	-	-
565											
566	Payroll Taxes										
567	Production Related			408	Prod W&S		-	-	(276,603)	-	-
568	Battery Storage Related			408	Dist W&S		-	-	-	-	-
569	Transmission Related			408	Trans W&S		-	-	(71,497)	-	-
570	Distribution Related			408	Dist W&S		-	-	(70,437)	-	-
571	Total Payroll Taxes						-	-	(418,537)	-	-
572											
573	Other Taxes										
574	Misc Taxes - Production Related			408	Gen Dmd		-	-	-	-	-
575	Misc Taxes - Transmission Related			408	Trans Dmd		-	-	-	-	-
576	Misc Taxes - Distribution Related			408	Retail		-	-	-	-	-
577	Regulatory Commission Fees (I&S) PNM			408	Retail		-	-	-	-	-
578	Joint Projects Four Corners			408	Gen Dmd		-	-	-	-	-
579	Joint Projects PVNGS			408	Gen Dmd		-	-	-	-	-
580	Joint Projects Transmission			408	Trans Dmd		-	-	-	-	-
581	Native American Taxes - Production			408	Gen Dmd		-	-	-	-	-
582	Native American Taxes - Transmission			408	Trans Plt		-	-	-	-	-
583	Native American Taxes - Dedicated FERC Incremental Rates			408	FERC		-	-	-	-	-
584	Native American Taxes - Distribution			408	Dist Plt		-	-	-	-	-
585	Total Other Taxes						-	-	-	-	-
586											
587	Total General Taxes						-	-	(418,537)	-	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
588											
589				<b>Other Allowable Expenses</b>							
590				Interest on Customer Deposits	431	Retail	-	-	-	-	-
591				Amortization Loss on Reacquired Debt	407.3	Rate Base	-	-	-	19	-
592				Renewable Grant Amortization	407	Renewables	-	-	-	-	-
593				Accretion ARO - Production Related	411	Gen Dmd	-	-	-	-	-
594				Accretion ARO - Production Related - (SJGS 65MW)	411	Excluded	-	-	-	-	-
595				Accretion ARO - Distribution Related	411	Retail	-	-	-	-	-
596				Western Spirit	407.3	FERC	-	-	-	-	-
597				Amortization of 50% SJGS 2&3 Undepreciated Balance	407.3	Gen Dmd	-	-	-	-	-
598				Amortization of Eastern Imbalance Market Implementation Regulatory Asset	407.3	Retail	-	-	-	-	-
599				Amortization of PVNGS Unit 1 Undepreciated Investment Post - lease renewal	407.3	Retail	-	-	-	-	-
600				Amortization of PVNGS Unit 1 Undepreciated Investment Pre - lease renewal	407.3	Retail	-	-	-	-	-
601				Amortization of PVNGS Unit 2 Undepreciated Investment Post - lease renewal	407.3	Retail	-	-	-	-	-
602				Amortization of PVNGS Unit 2 Undepreciated Investment Pre - lease renewal	407.3	Retail	-	-	-	-	-
603				Amortization of PVNGS True-up for SRP Transaction	407.3	Retail	-	-	-	-	-
604				Amortization of PVNGS Costs to Obtain Replacement Resources	407.3	Retail	-	-	-	-	-
605				Amortization of SJGS Replacement Resources	407.3	Retail	-	-	-	-	-
606				Amortization of SJGS Legal Expenses	407.3	Retail	-	-	-	-	-
607				Amortization of SJGS Obsolete Inventory	407.3	Retail	-	-	-	-	-
608				Amortization of Pathnet	407.3	Trans Dmd	-	-	-	-	-
609				Amortization of SO2 Allowance Credit	407.3	Retail	-	-	-	-	-
610				Carrying Charges on Advanced Payments Under ETA	407.3	Retail	-	-	-	-	-
611				Amortization of COVID Regulatory Asset and Liability	407.3	Retail	-	-	-	-	-
612				Amortization of SJGS Decommissioning Ordinance Costs	407.3	Retail	-	-	-	-	-
613				Amortization of Additional Coal Mine Decommissioning	407.3	Retail	-	-	-	-	-
614				Amortization of 2025 Rate Case Expenses	407.3	Retail	-	-	-	-	-
615				Amortization of Energy Transition Cost True - Up	407.3	Retail	-	-	-	-	-
616				Total Other Allowable Expenses			-	-	-	19	-
617											
618											
619				Total Operating Expenses			-	-	(6,207,583)	19	(11,771,040)
620				(Excl Income & Revenue Related Taxes)							
621											
622				Total Net Original Cost Rate Base			-	-	-	4,117,026	-
623				Weighted Cost of Capital							
624				Return on Rate Base (excluding Debt Return- Reg Asset Adjustment)			-	-	-	284,032	-
625				Debt-Only Return Adjustment			(66,166)	-	-	-	-
626				Return on Rate Base			(66,166)	-	-	284,032	-

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
627											
628	<b>Federal Income Tax</b>										
629	<u>Return Adjustments</u>										
630	Interest on Long Term Debt					MDC	-	-	-	(85,122)	-
631	Debt Return- Reg Asset Adjustment Interest Adjustment						(54,127)	-	-	-	-
632	Interest on Long Term Debt						(54,127)	-	-	(85,122)	-
633											
634	<u>Tax/Book Adjustments</u>										
635											
636	Non-deductible Meals					Total Net Pit	-	-	-	-	-
637	Non-deductible Parking					Trans Dmd	-	-	-	-	-
638	Palo Verde 1 & 2 Gain Amort Flow Through					FERC	-	-	-	-	-
639	Palo Verde 1 & 2 Prudence Audit Flow Through					Retail	-	-	-	-	-
640	AFUDC Equity Flow Through					Gen Dmd	-	-	-	-	-
641	AFUDC Equity Flow Through - Renewables					Renewables	-	-	-	-	-
642	AFUDC Equity Flow Through - Grid Mod					Grid Mod	-	-	-	-	-
643	Federal Grant Amortization - Renewables					Renewables	-	-	-	-	-
644	Federal Grant Basis Adj - Renewables					Renewables	-	-	-	-	-
645	Gain/Loss Flow Through					Retail	-	-	-	-	-
646	ACRS Flow Through					Retail	-	-	-	-	-
647	San Juan ACRS Flow Through					Retail	-	-	-	-	-
648	Four Corners SO2 Reversal Flow Through					Retail	-	-	-	-	-
649	SL/GL Depreciation					Retail	-	-	-	-	-
650	Amortization of EIP Prepaid Tax Reversal					Trans Dmd	-	-	-	-	-
651			Total Tax/Book Adjustments				-	-	-	-	-
652											
653			Total Return Adjustments				(54,127)	-	-	(85,122)	-
654											
655			Net Taxable Equity Return				(120,293)	-	-	198,911	-

	A	B	C	D	E	F	V	W	X	Y	Z
1				<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2				<b>Test Period Ending June 30, 2026</b>	FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
656											
657				<u>Federal Tax Adjustments</u>							
658											
659				<u>Net Provision For Deferred Income Tax</u>							
660				Excess Payroll Tax Reversal	410	Total W&S	-	-	-	-	-
661				Excess Deferred Federal Income Tax Amortization		ADIT	-	-	-	(5,917)	-
662				ARAM Deferred Tax Reversal	410	Total Net Pit	-	-	-	-	-
663				Total Provision For Deferred Income Tax			-	-	-	(5,917)	-
664											
665				<u>Investment Tax Credits</u>							
666				Palo Verde 1&2 Production ITC Amortization	411.4	Gen Dmd	-	-	-	-	-
667				Generation ITC Amortization	411.4	Gen Dmd	-	-	-	-	-
668				Renewables ITC Amortization	411.4	Renewables	-	-	-	-	-
669				PV Valley Transmission ITC Amortization	411.4	Trans Dmd	-	-	-	-	-
670				Research and Development & Other Credits	410	PV	-	-	-	-	-
671				Other ITC Amortization	411.4	Total Net Pit	-	-	-	-	-
672				Total Investment Tax Credit Amortization & Other Credits			-	-	-	-	-
673											
674				Total Federal Tax Adjustments			-	-	-	(5,917)	-
675											
676				Adjusted Equity Return			(120,293)	-	-	192,994	-
677				Federal Tax Factor (0.21/(1-0.21))							
678				Federal Income Tax			(31,977)	-	-	51,302	-
679				Add:							
680				Total Provision For Deferred Income Tax			-	-	-	(5,917)	-
681				EIP Amortization			-	-	-	-	-
682				Total Investment Tax Credit Amortization & Other Credits			-	-	-	-	-
683											
684				Net Allowable Federal Income Tax			(31,977)	-	-	45,385	-

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
3					Account	Allocator	Debt Only RC Expenses	ESA To Base	Treatment of Incentive Comp	NOL Adjustment	\$11.8M Reduction
685											
686	State Income Tax										
687											
688				Return on Rate Base			(66,166)	-	-	284,032	-
689				Less: Return Adjustments			-	-	-	-	-
690				Interest on Long Term Debt			(54,127)	-	-	(85,122)	-
691				Tax/Book Adjustments			-	-	-	-	-
692				Add: Net Allowable F I T			(31,977)	-	-	45,385	-
693											
694				New Mexico NOL Valuation Allowance	410	Total Net Pit	-	-	-	-	-
695				Amortization of Excess Deferred Taxes		ADIT	-	-	-	-	-
696				State Taxable Income			(152,270)	-	-	244,296	-
697				State Tax Factor							
698				State Income Tax			(8,984)	-	-	14,413	-
699				Add: 22 MW, Battery project and PV Farm PTC	409	Renewables	-	-	-	-	-
700				Add: New Mexico NOL Valuation Allowance	410	Total Net Pit	-	-	-	-	-
701				Amortization of Excess Deferred Taxes		ADIT	-	-	-	-	-
702				Net Allowable State Income Tax			(8,984)	-	-	14,413	-
703											
704											
705				Return on Rate Base			(66,166)	-	-	284,032	-
706											
707				Total Operating Expenses			-	-	(6,207,583)	19	(11,771,040)
708				(Excluding Income & Rev Related Taxes)							
709											
710				Net Allowable Federal Income Tax			(31,977)	-	-	45,385	-
711											
712				Net Allowable State Income Tax			(8,984)	-	-	14,413	-
713											



