

**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. 352, )  
 ) Case No. 08-00273-UT  
PUBLIC SERVICE COMPANY OF NEW MEXICO, )  
 )  
 )  
Applicant. )

**NOTICE TO CUSTOMERS**

Public Service Company of New Mexico ("PNM or Company") is providing the following information to you, as required by the New Mexico Public Regulation Commission ("NMPRC" or "Commission"). This Notice is for your information only, and no immediate action on your part is required.

1. On September 22, 2008, PNM filed an Application for revision of retail electric rates, schedules, and rules with the Commission. Pursuant to Rule 17.1.2.10(C) NMAC of the Commission's Rules and Regulations, PNM is providing its customers with the following information concerning the Application.

2. PNM is proposing an approximate \$123,340,213 increase from its present rates, which represents an approximate 18.03% increase. The increase would be implemented upon Commission approval of the application. This increase is based on a cost of service for the 12-month period ending March 31, 2008, adjusted for known and measurable changes and does not include the effect of future adjustment pursuant to the Fuel and Purchased Power Cost Adjustment Clause proposed by PNM.

3. The proposed rate changes will affect all customer classifications.

<b>Proposed revenue increase by customer class (in millions of \$)</b>				
<b>Rate Class</b>	<b>Current base rate revenues (Incl. Fuel Factor)</b>	<b>Proposed base rate revenues</b>	<b>Increase</b>	<b>Percentage Increase</b>
Residential	\$281.7	\$347.5	\$65.8	23.4%
Small Power	\$88.6	\$106.0	\$17.4	19.6%

General Power	\$153.8	\$173.6	\$19.8	12.9%
Large Power	\$99.8	\$112.0	\$12.1	12.1%
Largest Commercial/Industrial	\$39.3	\$43.2	\$3.9	9.9%
Other (Lighting, irrigation, water & sewage pumping)	\$20.9	\$25.2	\$4.3	20.8%
<b>TOTAL</b>	\$684.1	\$807.4	<b>\$123.3</b>	<b>18.0%</b>

4. Further information regarding this case may be obtained by contacting PNM or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 08-00273-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

5. The present procedural schedule established by the Commission for this proceeding is as follows:

a. Any person desiring to become a party to this case must file a Motion for Leave to Intervene in conformity with 1.2.2.23.A NMAC on or before December 31, 2008;

b. Staff shall, and any Intervenors may file direct testimony or affidavits on or before February 27, 2009;

c. Rebuttal testimony may be filed on or before March 23, 2009; and

d. A public hearing will be held beginning March 30, 2009, at 9:30 A.M. at the offices of

the Commission's Utility Division, Marian Hall, 224 East Palace Avenue, Santa Fe, New Mexico to hear and receive testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding.

6. The procedural dates and requirements currently set in this case are subject to further Order of the Commission or the Hearing Examiner.

7. The Commission's Utility Division Procedural Rules, 1.2.2 NMAC, *et seq.* shall apply to this proceeding except as modified by Order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission.

8. Part of the rate increase requested in this case is based on a Stipulation (an agreement) concerning electric generation resources that has been submitted for Commission approval in Case No. 08-00305-UT. These generation resources include: a purchased power agreement between PNM and Valencia Power, LLC; an application to acquire the beneficial interest in the Palo Verde Nuclear Generating Station Unit 2 Owner Trust, which owns a 2.267% interest in Palo Verde Unit 2 (29.8 MW) and related facilities, and PNM's application for a Certificate of Public Convenience and Necessity for PNM's 190 MW interest in the Luna Energy Facility, located in Luna County, New Mexico, and the Lordsburg Generating Station, located in Hidalgo County, New Mexico. If you wish to become a party in Case No. 08-00305-UT, you must file a Motion for Leave to Intervene in that case in accordance with Commission Rules and any schedule set for that case. Issues relating to the approval of the Stipulation will be considered in Case No. 08-00305-UT.

9. Anyone filing pleadings, documents or testimony in this case shall serve a copy on all parties of record and Staff and, in addition to paper copies, shall simultaneously deliver by email all such filings to all other parties, Staff and the Hearing Examiner.

10. Any interested person may examine PNM's filing in this case together with any exhibits and related papers which may be filed in this case at PNM's office, 414 Silver, SW, Albuquerque, New Mexico 87102, telephone: (505) 241-2700, or at the Commission's offices, 224 East Palace Avenue, Santa Fe, New Mexico 87501, (505) 827-6941. Further information can also be obtained from PNM's website: [www.pnm.com](http://www.pnm.com).

11. Any interested person may appear at the time and place of hearing and make a written or oral comment pursuant to 1.2.2.23.F NMAC without becoming an Intervenor. Interested persons may also send written comments, which shall reference NMPRC Case No. 08-00273-UT, to the Commission at the address set out above. However, comments governed

by this paragraph will not be considered as evidence in this case.