	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
714	<b>Revenue Credits:</b>										
715				Sale of SO2 Credits	411	FERC	-	-	-	-	-
716				Rent For Electric Property Transmission	454	Trans Plt	-	-	-	-	-
717				Rent for Electric Property - Distribution	454	Retail	-	-	-	-	-
718				Late Payment Charges	451	Retail	-	-	-	-	-
719				Misc Service Charge Revenue	451	Retail	-	-	-	-	-
720				Other Retail Revenue - Transmission	456	Trans Dmd	-	-	-	-	-
721				Other Retail Revenue - Distribution	456	Retail	-	-	-	-	-
722				Generation Ancillary Services Credit Sch 2-5	456100	Gen Dmd	-	-	-	-	-
723				Real Power Losses (Financial)	456100	Gen Dmd	-	-	-	-	-
724				Transmission redispatch contract revenues	456100	Gen Dmd	-	-	-	-	-
725				Ancillary Services-Sch 1 and Sch 8 Transmission	456100	Trans Dmd	-	-	-	-	-
726				Short Term Firm Sch 7 Transmission	456100	Trans Dmd wo NITS	-	-	-	-	-
727				Ancillary Services-Sch 1 ST PTP and Transmission Service	456100	Trans Dmd	-	-	-	-	-
728				Economy Service Customer Revenue Credits	442&555	Retail	-	-	-	-	-
729				Securitization Servicing & Administration Fees	421	G&I Plt	-	-	-	-	-
730				Shared Services Revenue	418	Retail	-	-	-	-	-
731											
732				Total Revenue Credits			-	-	-	-	-
733											
734				Total Revenue Requirements Before Revenue Tax			(107,127)	-	(6,207,583)	343,851	(11,771,040)
735											
736				Revenue Tax Factor (I&S Fee) (Revenue Tax Rate/(1-Revenue Tax Rate))							
737				Revenue Tax			(545)	-	(31,570)	1,749	(59,864)
738											
739				NON-FUEL REVENUE REQUIREMENT			(107,672)	82,142,228	(6,239,153)	345,599	(11,830,904)
740				FUEL REVENUE REQUIREMENT			-	(82,142,228)	-	-	-
741				<b>TOTAL REVENUE REQUIREMENT</b>			<b>(107,672)</b>	<b>-</b>	<b>(6,239,153)</b>	<b>345,599</b>	<b>(11,830,904)</b>
742											
743				<u>Weighted Cost of Capital</u>							
744				Long Term Debt							
745				Preferred Stock							
746				Common Stock							
747				Total Weighted Cost of Capital							
748											
749				Federal Income Tax Rate							
750											
751				Effective State Income Tax Rate							
752											
753				I&S Fee Rate							

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
754											
755	<b>Key Allocators</b>										
756											
757				Sales (MWh)							
758				Allocator		Sales					
759											
760	<b>Wage and Salary Ratios</b>					Ratios					
761				Production Other Prod O&M		18.93%					
762						Prod W&S					
763				Transmission Trans O&M		15.88%					
764						Trans W&S					
765				Distribution Dist O&M		33.28%					
766						Dist W&S					
767											
768				Total PTD		68.09%					
769				Allocator							
770											
771				Customer Accounting CA O&M		21.21%					
772				Cust Service & Information CS&I O&M		2.86%					
773				Sales Sales O&M		7.85%					
774				Total PTDCAS		100.00%					
775				Allocator		PTDCAS					
776											
777				Administrative and General							
778											
779				Total Wages and Salaries							
780				Allocator		Total W&S					
781											
782	<b>Net Plant In Service Ratios</b>					Total W&S excluding Riders					
783											
784				Total Production Plant							
785				Allocator		Prod Plt					
786											
787				Total Transmission Plant							
788				Allocator		Trans Plt					
789											
790				Total Distribution Plant							
791				Allocator		Dist Plt					
792											
793				Total General & Intangible Plant							
794				Allocator		G&I Plt					
795											

	A	B	C	D	E	F	V	W	X	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study										
2	Test Period Ending June 30, 2026				FERC		Adjustment 5 Debt Only RC Expenses	Adjustment 6 ESA To Base	Adjustment 7 Treatment of Incentive Comp	Adjustment 8 NOL Adjustment	Adjustment 9 \$11.8M Reduction
3					Account	Allocator					
796				Total Net Plant							
797				Allocator		Total Net Pit					
798											
799				Total ADIT							
800				Allocator		ADIT					
801											
802				Total Rate Base							
803				Allocator		Rate Base					
804											
805				Generation Demand allocator							
806						Gen Dmd					
807											
808				Energy allocator							
809						Energy					
810											
811				Generation and Transmission Demand		Gen/Trans Dmd					
812											
813											
814				Transmission Demand		Trans Dmd					
815											
816											
817				Transmission Demand without Network		Trans Dmd wo NITS					
818											
819											
820	Other Allocators										
821											
822				Excluded Costs		Excluded					
823											
824				Direct Assignment to NEC		NEC					
825											
826				Allocation to FERC Customers		FERC					
827											
828				Direct Assignment to Retail		Retail					
829											
830				Allocation to Palo Verde		PV					
831											
832				Allocation to Grid Mod		Grid Mod					
833											
834				Direct Assignment to Renewables		Renewables					

	A	B	C	D	E	F	G	H
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>							
2	<b>Base Period Ending December 31, 2023</b>							
3	<b>Debt Only Return On Reg Asset Adjustments</b>							
4								
5		<i>Adjusted Base Period</i>				<i>Test Period</i>		
6		<b>Full Return On</b>	<b>Debt Only Return On</b>	<b>COS Adj</b>		<b>Full Return On</b>	<b>Debt Only Return On</b>	<b>COS Adj</b>
7	2024 Rate Case Expenses	4,831,371	4,831,371			6,236,369	6,236,369	
8	PVNGS Replacement Resources	2,019,284	2,019,284			1,821,562	1,821,562	
9	SJGS Replacement Resources	8,318,775	8,318,775			7,667,139	7,667,139	
10	SJGS Obsolete Inventory	6,294,642	6,294,642			5,801,562	5,801,562	
11	SJGS External Legal expenses	495,308	495,308			456,510	456,510	
12	EIM Implementation	18,731,021	18,731,021			11,431,010	11,431,010	
13	COVID-19 Regulatory Asset	896,317	896,317			1,561,547	1,561,547	
14	Energy Transition Cost True-up	(1,166,409)	(1,166,409)			(1,203,193)	(1,203,193)	
15	Total Reg Assets Rate Base	40,420,310	40,420,310			33,772,504	33,772,504	
16								
17								
18								
19	Rate Case Expenses	(1,227,168)	(1,227,168)			(1,584,038)	(1,584,038)	
20	PVNGS Replacement Resources	(512,898)	(512,898)			(462,677)	(462,677)	
21	SJGS Replacement Resources	(2,112,969)	(2,112,969)			(1,947,453)	(1,947,453)	
22	SJGS Obsolete Inventory	(1,598,839)	(1,598,839)			(1,473,597)	(1,473,597)	
23	SJGS External Legal expenses	(125,808)	(125,808)			(115,954)	(115,954)	
24	EIM Implementation	(4,757,679)	(4,757,679)			(2,903,476)	(2,903,476)	
25	COVID-19	(227,665)	(227,665)			(396,633)	(396,633)	
26	Energy Transition Cost True-up	296,268	296,268			305,611	305,611	
27	Total Reg Asset ADIT	(10,563,027)	(10,563,027)			(8,883,827)	(8,883,827)	
28								
29	<b>Rate Base (Retail)</b>	<b>29,857,283</b>	<b>29,857,283</b>			<b>24,888,677</b>	<b>24,888,677</b>	
30								
31	WACC	6.38%	3.47%			6.90%	4.24%	
32								
33	Return On Rate Base (Retail)	1,903,642	1,036,048	(867,594)		1,717,062	1,055,651	(661,411)
34								
35	Interest Adjustment (Retail)	513,631	1,036,048	(522,417)		514,586	1,055,651	(541,065)

	A	B	C	D	E
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>				
2	<b>Test Change Log</b>				
3					
4					
5	<b>Test Period</b>		<b>Non-Fuel</b>	<b>Fuel</b>	<b>Total Retail</b>
6	<b>Description</b>		<b>Revenue Requirement</b>	<b>Revenue Requirement</b>	<b>Revenue Requirement</b>
7	<b>Preliminary Test Period - PNM Retail</b>		<b>851,308,015</b>	<b>268,805,228</b>	<b>1,120,113,243</b>
8					
9	<b>Adjustments:</b>				
10					
11	<b>Adjustment to Billing Determinants (not in COS)</b>				
12					
13	Adjustment 1: Set ROE to 9.45%		(20,941,303)	-	(20,941,303)
14	Adjustment 2: Set Cap Structure to 51% Equity		(3,747,385)	-	(3,747,385)
15	Adjustment 3: Remove Accelerated FCPP Depreciation		(19,614,177)	-	(19,614,177)
16	Adjustment 4: Unprotected EDFIT amort to 4-years (2.5 year remaining)		(5,231,597)	-	(5,231,597)
17	Adjustment 5: Debt Only adjustment on Rate Case Expenses		(107,672)	-	(107,672)
18	Adjustment 6: ESA to Base Rates		82,142,228	(82,142,228)	-
19	Adjustment 7: Treatment of Incentive Comp		(6,239,153)	-	(6,239,153)
20	Adjustment 8: NOL Adjustment		345,599	-	345,599
21	Adjustment 9: Generic \$11.8M Reduction		(11,830,904)	-	(11,830,904)
22					
23					
24					
25					
26					
27					
28					
29			<b>866,083,651</b>	<b>186,663,000</b>	<b>1,052,746,651</b>
30			-	-	-

	A	B	C	D	E	F
1	<b>Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study</b>					
2	<b>Schedule A-5 - Stipulation</b>					
3	<b>Summary of Total Capitalization and the Weighted Average Cost of Capital</b>					
4	<b>Test Period Ending June 30, 2026</b>					
5						
6	<b>Line No.</b>	<b>Capital Component</b>	<b>Total Capitalization Test Period</b>	<b>Percentage of Total Capitalization</b>	<b>Capital Component Cost</b>	<b>Weighted Average Cost</b>
7						
8						
9	1	Long Term Debt	2,243,720	48.75%	4.24%	2.07%
10						
11	2	Preferred Stock	11,529	0.25%	4.62%	0.01%
12						
13	3	Common Equity	2,347,644	51.00%	9.45%	4.82%
14						
15	4	Total	4,602,893	100.00%		6.90%
16						
17			145000		Tax Rate	25.40%
18						
19						Tax gross up
20					Debt	2.07%
21					Preferred	0.02%
22					Common	6.46%
23					Total	8.54%
24						
25	<b>Note:</b> Amounts may not foot due to rounding					

# **STIPULATION EXHIBIT 2**

Stipulated Revenue Requirement Increases by Customer Class  
Consisting of 1 page

Summary Table - Stipulated Phase I and Phase II Increases

Customer Class	Col A	Col B	Col C	Col D	Col E	Col F	Col G	Col H	Col I	Col J	Col K
				Col B/Col A			Col E/Col A	50% x Col E	Col H/Col A	50% x Col E	Col J/(Col A+Col H)
	Test Period Revenue at Current Rates	Cost-Based Increase/(Decrease)	Cost-Based Allocated Revenue Requirement	Cost-Based % Change	Total Banded Increase	Banded Revenue Requirement	Banded % Change	Effective July 1, 2025	% Change	Effective April 1, 2026	% Change from Phase I
					Total Phase I + Phase II			Phase I		Phase II	
1A/B - Residential	\$ 367,955,814	\$ 113,858,235	\$ 481,814,049	30.94%	\$ 73,021,463	\$ 440,977,278	19.85%	\$ 36,510,732	9.92%	\$ 36,510,732	9.03%
2A/B - Small Power	105,207,301	(5,331,415)	99,875,886	-5.07%	7,311,907	112,519,208	6.95%	3,655,954	3.48%	3,655,953.7	3.36%
3B - General Power	106,791,647	10,413,212	117,204,859	9.75%	10,413,212	117,204,859	9.75%	5,206,606	4.88%	5,206,605.9	4.65%
3C - General Power (Low Load Factor)	28,215,676	(5,522,010)	22,693,666	-19.57%	1,960,989	30,176,666	6.95%	980,495	3.48%	980,494.7	3.36%
3D - General Power Government	8,359,051	(150,976)	8,208,074	-1.81%	580,954	8,940,005	6.95%	290,477	3.48%	290,477.0	3.36%
3E - General Power (LLF) Government	1,622,980	(496,828)	1,126,152	-30.61%	112,797	1,735,777	6.95%	56,399	3.48%	56,398.6	3.36%
3F - Non-Residential Charging Stations Pilot	492,613	(277,427)	215,185	-56.32%	34,237	526,849	6.95%	17,118	3.48%	17,118.3	3.36%
4 - Large Power	57,310,829	95,211	57,406,041	0.17%	3,983,103	61,293,932	6.95%	1,991,551	3.48%	1,991,551.3	3.36%
5 - Large Service for Customers >=8,000kW	1,981,778	(1,023,207)	958,571	-51.63%	137,734	2,119,512	6.95%	68,867	3.48%	68,866.8	3.36%
10A/B - Irrigation	1,804,390	277,796	2,082,186	15.40%	277,796	2,082,186	15.40%	138,898	7.70%	138,897.9	7.15%
11 - Water/Sewage Pumping	8,192,657	1,742,753	9,935,411	21.27%	1,625,833	9,818,490	19.85%	812,916	9.92%	812,916.4	9.03%
15 - Universities 115kV	3,361,728	(1,142,549)	2,219,178	-33.99%	233,640	3,595,368	6.95%	116,820	3.48%	116,820.0	3.36%
30 - Manufacturing (30 MW)	35,822,209	(2,663,305)	33,158,904	-7.43%	2,489,644	38,311,853	6.95%	1,244,822	3.48%	1,244,821.8	3.36%
33 - Station Service	230,978	(151,961)	79,017	-65.79%	16,053	247,031	6.95%	8,026	3.48%	8,026.5	3.36%
35 - Large Power >=3,000kW	7,049,919	(211,845)	6,838,075	-3.00%	489,969	7,539,889	6.95%	244,985	3.48%	244,984.7	3.36%
36 - Special Service - Renew Energy Res	20,831,510	(5,615,403)	15,216,107	-26.96%	1,447,790	22,279,300	6.95%	723,895	3.48%	723,895.0	3.36%
6 - Private Lighting	2,315,366	(528,277)	1,787,089	-22.82%	160,918	2,476,284	6.95%	80,459	3.48%	80,459.0	3.36%
20 - Streetlighting	3,537,205	1,727,994	5,265,199	48.85%	701,958	4,239,163	19.85%	350,979	9.92%	350,979.2	9.03%
<b>Total</b>	<b>\$ 761,083,651</b>	<b>\$ 104,999,997</b>	<b>\$ 866,083,648</b>	<b>13.80%</b>	<b>\$ 104,999,997</b>	<b>\$ 866,083,648</b>	<b>13.80%</b>	<b>\$ 52,499,998</b>	<b>6.90%</b>	<b>\$ 52,499,998</b>	<b>6.45%</b>



# STIPULATION EXHIBIT 3

Summary of Stipulated Rate Schedules by Class  
Consisting of 8 pages

Schedule	Description	Rate schedule component	Current Charge (\$)	Phase 1 rate incr. (effective 7/1/2025)	% increase from current rates	Phase 2 rate incr. (effective 4/1/2026)	% increase from Phase 1 rates	Total % increase from current rates
1A	Residential Service	Customer Charge	\$ 9.95	\$ 10.94	9.93%	\$ 11.93	9.03%	19.85%
		<u>Energy Charge</u>						
		Block 1 Summer	\$ 0.0748255	\$ 0.0822519	9.93%	\$ 0.0896783	9.03%	19.85%
		Block 2 Summer	\$ 0.1240339	\$ 0.1363443	9.93%	\$ 0.1486546	9.03%	19.85%
		Block 3 Summer	\$ 0.1664298	\$ 0.1829479	9.93%	\$ 0.1994661	9.03%	19.85%
		Block 1 Non-Summer	\$ 0.0748255	\$ 0.0822519	9.93%	\$ 0.0896783	9.03%	19.85%
		Block 2 Non-Summer	\$ 0.1070240	\$ 0.1176461	9.92%	\$ 0.1282683	9.03%	19.85%
		Block 3 Non-Summer	\$ 0.1408090	\$ 0.1554652	10.41%	\$ 0.1701214	9.43%	20.82%
		Whole House EV Rate	\$ 0.0315696	\$ 0.0445348	41.07%	\$ 0.0575000	29.11%	82.14%
1B	Residential Service Time-of-Use	Customer Charge	\$ 21.14	\$ 23.24	9.93%	\$ 25.34	9.03%	19.85%
		Meter Charge	\$ 5.37	\$ 5.90	9.92%	\$ 6.44	9.03%	19.85%
		<u>Energy Charge</u>						
		Summer On-Peak	\$ 0.1973457	\$ 0.2171580	10.04%	\$ 0.2369704	9.12%	20.08%
		Summer Off-Peak	\$ 0.0633977	\$ 0.0697625	10.04%	\$ 0.0761273	9.12%	20.08%
		Non-Summer On-Peak	\$ 0.1536420	\$ 0.1690668	10.04%	\$ 0.1844915	9.12%	20.08%
		Non-Summer Off-Peak	\$ 0.0633977	\$ 0.0697625	10.04%	\$ 0.0761273	9.12%	20.08%
2A	Small Power Service	Customer Charge	\$ 22.08	\$ 22.85	3.48%	\$ 23.61	3.36%	6.95%
		<u>Energy Charge</u>						
		Summer	\$ 0.1094774	\$ 0.1133766	3.56%	\$ 0.1172758	3.44%	7.12%
		Non-Summer	\$ 0.0871961	\$ 0.0903017	3.56%	\$ 0.0934073	3.44%	7.12%
2B	Small Power Service Time-of-Use	Customer Charge	\$ 7.55	\$ 7.82	3.52%	\$ 8.08	3.40%	7.04%
		Meter Charge	\$ 8.23	\$ 8.51	3.43%	\$ 8.80	3.32%	6.87%
		<u>Energy Charge</u>						
		Summer On-Peak	\$ 0.2063978	\$ 0.2137422	3.56%	\$ 0.2210865	3.44%	7.12%
		Summer Off-Peak	\$ 0.0594304	\$ 0.0615452	3.56%	\$ 0.0636599	3.44%	7.12%
		Non-Summer On-Peak	\$ 0.1600557	\$ 0.1657511	3.56%	\$ 0.1714464	3.44%	7.12%
		Non-Summer Off-Peak	\$ 0.0594304	\$ 0.0615452	3.56%	\$ 0.0636599	3.44%	7.12%
3B	General Power Service Time-of-Use	Customer Charge	\$ 99.73	\$ 104.60	4.87%	\$ 109.46	4.65%	9.75%
		<u>Demand Charge</u>						
		Primary Summer	\$ 29.76	\$ 33.27	11.81%	\$ 36.79	10.56%	23.61%
		Primary Non-Summer	\$ 22.11	\$ 24.72	11.81%	\$ 27.33	10.56%	23.61%
		Secondary Summer	\$ 30.15	\$ 33.71	11.81%	\$ 37.27	10.56%	23.61%
		Secondary Non-Summer	\$ 22.51	\$ 25.17	11.81%	\$ 27.83	10.56%	23.61%
		<u>Energy Charge</u>						