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

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

14. Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission at least 24 hours prior to the commencement of the hearing.

15. Listed below are the present and proposed rates for each customer class. The proposed rates do not reflect the effect of future adjustments under the Fuel and Purchased Power Adjustment Clause proposed by PNM.

<u>A. Schedule 1A - Residential Service</u>	<u>Present Rates</u>	<u>Propose Rates</u>	<u>Units</u>
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$3.10	\$4.00	per Bill
Block 1 kWh (1st 200 kWh/Bill)	\$0.067607	\$0.088125	per kWh
Block 2 kWh (Next 500 kWh/Bill)	\$0.090671	\$0.128979	per kWh
Block 3 kWh (All Other kWh/Bill)	\$0.111899	\$0.153573	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$3.10	\$4.00	per Bill
Block 1 kWh (1st 200 kWh/Bill)	\$0.067607	\$0.088125	per kWh
Block 2 kWh (Next 500 kWh/Bill)	\$0.082037	\$0.109671	per kWh
Block 3 kWh (All Other kWh/Bill)	\$0.085517	\$0.113395	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh

Estimate of Bill at following levels of consumption:

	<u>Present Bill</u>	<u>Proposed Bill</u>
<u>Summer Months (Jun.-Aug.)</u>		
0 kWh	\$3.10	\$4.00
250 kWh	\$22.94	\$28.07
500 kWh	\$47.39	\$60.32
750 kWh	\$72.91	\$93.79
1000 kWh	\$102.67	\$132.19
2000 kWh	\$221.71	\$285.76

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Other Months (Sep.-May)

0 kWh	\$3.10	\$4.00
250 kWh	\$22.51	\$27.11
500 kWh	\$44.80	\$54.53
750 kWh	\$67.27	\$82.13
1000 kWh	\$90.44	\$110.48
2000 kWh	\$183.09	\$223.87

B. Schedule 1B - Residential Service Time-Of-Use

	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$12.90	\$16.65	per Bill
Meter Charge	\$3.70	\$4.77	per Bill
On-Peak kWh	\$0.141685	\$0.181523	per kWh
Off-Peak kWh	\$0.051158	\$0.071676	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$12.90	\$16.65	per Bill
Meter Charge	\$3.70	\$4.77	per Bill
On-Peak kWh	\$0.116268	\$0.149239	per kWh
Off-Peak kWh	\$0.051158	\$0.071676	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh

Estimate of Bill at following levels of consumption (Assumes 25% On-Peak Energy Usage):

	<u>Present Bill</u>	<u>Proposed Bill</u>
<u>Summer Months (Jun.-Aug.)</u>		
0 kWh	\$16.60	\$21.42
250 kWh	\$35.70	\$44.83
750 kWh	\$73.90	\$91.65
1000 kWh	\$93.00	\$115.07
2000 kWh	\$169.41	\$208.71
<u>Other Months (Sep.-May)</u>		
0 kWh	\$16.60	\$21.42
250 kWh	\$34.43	\$43.22
750 kWh	\$70.09	\$86.81
1000 kWh	\$87.92	\$108.61
2000 kWh	\$159.24	\$195.80

C. Schedule 2A - Small Power Service

	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$7.75	\$10.00	per Bill

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kWh	\$0.093930	\$0.126944	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$7.75	\$10.00	per Bill
kWh	\$0.082347	\$0.104149	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>D. Schedule 2B - Small Power Service Time-Of-Use</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$12.50	\$16.13	per Bill
Meter Charge	\$4.95	\$6.39	per Bill
On-Peak kWh Charge	\$0.140605	\$0.217616	per kWh
Off-Peak kWh Charge	\$0.059415	\$0.070007	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$12.50	\$16.13	per Bill
Meter Charge	\$4.95	\$6.39	per Bill
On-Peak kWh Charge	\$0.111195	\$0.148355	per kWh
Off-Peak kWh Charge	\$0.059415	\$0.070007	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>E. (*) Schedule 3C - General Power Service (Load Factor &lt; 35%)</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge (Incl. 1st 50 kW)	\$232.50	\$395.00	per Bill
On-Peak kWh	\$0.110923	\$0.129657	per kWh
Off- Peak kWh	\$0.037470	\$0.062500	per kWh
On-Peak kW (Excl. 1st 50 kW)	\$4.65	\$7.90	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
XFMR Own Cust Chg Cred (Incl. 1st 50 kW)	(\$15.00)	(\$15.00)	per Bill
XFMR Own. kW Credit (Excl. 1st 50 kW)	(\$0.30)	(\$0.30)	per kW
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge (Incl. 1st 50 kW)	\$200.00	\$300.00	per Bill
On-Peak kWh	\$0.093880	\$0.101707	per kWh
Off- Peak kWh	\$0.037470	\$0.062500	per kWh
On-Peak kW (Excl. 1st 50 kW)	\$4.00	\$6.00	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
XFMR Own Cust Chg Cred (Incl. 1st 50 kW)	(\$15.00)	(\$15.00)	per kW
XFMR Own. kW Credit (Excl. 1st 50 kW)	(\$0.30)	(\$0.30)	per Bill
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh

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\* The E. (\*) Schedule 3C - General Power Service (Load Factor < 35%) Tariff is being proposed as a new tariff applicable to customers now qualifying for service under PNM's Current Schedule 3B - General Power Service Tariff.