	Summer On-Peak	\$ 0.0180963	\$ 0.0127483	-29.55%	\$ 0.0074003	-41.95%	-59.11%
	Summer Off-Peak	\$ 0.0084248	\$ 0.0059350	-29.55%	\$ 0.0034453	-41.95%	-59.11%
	Non-Summer On-Peak	\$ 0.0149913	\$ 0.0105609	-29.55%	\$ 0.0061305	-41.95%	-59.11%
	Non-Summer Off-Peak	\$ 0.0084248	\$ 0.0059350	-29.55%	\$ 0.0034453	-41.95%	-59.11%
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	0.00%	\$ 0.27	0.00%	0.00%
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	0.00%	\$ 0.27	0.00%	0.00%
3C	General Power Service (Low Load Factor) Time-of-Use						
	Customer Charge	\$ 72.18	\$ 74.69	3.48%	\$ 77.20	3.36%	6.95%
	<u>Demand Charge</u>						
	Primary Summer	\$ 15.52	\$ 16.06	3.48%	\$ 16.60	3.36%	6.95%
	Primary Non-Summer	\$ 11.43	\$ 11.82	3.48%	\$ 12.22	3.36%	6.95%
	Secondary Summer	\$ 16.18	\$ 16.75	3.48%	\$ 17.31	3.36%	6.95%
	Secondary Non-Summer	\$ 12.09	\$ 12.51	3.48%	\$ 12.93	3.36%	6.95%
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0628693	\$ 0.0651645	3.65%	\$ 0.0674597	3.52%	7.30%
	Summer Off-Peak	\$ 0.0283339	\$ 0.0293683	3.65%	\$ 0.0304027	3.52%	7.30%
	Non-Summer On-Peak	\$ 0.0473595	\$ 0.0490885	3.65%	\$ 0.0508175	3.52%	7.30%
	Non-Summer Off-Peak	\$ 0.0283339	\$ 0.0293683	3.65%	\$ 0.0304027	3.52%	7.30%
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	0.00%	\$ 0.27	0.00%	0.00%
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	0.00%	\$ 0.27	0.00%	0.00%
3D	General Power Service Time-of-Use						
	Customer Charge	\$ 99.73	\$ 103.20	3.48%	\$ 106.67	3.36%	6.95%
	<u>Demand Charge</u>						
	Primary Summer	\$ 29.76	\$ 30.79	3.48%	\$ 31.83	3.36%	6.95%
	Primary Non-Summer	\$ 22.11	\$ 22.88	3.48%	\$ 23.65	3.36%	6.95%
	Secondary Summer	\$ 30.15	\$ 31.20	3.48%	\$ 32.25	3.36%	6.95%
	Secondary Non-Summer	\$ 22.51	\$ 23.30	3.48%	\$ 24.08	3.36%	6.95%
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0180963	\$ 0.0188423	4.12%	\$ 0.0195882	3.96%	8.24%
	Summer Off-Peak	\$ 0.0084248	\$ 0.0087721	4.12%	\$ 0.0091194	3.96%	8.24%
	Non-Summer On-Peak	\$ 0.0149913	\$ 0.0156092	4.12%	\$ 0.0162272	3.96%	8.24%
	Non-Summer Off-Peak	\$ 0.0084248	\$ 0.0087721	4.12%	\$ 0.0091194	3.96%	8.24%
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	0.00%	\$ 0.27	0.00%	0.00%
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	0.00%	\$ 0.27	0.00%	0.00%
3E	General Power Service (Low Load Factor) Time-of-Use						
	Customer Charge	\$ 72.18	\$ 74.69	3.48%	\$ 77.20	3.36%	6.95%
	<u>Demand Charge</u>						
	Primary Summer	\$ 15.52	\$ 16.06	3.47%	\$ 16.60	3.36%	6.95%
	Primary Non-Summer	\$ 11.43	\$ 11.82	3.47%	\$ 12.22	3.36%	6.95%
	Secondary Summer	\$ 16.18	\$ 16.74	3.47%	\$ 17.31	3.36%	6.95%
	Secondary Non-Summer	\$ 12.09	\$ 12.51	3.47%	\$ 12.93	3.36%	6.95%
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0628693	\$ 0.0651825	3.68%	\$ 0.0674957	3.55%	7.36%

	Summer Off-Peak	\$ 0.0283339	\$ 0.0293764	<b>3.68%</b>	\$ 0.0304189	<b>3.55%</b>	<b>7.36%</b>
	Non-Summer On-Peak	\$ 0.0473595	\$ 0.0491021	<b>3.68%</b>	\$ 0.0508446	<b>3.55%</b>	<b>7.36%</b>
	Non-Summer Off-Peak	\$ 0.0283339	\$ 0.0293764	<b>3.68%</b>	\$ 0.0304189	<b>3.55%</b>	<b>7.36%</b>
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
3F	Commercial Charging Station						
	Customer Charge	\$ 72.18	\$ 74.69	<b>3.48%</b>	\$ 77.20	<b>3.36%</b>	<b>6.95%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.1865171	\$ 0.1931210	<b>3.54%</b>	\$ 0.1997250	<b>3.42%</b>	<b>7.08%</b>
	Summer Off-Peak	\$ 0.0642196	\$ 0.0664934	<b>3.54%</b>	\$ 0.0687672	<b>3.42%</b>	<b>7.08%</b>
	Non-Summer On-Peak	\$ 0.1380762	\$ 0.1429650	<b>3.54%</b>	\$ 0.1478538	<b>3.42%</b>	<b>7.08%</b>
	Non-Summer Off-Peak	\$ 0.0642196	\$ 0.0664934	<b>3.54%</b>	\$ 0.0687672	<b>3.42%</b>	<b>7.08%</b>
4B	Large Power Service Time-of-Use						
	Customer Charge	\$ 666.65	\$ 689.82	<b>3.48%</b>	\$ 712.98	<b>3.36%</b>	<b>6.95%</b>
	<u>Demand Charge</u>						
	Primary Summer	\$ 28.44	\$ 29.42	<b>3.47%</b>	\$ 30.41	<b>3.36%</b>	<b>6.95%</b>
	Primary Non-Summer	\$ 19.79	\$ 20.48	<b>3.47%</b>	\$ 21.17	<b>3.36%</b>	<b>6.95%</b>
	Secondary Summer	\$ 30.74	\$ 31.81	<b>3.47%</b>	\$ 32.88	<b>3.36%</b>	<b>6.95%</b>
	Secondary Non-Summer	\$ 22.09	\$ 22.85	<b>3.47%</b>	\$ 23.62	<b>3.36%</b>	<b>6.95%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0203688	\$ 0.0211805	<b>3.98%</b>	\$ 0.0219922	<b>3.83%</b>	<b>7.97%</b>
	Summer Off-Peak	\$ 0.0105786	\$ 0.0110001	<b>3.98%</b>	\$ 0.0114216	<b>3.83%</b>	<b>7.97%</b>
	Non-Summer On-Peak	\$ 0.0159947	\$ 0.0166321	<b>3.98%</b>	\$ 0.0172695	<b>3.83%</b>	<b>7.97%</b>
	Non-Summer Off-Peak	\$ 0.0105786	\$ 0.0110001	<b>3.98%</b>	\$ 0.0114216	<b>3.83%</b>	<b>7.97%</b>
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
5B	Large Service for Customers >= 8,000 kW min. at 115 kV, 69 kV or 34.5 kV						
	Customer Charge	\$ 2,325.12	\$ 2,405.92	<b>3.48%</b>	\$ 2,486.72	<b>3.36%</b>	<b>6.95%</b>
	<u>Demand Charge</u>						
	Summer	\$ 11.19	\$ 11.58	<b>3.47%</b>	\$ 11.97	<b>3.36%</b>	<b>6.95%</b>
	Non-Summer	\$ 6.80	\$ 7.03	<b>3.48%</b>	\$ 7.27	<b>3.36%</b>	<b>6.95%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0672492	\$ 0.0696747	<b>3.61%</b>	\$ 0.0721001	<b>3.48%</b>	<b>7.21%</b>
	Summer Off-Peak	\$ 0.0298010	\$ 0.0308759	<b>3.61%</b>	\$ 0.0319507	<b>3.48%</b>	<b>7.21%</b>
	Non-Summer On-Peak	\$ 0.0479979	\$ 0.0497291	<b>3.61%</b>	\$ 0.0514602	<b>3.48%</b>	<b>7.21%</b>
	Non-Summer Off-Peak	\$ 0.0298010	\$ 0.0308759	<b>3.61%</b>	\$ 0.0319507	<b>3.48%</b>	<b>7.21%</b>
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
10A	Irrigation Service						
	Customer Charge	\$ 15.14	\$ 16.30	<b>7.70%</b>	\$ 17.47	<b>7.15%</b>	<b>15.40%</b>
	<u>Energy Charge</u>						
	Summer	\$ 0.0803334	\$ 0.0865976	<b>7.80%</b>	\$ 0.0928618	<b>7.23%</b>	<b>15.60%</b>

	Non-Summer	\$ 0.0732115	\$ 0.0789204	<b>7.80%</b>	\$ 0.0846293	<b>7.23%</b>	<b>15.60%</b>
10B	Irrigation Service Time-of-Use						
	Customer Charge	\$ 11.27	\$ 12.13	<b>7.70%</b>	\$ 13.00	<b>7.15%</b>	<b>15.40%</b>
	Meter Charge	\$ 3.87	\$ 4.17	<b>7.70%</b>	\$ 4.47	<b>7.15%</b>	<b>15.40%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.1225840	\$ 0.1321390	<b>7.79%</b>	\$ 0.1416941	<b>7.23%</b>	<b>15.59%</b>
	Summer Off-Peak	\$ 0.0558272	\$ 0.0601788	<b>7.79%</b>	\$ 0.0645303	<b>7.23%</b>	<b>15.59%</b>
	Non-Summer On-Peak	\$ 0.1122023	\$ 0.1209480	<b>7.79%</b>	\$ 0.1296938	<b>7.23%</b>	<b>15.59%</b>
	Non-Summer Off-Peak	\$ 0.0558272	\$ 0.0601788	<b>7.79%</b>	\$ 0.0645303	<b>7.23%</b>	<b>15.59%</b>
11B	Water and Sewage Pumping Service Time-of-Use						
	Customer Charge	\$ 395.99	\$ 380.02	<b>-4.03%</b>	\$ 364.05	<b>-4.20%</b>	<b>-8.07%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.1725843	\$ 0.1921836	<b>11.36%</b>	\$ 0.2117830	<b>10.20%</b>	<b>22.71%</b>
	Summer Off-Peak	\$ 0.0215731	\$ 0.0240230	<b>11.36%</b>	\$ 0.0264729	<b>10.20%</b>	<b>22.71%</b>
	Non-Summer On-Peak	\$ 0.1078652	\$ 0.1201147	<b>11.36%</b>	\$ 0.1323643	<b>10.20%</b>	<b>22.71%</b>
	Non-Summer Off-Peak	\$ 0.0215731	\$ 0.0240230	<b>11.36%</b>	\$ 0.0264729	<b>10.20%</b>	<b>22.71%</b>
15B	Large Service for Public Universities >= 8,000 kW min. at 115 kV						
	Customer Charge	\$ 4,937.47	\$ 5,109.05	<b>3.47%</b>	\$ 5,280.63	<b>3.36%</b>	<b>6.95%</b>
	<u>Demand Charge</u>						
	Summer	\$ 11.77	\$ 12.18	<b>3.48%</b>	\$ 12.59	<b>3.36%</b>	<b>6.95%</b>
	Non-Summer	\$ 7.12	\$ 7.37	<b>3.48%</b>	\$ 7.62	<b>3.36%</b>	<b>6.95%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0491205	\$ 0.0509141	<b>3.65%</b>	\$ 0.0527077	<b>3.52%</b>	<b>7.30%</b>
	Summer Off-Peak	\$ 0.0196097	\$ 0.0203257	<b>3.65%</b>	\$ 0.0210418	<b>3.52%</b>	<b>7.30%</b>
	Non-Summer On-Peak	\$ 0.0383915	\$ 0.0397933	<b>3.65%</b>	\$ 0.0411952	<b>3.52%</b>	<b>7.30%</b>
	Non-Summer Off-Peak	\$ 0.0196097	\$ 0.0203257	<b>3.65%</b>	\$ 0.0210418	<b>3.52%</b>	<b>7.30%</b>
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
30B	Large Service for Manufacturing >= 30,000 kW min. at Distribution Voltage						
	Customer Charge	\$ 48,167.15	\$ 49,840.95	<b>3.48%</b>	\$ 51,514.76	<b>3.36%</b>	<b>6.95%</b>
	<u>Demand Charge</u>						
	Summer	\$ 27.38	\$ 28.33	<b>3.47%</b>	\$ 29.28	<b>3.36%</b>	<b>6.95%</b>
	Non-Summer	\$ 19.36	\$ 20.03	<b>3.47%</b>	\$ 20.70	<b>3.36%</b>	<b>6.95%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0152150	\$ 0.0158321	<b>4.06%</b>	\$ 0.0164492	<b>3.90%</b>	<b>8.11%</b>
	Summer Off-Peak	\$ 0.0074235	\$ 0.0077245	<b>4.06%</b>	\$ 0.0080256	<b>3.90%</b>	<b>8.11%</b>
	Non-Summer On-Peak	\$ 0.0117982	\$ 0.0122767	<b>4.06%</b>	\$ 0.0127552	<b>3.90%</b>	<b>8.11%</b>
	Non-Summer Off-Peak	\$ 0.0074235	\$ 0.0077245	<b>4.06%</b>	\$ 0.0080256	<b>3.90%</b>	<b>8.11%</b>
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
33B	Large Service for Station Power Time-of-Use						
	Customer Charge	\$ 431.70	\$ 446.70	<b>3.48%</b>	\$ 461.70	<b>3.36%</b>	<b>6.95%</b>

	<u>Demand Charge</u>						
	Summer	\$ 0.28	\$ 1.28	<b>352.00%</b>	\$ 2.28	<b>77.88%</b>	<b>704.00%</b>
	Non-Summer	\$ 0.20	\$ 0.88	<b>352.00%</b>	\$ 1.57	<b>77.88%</b>	<b>704.00%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0707748	\$ 0.0642855	<b>-9.17%</b>	\$ 0.0577962	<b>-10.09%</b>	<b>-18.34%</b>
	Summer Off-Peak	\$ 0.0350702	\$ 0.0318547	<b>-9.17%</b>	\$ 0.0286391	<b>-10.09%</b>	<b>-18.34%</b>
	Non-Summer On-Peak	\$ 0.0577940	\$ 0.0524949	<b>-9.17%</b>	\$ 0.0471958	<b>-10.09%</b>	<b>-18.34%</b>
	Non-Summer Off-Peak	\$ 0.0350702	\$ 0.0318547	<b>-9.17%</b>	\$ 0.0286391	<b>-10.09%</b>	<b>-18.34%</b>
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
35B	Large Power Service >= 3,000 kW Time-of-Use						
	Customer Charge	\$ 3,400.29	\$ 3,518.45	<b>3.48%</b>	\$ 3,636.61	<b>3.36%</b>	<b>6.95%</b>
	<u>Demand Charge</u>						
	Summer	\$ 22.91	\$ 23.71	<b>3.47%</b>	\$ 24.50	<b>3.36%</b>	<b>6.95%</b>
	Non-Summer	\$ 14.74	\$ 15.25	<b>3.47%</b>	\$ 15.76	<b>3.36%</b>	<b>6.95%</b>
	<u>Energy Charge</u>						
	Summer On-Peak	\$ 0.0178831	\$ 0.0185930	<b>3.97%</b>	\$ 0.0193029	<b>3.82%</b>	<b>7.94%</b>
	Summer Off-Peak	\$ 0.0092876	\$ 0.0096563	<b>3.97%</b>	\$ 0.0100250	<b>3.82%</b>	<b>7.94%</b>
	Non-Summer On-Peak	\$ 0.0140428	\$ 0.0146003	<b>3.97%</b>	\$ 0.0151577	<b>3.82%</b>	<b>7.94%</b>
	Non-Summer Off-Peak	\$ 0.0092876	\$ 0.0096563	<b>3.97%</b>	\$ 0.0100250	<b>3.82%</b>	<b>7.94%</b>
	<u>Other Charges</u>						
	Billable RkVA Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
	Billable RkVA Non-Summer	\$ 0.27	\$ 0.27	<b>0.00%</b>	\$ 0.27	<b>0.00%</b>	<b>0.00%</b>
36B	Special Service Rate						
	Customer Charge	\$ 21,857.02	\$ 22,616.55	<b>3.48%</b>	\$ 23,376.08	<b>3.36%</b>	<b>6.95%</b>
	Transmission Demand Charge	\$ 4.53	\$ 4.68	<b>3.48%</b>	\$ 4.84	<b>3.36%</b>	<b>6.95%</b>
	Contribution to Production Component						
	Energy Related Non-Fuel Charge	\$ 0.0242411	\$ 0.0253634	<b>4.63%</b>	\$ 0.0264856	<b>4.42%</b>	<b>9.26%</b>
6	Private Area Lighting Service						
	<u>Fixture Rate</u>						
	175W MV Lt (73 kWh) - (LA12)	\$ 11.63	\$ 13.02	<b>11.93%</b>	\$ 14.41	<b>10.66%</b>	<b>23.87%</b>
	175W MV Lt (73 kWh) - (LA1A)	\$ 11.63	\$ 13.02	<b>11.93%</b>	\$ 14.41	<b>10.66%</b>	<b>23.87%</b>
	400W MV Lt (162 kWh) - (LAFA)	\$ 23.02	\$ 26.01	<b>12.96%</b>	\$ 28.99	<b>11.47%</b>	<b>25.92%</b>
	400W MH Lt (162 kWh) - (LAMA)	\$ 24.67	\$ 27.71	<b>12.33%</b>	\$ 30.75	<b>10.97%</b>	<b>24.65%</b>
	1,000W MH Lt (380 kWh) - (LANA)	\$ 53.31	\$ 60.29	<b>13.08%</b>	\$ 67.26	<b>11.57%</b>	<b>26.16%</b>
	100W HPS Lt (45 kWh) - (LA32)	\$ 9.34	\$ 10.27	<b>9.97%</b>	\$ 11.20	<b>9.07%</b>	<b>19.95%</b>
	100W HPS Lt (45 kWh) - (LA3A)	\$ 9.34	\$ 10.27	<b>9.97%</b>	\$ 11.20	<b>9.07%</b>	<b>19.95%</b>
	200W HPS Lt (89 kWh) - (LAOA)	\$ 15.25	\$ 16.98	<b>11.34%</b>	\$ 18.71	<b>10.19%</b>	<b>22.69%</b>
	200W HPS Lt (89 kWh) - (LATA)	\$ 15.25	\$ 16.98	<b>11.34%</b>	\$ 18.71	<b>10.19%</b>	<b>22.69%</b>
	400W HPS FL (165 kWh) - (LA42)	\$ 25.52	\$ 28.63	<b>12.19%</b>	\$ 31.74	<b>10.87%</b>	<b>24.38%</b>
	400W HPS FL (165 kWh) (30' Wood Pole) - (LB42)	\$ 25.52	\$ 28.63	<b>12.19%</b>	\$ 31.74	<b>10.87%</b>	<b>24.38%</b>
	400W HPS FL (165 kWh) (35' Wood Pole) - (LC42)	\$ 25.52	\$ 28.63	<b>12.19%</b>	\$ 31.74	<b>10.87%</b>	<b>24.38%</b>
	400W HPS FL (165 kWh) (40' Wood Pole) - (LD42)	\$ 25.52	\$ 28.63	<b>12.19%</b>	\$ 31.74	<b>10.87%</b>	<b>24.38%</b>
	400W HPS Lt (165 kWh) - (LA4A)	\$ 25.52	\$ 28.63	<b>12.19%</b>	\$ 31.74	<b>10.87%</b>	<b>24.38%</b>
	40W LED - Company Owned - (QA12)	\$ 11.63	\$ 3.38		\$ 3.38		<b>-70.96%</b>

40W LED - Company Owned - (QA1A)	\$	11.63	\$	3.38		\$	3.38		-70.96%
40W LED - Company Owned - (QA32)	\$	9.34	\$	3.38		\$	3.38		-63.84%
40W LED - Company Owned - (QA3A)	\$	9.34	\$	3.38		\$	3.38		-63.84%
120W LED - Company Owned - (QAFA)	\$	23.02	\$	10.16		\$	10.16		-55.88%
120W LED - Company Owned - (QAOA)	\$	15.25	\$	10.16		\$	10.16		-33.40%
120W LED - Company Owned - (QATA)	\$	15.25	\$	10.16		\$	10.16		-33.40%
200W LED - Company Owned - (QB42)	\$	25.52	\$	16.91		\$	16.91		-33.72%
200W LED - Company Owned - (QC42)	\$	25.52	\$	16.91		\$	16.91		-33.72%
250W LED - Company Owned - (QA42)	\$	25.52	\$	21.16		\$	21.16		-17.08%
<u>Pole Charge</u>									
Pole Charge (wood) - (LOLA)	\$	3.06	\$	3.16	<b>3.49%</b>	\$	3.27	<b>3.38%</b>	<b>6.99%</b>

20 Integrated System Streetlighting and Floodlighting Service - New Installation

<u>Fixture Charge</u>									
175W Mercury Vapor and Streetlight - Co Own	\$	13.56	\$	14.91	<b>9.95%</b>	\$	16.25	<b>9.05%</b>	<b>19.90%</b>
400W Mercury Vapor Streetlight - Co Own	\$	20.58	\$	22.63	<b>9.95%</b>	\$	24.68	<b>9.05%</b>	<b>19.90%</b>
55W Low Pressure Sodium Street Light - Co Own	\$	12.18	\$	13.39	<b>9.95%</b>	\$	14.60	<b>9.05%</b>	<b>19.90%</b>
135W Low Pressure Sodium Street Light - Co Own	\$	16.42	\$	18.06	<b>9.95%</b>	\$	19.69	<b>9.05%</b>	<b>19.90%</b>
70W High Pressure Sodium Street Light - Co Own	\$	10.50	\$	11.54	<b>9.95%</b>	\$	12.59	<b>9.05%</b>	<b>19.90%</b>
100W High Pressure Sodium Street Light - Co Own	\$	11.52	\$	12.67	<b>9.95%</b>	\$	13.82	<b>9.05%</b>	<b>19.90%</b>
200W High Pressure Sodium Street Light - Co Own	\$	14.37	\$	15.80	<b>9.95%</b>	\$	17.23	<b>9.05%</b>	<b>19.90%</b>
250W High Pressure Sodium Street Light - Co Own	\$	16.58	\$	18.23	<b>9.95%</b>	\$	19.88	<b>9.05%</b>	<b>19.90%</b>
400W High Pressure Sodium Flood Light - Co Own	\$	20.81	\$	22.88	<b>9.95%</b>	\$	24.95	<b>9.05%</b>	<b>19.90%</b>
400W High Pressure Sodium Street Light - Co Own	\$	20.81	\$	22.88	<b>9.95%</b>	\$	24.95	<b>9.05%</b>	<b>19.90%</b>
175W Mercury Vapor and Streetlight - Cu Own	\$	5.31	\$	5.84	<b>9.95%</b>	\$	6.37	<b>9.05%</b>	<b>19.90%</b>
400W Mercury Vapor Streetlight - Cu Own	\$	11.79	\$	12.97	<b>9.95%</b>	\$	14.14	<b>9.05%</b>	<b>19.90%</b>
55W Low Pressure Sodium Street Light - Cu Own	\$	2.04	\$	2.25	<b>9.95%</b>	\$	2.45	<b>9.05%</b>	<b>19.90%</b>
135W Low Pressure Sodium Street Light - Cu Own	\$	4.58	\$	5.04	<b>9.95%</b>	\$	5.49	<b>9.05%</b>	<b>19.90%</b>
70W High Pressure Sodium Street Light - Cu Own	\$	2.25	\$	2.48	<b>9.95%</b>	\$	2.70	<b>9.05%</b>	<b>19.90%</b>
100W High Pressure Sodium Street Light - Cu Own	\$	3.28	\$	3.61	<b>9.95%</b>	\$	3.93	<b>9.05%</b>	<b>19.90%</b>
200W High Pressure Sodium Street Light - Cu Own	\$	6.48	\$	7.13	<b>9.95%</b>	\$	7.77	<b>9.05%</b>	<b>19.90%</b>
250W High Pressure Sodium Street Light - Cu Own	\$	7.79	\$	8.56	<b>9.95%</b>	\$	9.33	<b>9.05%</b>	<b>19.90%</b>
400W High Pressure Sodium Flood Light - Cu Own	\$	12.01	\$	13.21	<b>9.95%</b>	\$	14.40	<b>9.05%</b>	<b>19.90%</b>
400W High Pressure Sodium Street Light - Cu Own	\$	12.01	\$	13.21	<b>9.95%</b>	\$	14.40	<b>9.05%</b>	<b>19.90%</b>
10W LED - Company Owned	\$	0.68	\$	0.75	<b>9.95%</b>	\$	0.82	<b>9.05%</b>	<b>19.90%</b>
20W LED - Company Owned	\$	1.36	\$	1.50	<b>9.95%</b>	\$	1.63	<b>9.05%</b>	<b>19.90%</b>
30W LED - Company Owned	\$	2.05	\$	2.26	<b>9.95%</b>	\$	2.46	<b>9.05%</b>	<b>19.90%</b>
40W LED - Company Owned	\$	2.73	\$	3.00	<b>9.95%</b>	\$	3.28	<b>9.05%</b>	<b>19.90%</b>
50W LED - Company Owned	\$	3.41	\$	3.75	<b>9.95%</b>	\$	4.09	<b>9.05%</b>	<b>19.90%</b>
60W LED - Company Owned	\$	4.09	\$	4.50	<b>9.95%</b>	\$	4.91	<b>9.05%</b>	<b>19.90%</b>
70W LED - Company Owned	\$	4.78	\$	5.26	<b>9.95%</b>	\$	5.74	<b>9.05%</b>	<b>19.90%</b>
80W LED - Company Owned	\$	5.46	\$	6.01	<b>9.95%</b>	\$	6.55	<b>9.05%</b>	<b>19.90%</b>
90W LED - Company Owned	\$	6.15	\$	6.76	<b>9.95%</b>	\$	7.37	<b>9.05%</b>	<b>19.90%</b>
100W LED - Company Owned	\$	6.83	\$	7.51	<b>9.95%</b>	\$	8.18	<b>9.05%</b>	<b>19.90%</b>
110W LED - Company Owned	\$	7.52	\$	8.26	<b>9.95%</b>	\$	9.01	<b>9.05%</b>	<b>19.90%</b>
120W LED - Company Owned	\$	8.20	\$	9.01	<b>9.95%</b>	\$	9.83	<b>9.05%</b>	<b>19.90%</b>
130W LED - Company Owned	\$	8.88	\$	9.76	<b>9.95%</b>	\$	10.64	<b>9.05%</b>	<b>19.90%</b>
140W LED - Company Owned	\$	9.56	\$	10.51	<b>9.95%</b>	\$	11.46	<b>9.05%</b>	<b>19.90%</b>
150W LED - Company Owned	\$	10.24	\$	11.26	<b>9.95%</b>	\$	12.28	<b>9.05%</b>	<b>19.90%</b>

160W LED - Company Owned	\$	10.93	\$	12.02	9.95%	\$	13.11	9.05%	19.90%
170W LED - Company Owned	\$	11.61	\$	12.77	9.95%	\$	13.92	9.05%	19.90%
180W LED - Company Owned	\$	12.29	\$	13.51	9.95%	\$	14.74	9.05%	19.90%
190W LED - Company Owned	\$	12.97	\$	14.26	9.95%	\$	15.55	9.05%	19.90%
200W LED - Company Owned	\$	13.66	\$	15.02	9.95%	\$	16.38	9.05%	19.90%
210W LED - Company Owned	\$	14.34	\$	15.77	9.95%	\$	17.20	9.05%	19.90%
220W LED - Company Owned	\$	15.02	\$	16.52	9.95%	\$	18.01	9.05%	19.90%
230W LED - Company Owned	\$	15.70	\$	17.27	9.95%	\$	18.83	9.05%	19.90%
240W LED - Company Owned	\$	16.39	\$	18.03	9.95%	\$	19.66	9.05%	19.90%
250W LED - Company Owned	\$	17.08	\$	18.77	9.95%	\$	20.47	9.05%	19.90%
260W LED - Company Owned	\$	17.76	\$	19.52	9.95%	\$	21.29	9.05%	19.90%
270W LED - Company Owned	\$	18.44	\$	20.27	9.95%	\$	22.11	9.05%	19.90%
280W LED - Company Owned	\$	19.12	\$	21.02	9.95%	\$	22.92	9.05%	19.90%
290W LED - Company Owned	\$	19.81	\$	21.78	9.95%	\$	23.75	9.05%	19.90%
300W LED - Company Owned	\$	20.49	\$	22.53	9.95%	\$	24.57	9.05%	19.90%
310W LED - Company Owned	\$	21.17	\$	23.28	9.95%	\$	25.38	9.05%	19.90%
320W LED - Company Owned	\$	21.85	\$	24.02	9.95%	\$	26.20	9.05%	19.90%
330W LED - Company Owned	\$	22.54	\$	24.78	9.95%	\$	27.03	9.05%	19.90%
340W LED - Company Owned	\$	23.22	\$	25.53	9.95%	\$	27.84	9.05%	19.90%
350W LED - Company Owned	\$	23.90	\$	26.28	9.95%	\$	28.66	9.05%	19.90%
360W LED - Company Owned	\$	24.58	\$	27.03	9.95%	\$	29.47	9.05%	19.90%
370W LED - Company Owned	\$	25.27	\$	27.79	9.95%	\$	30.30	9.05%	19.90%
380W LED - Company Owned	\$	25.95	\$	28.54	9.95%	\$	31.12	9.05%	19.90%
390W LED - Company Owned	\$	26.63	\$	29.28	9.95%	\$	31.93	9.05%	19.90%
400W LED - Company Owned	\$	27.32	\$	30.03	9.95%	\$	32.75	9.05%	19.90%
10W LED - Customer Owned	\$	0.19	\$	0.21	9.95%	\$	0.23	9.05%	19.90%
20W LED - Customer Owned	\$	0.38	\$	0.42	9.95%	\$	0.46	9.05%	19.90%
30W LED - Customer Owned	\$	0.58	\$	0.63	9.95%	\$	0.69	9.05%	19.90%
40W LED - Customer Owned	\$	0.77	\$	0.84	9.95%	\$	0.92	9.05%	19.90%
50W LED - Customer Owned	\$	0.96	\$	1.05	9.95%	\$	1.15	9.05%	19.90%
60W LED - Customer Owned	\$	1.15	\$	1.26	9.95%	\$	1.38	9.05%	19.90%
70W LED - Customer Owned	\$	1.34	\$	1.48	9.95%	\$	1.61	9.05%	19.90%
80W LED - Customer Owned	\$	1.53	\$	1.69	9.95%	\$	1.84	9.05%	19.90%
90W LED - Customer Owned	\$	1.73	\$	1.90	9.95%	\$	2.07	9.05%	19.90%
100W LED - Customer Owned	\$	1.92	\$	2.11	9.95%	\$	2.30	9.05%	19.90%
110W LED - Customer Owned	\$	2.11	\$	2.32	9.95%	\$	2.53	9.05%	19.90%
120W LED - Customer Owned	\$	2.30	\$	2.53	9.95%	\$	2.76	9.05%	19.90%
130W LED - Customer Owned	\$	2.49	\$	2.74	9.95%	\$	2.99	9.05%	19.90%
140W LED - Customer Owned	\$	2.68	\$	2.95	9.95%	\$	3.22	9.05%	19.90%
150W LED - Customer Owned	\$	2.88	\$	3.16	9.95%	\$	3.45	9.05%	19.90%
160W LED - Customer Owned	\$	3.07	\$	3.37	9.95%	\$	3.68	9.05%	19.90%
170W LED - Customer Owned	\$	3.26	\$	3.58	9.95%	\$	3.91	9.05%	19.90%
180W LED - Customer Owned	\$	3.45	\$	3.79	9.95%	\$	4.14	9.05%	19.90%
190W LED - Customer Owned	\$	3.63	\$	4.00	9.95%	\$	4.36	9.05%	19.90%
200W LED - Customer Owned	\$	3.83	\$	4.21	9.95%	\$	4.59	9.05%	19.90%
210W LED - Customer Owned	\$	4.02	\$	4.42	9.95%	\$	4.82	9.05%	19.90%
220W LED - Customer Owned	\$	4.21	\$	4.63	9.95%	\$	5.05	9.05%	19.90%
230W LED - Customer Owned	\$	4.40	\$	4.84	9.95%	\$	5.28	9.05%	19.90%
240W LED - Customer Owned	\$	4.59	\$	5.05	9.95%	\$	5.51	9.05%	19.90%



250W LED - Customer Owned	\$	4.78	\$	5.26	<b>9.95%</b>	\$	5.74	<b>9.05%</b>	<b>19.90%</b>
260W LED - Customer Owned	\$	4.98	\$	5.47	<b>9.95%</b>	\$	5.97	<b>9.05%</b>	<b>19.90%</b>
270W LED - Customer Owned	\$	5.17	\$	5.68	<b>9.95%</b>	\$	6.20	<b>9.05%</b>	<b>19.90%</b>
280W LED - Customer Owned	\$	5.36	\$	5.89	<b>9.95%</b>	\$	6.43	<b>9.05%</b>	<b>19.90%</b>
290W LED - Customer Owned	\$	5.55	\$	6.10	<b>9.95%</b>	\$	6.66	<b>9.05%</b>	<b>19.90%</b>
300W LED - Customer Owned	\$	5.74	\$	6.31	<b>9.95%</b>	\$	6.89	<b>9.05%</b>	<b>19.90%</b>
310W LED - Customer Owned	\$	5.93	\$	6.53	<b>9.95%</b>	\$	7.12	<b>9.05%</b>	<b>19.90%</b>
320W LED - Customer Owned	\$	6.13	\$	6.74	<b>9.95%</b>	\$	7.35	<b>9.05%</b>	<b>19.90%</b>
330W LED - Customer Owned	\$	6.32	\$	6.95	<b>9.95%</b>	\$	7.58	<b>9.05%</b>	<b>19.90%</b>
340W LED - Customer Owned	\$	6.51	\$	7.16	<b>9.95%</b>	\$	7.81	<b>9.05%</b>	<b>19.90%</b>
350W LED - Customer Owned	\$	6.70	\$	7.37	<b>9.95%</b>	\$	8.04	<b>9.05%</b>	<b>19.90%</b>
360W LED - Customer Owned	\$	6.89	\$	7.58	<b>9.95%</b>	\$	8.27	<b>9.05%</b>	<b>19.90%</b>
370W LED - Customer Owned	\$	7.09	\$	7.79	<b>9.95%</b>	\$	8.50	<b>9.05%</b>	<b>19.90%</b>
380W LED - Customer Owned	\$	7.28	\$	8.00	<b>9.95%</b>	\$	8.73	<b>9.05%</b>	<b>19.90%</b>
390W LED - Customer Owned	\$	7.47	\$	8.21	<b>9.95%</b>	\$	8.96	<b>9.05%</b>	<b>19.90%</b>
400W LED - Customer Owned	\$	7.66	\$	8.42	<b>9.95%</b>	\$	9.19	<b>9.05%</b>	<b>19.90%</b>
460W LED - Customer Owned	\$	8.81	\$	9.69	<b>9.95%</b>	\$	10.56	<b>9.05%</b>	<b>19.90%</b>
470W LED - Customer Owned	\$	9.00	\$	9.90	<b>9.95%</b>	\$	10.79	<b>9.05%</b>	<b>19.90%</b>
<u>Metered Lighting Energy Charge</u>									
Company-Owned	\$	0.1860062	\$	0.2046255	<b>10.01%</b>	\$	0.2232448	<b>9.10%</b>	<b>20.02%</b>
Customer-Owned	\$	0.0538669	\$	0.0592271	<b>9.95%</b>	\$	0.0645872	<b>9.05%</b>	<b>19.90%</b>
<u>Pole Charge</u>									
Wood Pole	\$	4.66	\$	5.12	<b>9.95%</b>	\$	5.59	<b>9.05%</b>	<b>19.90%</b>
Non-Wood Pole	\$	9.06	\$	9.96	<b>9.95%</b>	\$	10.86	<b>9.05%</b>	<b>19.90%</b>

# STIPULATION EXHIBIT 4

Potential Community Solar Bill Credits  
Consisting of 2 pages

Sample PNM Community Solar credit calculations by customer class based on settlement 11-19-2024 Phase 1 Rates

Line		1A/B - Residential	2A/B - Small Power	3B/C/D/E/F - General Power	4 - Large Power	5 - Large Service for Customers >=8,000kW	10A/B - Irrigation	11 - Water/Sewage Pumping	15 - Universities 115kV	30 - Manufacturing (30 MW)	33 - Station Service	35 - Large Power >=3,000kW	36 - Special Service - Renew Energy Res	
		A	B	C	D	E	F	G	H	I	J	K	L	
1	<b>Demand Components<sup>4</sup></b>	<b>\$288,462,089</b>	<b>\$84,496,233</b>	<b>\$137,686,944</b>	<b>\$53,393,687</b>	<b>\$1,714,434</b>	<b>\$1,592,064</b>	<b>\$7,670,996</b>	<b>\$2,884,764</b>	<b>\$31,782,640</b>	<b>\$183,647</b>	<b>\$6,281,151</b>	<b>\$18,208,287</b>	
2	Production	\$135,575,129	\$35,894,471	\$61,679,582	\$26,633,862	\$1,277,478	\$667,289	\$2,878,798	\$2,195,004	\$22,033,750	\$139,903	\$4,309,289	\$0	
3	Transmission	\$43,451,643	\$11,504,129	\$19,768,222	\$8,752,259	\$436,956	\$213,865	\$971,467	\$689,761	\$7,491,621	\$43,744	\$1,465,187	\$18,208,287	
4	Distribution	\$109,435,317	\$37,097,633	\$56,239,140	\$18,007,566	\$0	\$710,909	\$3,820,731	\$0	\$2,257,268	\$0	\$506,675	\$0	
5	<b>Energy Components<sup>4</sup></b>	<b>\$12,817,863</b>	<b>\$4,954,414</b>	<b>\$9,012,330</b>	<b>\$4,599,614</b>	<b>\$287,919</b>	<b>\$98,913</b>	<b>\$734,121</b>	<b>\$515,580</b>	<b>\$4,629,846</b>	<b>\$38,828</b>	<b>\$875,191</b>	<b>\$2,930,177</b>	
6	Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
7	Non-Fuel	\$12,817,863	\$4,954,414	\$9,012,330	\$4,599,614	\$287,919	\$98,913	\$734,121	\$515,580	\$4,629,846	\$38,828	\$875,191	\$2,930,177	
8	<b>Customer Components<sup>4</sup></b>	<b>\$103,213,875</b>	<b>\$19,417,868</b>	<b>\$5,329,869</b>	<b>\$1,311,946</b>	<b>\$48,392</b>	<b>\$252,351</b>	<b>\$601,071</b>	<b>\$78,371</b>	<b>\$656,337</b>	<b>\$16,541</b>	<b>\$138,914</b>	<b>\$417,983</b>	
9	Services	\$15,239,392	\$1,893,726	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10	Meters	\$15,802,028	\$6,777,441	\$2,945,748	\$603,344	\$7,482	\$191,009	\$475,538	\$5,482	\$3,910	\$10,579	\$14,925	\$4,955	
11	Meter Reading	\$21,358,120	\$3,059,816	\$229,279	\$8,797	\$109	\$14,867	\$6,934	\$80	\$57	\$154	\$218	\$72	
12	Billing & Collection	\$31,166,777	\$4,106,098	\$385,859	\$44,187	\$144	\$19,644	\$9,162	\$106	\$75	\$204	\$288	\$95	
13	Service and Information	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Other	\$19,647,558	\$3,580,787	\$1,768,983	\$655,617	\$40,656	\$26,831	\$109,437	\$72,703	\$652,294	\$5,604	\$123,484	\$412,861	
15	<b>Total Company</b>	<b>\$404,493,827</b>	<b>\$108,868,515</b>	<b>\$152,029,143</b>	<b>\$59,305,246</b>	<b>\$2,050,744</b>	<b>\$1,943,328</b>	<b>\$9,006,188</b>	<b>\$3,478,716</b>	<b>\$37,068,822</b>	<b>\$239,016</b>	<b>\$7,295,256</b>	<b>\$21,556,447</b>	
<b>Excluded Charges</b>														
16	Minimum Monthly Customer Charge	\$65,503,372	\$15,022,036	\$4,965,333	\$1,382,339	\$28,871	\$61,101	\$684,035	\$61,309	\$598,091	\$5,360	\$147,775	\$271,399	
17	Minimum Monthly Demand Charge	\$0	\$0	\$60,618,240	\$23,608,063	\$785,805	\$0	\$0	\$824,632	\$7,967,265	\$5,914	\$2,162,442	\$0	
18	Energy Components (kWh)	3,244,185,240	965,768,590	1,881,620,770	946,037,310	28,595,990	22,518,980	172,081,786	69,886,280	879,995,270	2,727,450	174,308,550	350,268,360	
19	Demand and Energy Rate (\$/kWh)	<i>L15 / L18</i>	\$0.1246827	\$0.1127273	\$0.0807969	\$0.0626881	\$0.0717144	\$0.0862973	\$0.0523367	\$0.0497768	\$0.0421239	\$0.0876334	\$0.0418525	\$0.0615427
20	Rider 23 Fuel Rate (\$/kWh) <sup>1</sup>	<i>Then current Rider No 23</i>												
21	Rider 36 Renewable Energy (\$/kWh) <sup>2</sup>	<i>Then Current Rider No 36</i>												
<b>Less</b>														
22	Monthly Excluded Charges (\$/kWh)	<i>(L16 + L17) / L18</i>	\$0.0201910	\$0.0155545	\$0.0348548	\$0.0264159	\$0.0284892	\$0.0027133	\$0.0039751	\$0.0126769	\$0.0097334	\$0.0041338	\$0.0132536	\$0.0007748
23	<b>Total Aggregate Retail Rate ("TARR") (\$/kWh)<sup>3</sup></b>	<i>L19 + L20 + L21 - L22</i>	\$0.1044917	\$0.0971728	\$0.0459421	\$0.0362722	\$0.0432252	\$0.0835840	\$0.0483616	\$0.0370999	\$0.0323905	\$0.0834997	\$0.0285989	\$0.0607678
<b>Less</b>														
24	Distribution Cost Component Rate (\$/kWh)	<i>L4 / L18</i>	\$0.0337328	\$0.0384125	\$0.0298887	\$0.0190347	\$0.0000000	\$0.0315693	\$0.0222030	\$0.0000000	\$0.0025651	\$0.0000000	\$0.0029068	\$0.0000000
25	Community Solar Bill Credit Rate (\$/kWh)	<i>L23 - L24</i>	\$0.0707589	\$0.0587603	\$0.0160534	\$0.0172375	\$0.0432252	\$0.0520147	\$0.0261586	\$0.0370999	\$0.0298254	\$0.0834997	\$0.0256922	\$0.0607678
26	Base Bill Credit Rate (\$/kWh)	<i>L23 - L24 - L20 - L21</i>	\$0.0707589	\$0.0587603	\$0.0160534	\$0.0172375	\$0.0432252	\$0.0520147	\$0.0261586	\$0.0370999	\$0.0298254	\$0.0834997	\$0.0256922	\$0.0607678
27	Fuel and Purchased Power Adjustment Clause	<i>L20</i>												
28	Renewable Energy Attributes - Reference Rider No. 36	<i>L21</i>												

- Notes**
- The Fuel and purchased Power Adjustment Clause rate is tied to Rider No 23. Rider 23 is updated quarterly. If specific values for Fuel and Purchased Power Adjustment Clause were included in Rider 56, PNM would have to update Rider 56 with each Rider No 23 update.
  - The Renewable Energy Attributes are tied to Rider No 36. Rider No. 36 is updated twice annually. If specific values were included in Rider 56, PNM would have to update Rider 56 with each Rider No 36 update.
  - The TARR is updated with final order values in each rate case. If the specific values for Fuel and Purchased Power Adjustment Clause and Renewable Energy Attributes were included in Rider No 56, the rider would have to be updated 6 times per year. This would create a large regulatory burden.
  - The illustrative demand, energy, and customer components were generated by running the Rate Design Model using the 50% of the banded revenue increase by class agreed upon in the stipulation.

Sample PNM Community Solar credit calculations by customer class based on settlement 11-19-2024, Phase II Rates

Line		1A/B - Residential	2A/B - Small Power	3B/C/D/E/F - General Power	4 - Large Power	5 - Large Service for Customers >=8,000kW	10A/B - Irrigation	11 - Water/Sewage Pumping	15 - Universities 115kV	30 - Manufacturing (30 MW)	33 - Station Service	35 - Large Power >=3,000kW	36 - Special Service - Renew Energy Res
		A	B	C	D	E	F	G	H	I	J	K	L
1	<b>Demand Components</b>	<b>\$314,480,020</b>	<b>\$87,329,649</b>	<b>\$143,628,964</b>	<b>\$55,184,140</b>	<b>\$1,771,924</b>	<b>\$1,705,822</b>	<b>\$8,362,872</b>	<b>\$2,981,499</b>	<b>\$32,848,408</b>	<b>\$189,805</b>	<b>\$6,491,777</b>	<b>\$18,818,866</b>
2	Production	\$147,803,371	\$37,098,122	\$64,360,447	\$27,526,976	\$1,320,316	\$714,970	\$3,138,448	\$2,268,609	\$22,772,609	\$144,595	\$4,453,792	\$0
3	Transmission	\$47,370,778	\$11,889,897	\$20,627,435	\$9,045,749	\$451,608	\$229,147	\$1,059,087	\$712,890	\$7,742,838	\$45,211	\$1,514,319	\$18,818,866
4	Distribution	\$119,305,871	\$38,341,630	\$58,641,082	\$18,611,415	\$0	\$761,706	\$4,165,337	\$0	\$2,332,961	\$0	\$523,666	\$0
5	<b>Energy Components</b>	<b>\$13,973,974</b>	<b>\$5,120,551</b>	<b>\$9,400,859</b>	<b>\$4,753,853</b>	<b>\$297,573</b>	<b>\$105,981</b>	<b>\$800,334</b>	<b>\$532,869</b>	<b>\$4,785,099</b>	<b>\$40,130</b>	<b>\$904,539</b>	<b>\$3,028,434</b>
6	Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Non-Fuel	\$13,973,974	\$5,120,551	\$9,400,859	\$4,753,853	\$297,573	\$105,981	\$800,334	\$532,869	\$4,785,099	\$40,130	\$904,539	\$3,028,434
8	<b>Customer Components</b>	<b>\$112,523,283</b>	<b>\$20,069,008</b>	<b>\$5,554,332</b>	<b>\$1,355,939</b>	<b>\$50,014</b>	<b>\$270,383</b>	<b>\$655,283</b>	<b>\$80,999</b>	<b>\$678,346</b>	<b>\$17,096</b>	<b>\$143,572</b>	<b>\$432,000</b>
9	Services	\$16,613,913	\$1,957,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Meters	\$17,227,297	\$7,004,709	\$3,068,723	\$623,576	\$7,733	\$204,657	\$518,429	\$5,666	\$4,041	\$10,934	\$15,425	\$5,121
11	Meter Reading	\$23,284,522	\$3,162,421	\$238,851	\$9,092	\$113	\$15,929	\$7,559	\$83	\$59	\$159	\$225	\$75
12	Billing & Collection	\$33,977,874	\$4,243,788	\$402,016	\$45,669	\$149	\$21,048	\$9,988	\$109	\$78	\$211	\$297	\$99
13	Service and Information	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Other	\$21,419,676	\$3,700,862	\$1,844,742	\$677,602	\$42,019	\$28,748	\$119,307	\$75,141	\$674,168	\$5,792	\$127,625	\$426,706
15	<b>Total Company</b>	<b>\$440,977,278</b>	<b>\$112,519,208</b>	<b>\$158,584,155</b>	<b>\$61,293,932</b>	<b>\$2,119,512</b>	<b>\$2,082,186</b>	<b>\$9,818,490</b>	<b>\$3,595,368</b>	<b>\$38,311,853</b>	<b>\$247,031</b>	<b>\$7,539,889</b>	<b>\$22,279,300</b>
<b>Excluded Charges</b>													
16	Minimum Monthly Customer Charge	\$71,417,595	\$15,526,521	\$5,180,185	\$1,428,762	\$29,841	\$65,470	\$655,283	\$63,368	\$618,177	\$5,540	\$152,738	\$280,513
17	Minimum Monthly Demand Charge	\$0	\$0	\$58,129,633	\$22,790,037	\$637,527	\$0	\$0	\$796,938	\$7,696,581	\$10,520	\$2,089,169	\$0
18	Energy Components (kWh)	3,244,185,240	965,768,590	1,881,620,770	946,037,310	28,595,990	22,518,980	172,081,786	69,886,280	879,995,270	2,727,450	174,308,550	350,268,360
19	Demand and Energy Rate (\$/kWh)	<i>L15 / L18</i>	\$0.1359285	\$0.1165074	\$0.0842806	\$0.0647902	\$0.0741192	\$0.0924636	\$0.0570571	\$0.0514460	\$0.0435364	\$0.0905721	\$0.0432560
20	Rider 23 Fuel Rate (\$/kWh) <sup>1</sup>	<i>Then current Rider No 23</i>											
21	Rider 36 Renewable Energy (\$/kWh) <sup>2</sup>	<i>Then Current Rider No 36</i>											
	<b>Less</b>												
22	Monthly Excluded Charges (\$/kWh)	<i>(L16 + L17) / L18</i>	\$0.0220140	\$0.0160769	\$0.0336464	\$0.0256003	\$0.0233378	\$0.0029073	\$0.0038080	\$0.0123101	\$0.0094486	\$0.0058884	\$0.0128617
23	<b>Total Aggregate Retail Rate ("TARR") (\$/kWh) <sup>3</sup></b>	<i>L19 + L20 + L21 - L22</i>	\$0.1139145	\$0.1004306	\$0.0506342	\$0.0391899	\$0.0507814	\$0.0895563	\$0.0532491	\$0.0391359	\$0.0846836	\$0.0303943	\$0.0628055
	<b>Less</b>												
24	Distribution Cost Component Rate (\$/kWh)	<i>L4 / L18</i>	\$0.0367753	\$0.0397006	\$0.0311652	\$0.0196730	\$0.0000000	\$0.0338251	\$0.0242056	\$0.0000000	\$0.0026511	\$0.0000000	\$0.0030042
25	Community Solar Bill Credit Rate (\$/kWh)	<i>L23 - L24</i>	\$0.0771392	\$0.0607299	\$0.0194690	\$0.0195169	\$0.0507814	\$0.0557312	\$0.0290436	\$0.0391359	\$0.0314367	\$0.0846836	\$0.0273900
26	<b>Base Bill Credit Rate (\$/kWh)</b>	<i>L23 - L24 - L20 - L21</i>	<b>\$0.0771392</b>	<b>\$0.0607299</b>	<b>\$0.0194690</b>	<b>\$0.0195169</b>	<b>\$0.0507814</b>	<b>\$0.0557312</b>	<b>\$0.0290436</b>	<b>\$0.0391359</b>	<b>\$0.0314367</b>	<b>\$0.0846836</b>	<b>\$0.0273900</b>
27	Fuel and Purchased Power Adjustment Clause	<i>L20</i>											
28	Renewable Energy Attributes - Reference Rider No. 36	<i>L21</i>											

Notes

- The Fuel and purchased Power Adjustment Clause rate is tied to Rider No 23. Rider 23 is updated quarterly. If specific values for Fuel and Purchased Power Adjustment Clause were included in Rider 56, PNM would have to update Rider 56 with each Rider No 23 update.
- The Renewable Energy Attributes are tied to Rider No 36. Rider No. 36 is updated twice annually. If specific values were included in Rider 56, PNM would have to update Rider 56 with each Rider No 36 update.
- The TARR is updated with final order values in each rate case. If the specific values for Fuel and Purchased Power Adjustment Clause and Renewable Energy Attributes were included in Rider No 56, the rider would have to be updated 6 times per year. This would create a large regulatory burden.



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Dated this 26<sup>th</sup> day of November, 2024.

By: /s/ Justin Rivord  
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GCG#533212