<u>F. Schedule 3B - General Power Service (Load Factor &gt;= 35%)</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Units</u>
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge (Incl. 1st 50 kW)	\$232.50	\$800.00	per Bill
On-Peak kWh	\$0.110923	\$0.090270	per kWh
Off- Peak kWh	\$0.037470	\$0.041000	per kWh
On-Peak kW (Excl. 1st 50 kW)	\$4.65	\$16.00	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
XFMR Own Cust Chg Cred (Incl. 1st 50 kW)	(\$15.00)	(\$15.00)	per Bill
XFMR Own. kW Credit (Excl. 1st 50 kW)	(\$0.30)	(\$0.30)	per kW
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge (Incl. 1st 50 kW)	\$200.00	\$600.00	per Bill
On-Peak kWh	\$0.093880	\$0.076325	per kWh
Off- Peak kWh	\$0.037470	\$0.041000	per kWh
On-Peak kW (Excl. 1st 50 kW)	\$4.00	\$12.00	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
XFMR Own Cust Chg Cred (Incl. 1st 50 kW)	(\$15.00)	(\$15.00)	per kW
XFMR Own. kW Credit (Excl. 1st 50 kW)	(\$0.30)	(\$0.30)	per Bill
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>G. Schedule 4B - Large Power Service TOU</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Units</u>
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge (Incl. 1st 500 kW)	\$5,900.00	\$7,900.00	per Bill
On-Peak kWh	\$0.051439	\$0.070100	per kWh
Off- Peak kWh	\$0.029585	\$0.040179	per kWh
On-Peak kW (Excl. 1st 500 kW)	\$11.80	\$15.80	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
XFMR Lease Fixed Charge (Incl. 1st 500 kW)	\$750.00	\$750.00	per Bill
XFMR Lease per kW Charge (Excl. 1st 500 kW)	\$1.50	\$1.50	per kW
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge (Incl. 1st 500 kW)	\$5,090.00	\$5,750.00	per Bill
On-Peak kWh	\$0.044378	\$0.053704	per kWh
Off- Peak kWh	\$0.029585	\$0.040179	per kWh
On-Peak kW (Excl. 1st 500 kW)	\$10.18	\$11.50	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
XFMR Lease Fixed Charge (Incl. 1st 500 kW)	\$750.00	\$750.00	per Bill
XFMR Lease per kW Charge (Excl. 1st 500 kW)	\$1.50	\$1.50	per kW

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Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>H. Schedule 5B - Large Service (Mines 46/115 kV)</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$67,840.00	\$104,000.00	per Bill
On-Peak kWh	\$0.050721	\$0.065045	per kWh
Off- Peak kWh	\$0.029826	\$0.040000	per kWh
On-Peak kW	\$8.48	\$13.00	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$57,840.00	\$74,000.00	per Bill
On-Peak kWh	\$0.043204	\$0.050366	per kWh
Off- Peak kWh	\$0.029826	\$0.040000	per kWh
On-Peak kW	\$7.23	\$9.25	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>I. Schedule 10A - Irrigation Pumping</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$7.50	\$10.00	per Bill
kWh	\$0.080935	\$0.121130	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$7.50	\$10.00	per Bill
kWh	\$0.073127	\$0.089899	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>J. Schedule 10B - Irrigation Time-Of-Use</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$7.50	\$10.00	per Bill
Meter Charge	\$2.57	\$3.43	per Bill
On-Peak kWh Charge	\$0.116618	\$0.160885	per kWh
Off-Peak kWh Charge	\$0.049222	\$0.067634	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$7.50	\$10.00	per Bill
Meter Charge	\$2.57	\$3.43	per Bill
On-Peak kWh Charge	\$0.106136	\$0.135931	per kWh
Off-Peak kWh Charge	\$0.049222	\$0.067634	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh

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K. Schedule 11B - Water and Sewage Pumping

	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$450.00	\$600.00	per Bill
On-Peak kWh	\$0.116120	\$0.151946	per kWh
Off- Peak kWh	\$0.033632	\$0.042002	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$450.00	\$600.00	per Bill
On-Peak kWh	\$0.075501	\$0.101874	per kWh
Off- Peak kWh	\$0.033632	\$0.042002	per kWh
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh

L. Schedule 14B - Large Service (Mines 115 kV)

	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$68,400.00	\$70,000.00	per Bill
On-Peak kWh	\$0.051152	\$0.055000	per kWh
Off- Peak kWh	\$0.029576	\$0.038500	per kWh
On-Peak kW	\$8.55	\$8.75	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$57,360.00	\$60,000.00	per Bill
On-Peak kWh	\$0.042928	\$0.046665	per kWh
Off- Peak kWh	\$0.029576	\$0.038500	per kWh
On-Peak kW	\$7.17	\$7.50	per kW
RkVA	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh

M. Schedule 15B - Large Service (Universities 115 kV)

	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$65,440.00	\$70,000.00	per Bill
On-Peak kWh	\$0.053769	\$0.055797	per kWh
Off- Peak kWh	\$0.026210	\$0.038500	per kWh
On-Peak kW	\$8.18	\$8.75	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$56,560.00	\$60,000.00	per Bill
On-Peak kWh	\$0.046521	\$0.046927	per kWh
Off- Peak kWh	\$0.026210	\$0.038500	per kWh

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On-Peak kW	\$7.07	\$7.50	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>N. Schedule 17B - Large Service Industrial (Manuf., 12.5 kV)</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$73,040.00	\$120,800.00	per Bill
On-Peak kWh	\$0.051414	\$0.053548	per kWh
Off- Peak kWh	\$0.029780	\$0.042148	per kWh
On-Peak kW	\$9.13	\$15.10	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$61,280.00	\$84,080.00	per Bill
On-Peak kWh	\$0.043149	\$0.044822	per kWh
Off- Peak kWh	\$0.029780	\$0.042148	per kWh
On-Peak kW	\$7.66	\$10.51	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>O. Schedule 30B - Industrial Power (Manuf., 12.5 kV, 30MW)</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Customer Charge	\$272,100.00	\$450,000.00	per Bill
On-Peak kWh	\$0.051085	\$0.053205	per kWh
Off- Peak kWh	\$0.028334	\$0.040101	per kWh
On-Peak kW	\$9.07	\$15.00	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>Other Months (Sep.-May)</u>			
Customer Charge	\$218,700.00	\$300,000.00	per Bill
On-Peak kWh	\$0.041053	\$0.042645	per kWh
Off- Peak kWh	\$0.028334	\$0.040101	per kWh
On-Peak kW	\$7.29	\$10.00	per kW
RkVA (for all RkVA > 0.48 * Billable kW)	\$0.25	\$0.25	per RkVA
Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
<u>P. Schedule 6 - Private Area Lighting</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Unbundled OH Served PNM Owned Light Charges (All Months)</u>			
OH PNM Owned, 175W, 7,000 Lumen Mercury Vapor Private Area Light (73 kWh/mo.)	\$9.00	\$13.16	per unit-mo.
OH PNM Owned, 100W, 9,500 Lumen High Pressure Sodium Private Area Light (45 kWh/mo.)	\$7.85	\$11.30	per unit-mo.

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OH PNM Owned, 400W, 50,000 Lumen High Pressure Sodium Private Area Light (165 kWh/mo.)	\$20.64	\$30.00	per unit-mo.
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All Lights (All Months)

Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
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Unbundled OH Served PNM Owned Pole Charges (All Months)

30' wood pole	\$2.94	\$4.09	per unit-mo.
35' wood pole	\$3.24	\$4.50	per unit-mo.
40' wood pole	\$3.78	\$5.29	per unit-mo.

Q. Schedule 20 - Streetlighting

<u>Present Rates</u>	<u>Proposed Rates</u>	Units
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Unbundled OH Served PNM Owned Light Charges (All Months)

6,400 Lumen 70 Watt High Pressure Sodium Streetlight (31 kWh/mo.)	\$8.47	\$11.85	per unit-mo.
9,500 Lumen 100 Watt High Pressure Sodium Streetlight (45 kWh/mo.)	\$8.55	\$12.10	per unit-mo.
16,000 Lumen Rated 150 Watt High Pressure Sodium Streetlight (67 kWh/mo.)	\$10.56	\$15.06	per unit-mo.
25,500 Lumen 250 Watt High Pressure Sodium Streetlight (107 kWh/mo.)	\$13.69	\$19.71	per unit-mo.
50,000 Lumen 400 Watt High Pressure Sodium Floodlight (165 kWh/mo.)	\$19.05	\$27.59	per unit-mo.
50,000 Lumen 400 Watt High Pressure Sodium Streetlight (165 kWh/mo.)	\$17.98	\$26.12	per unit-mo.
7,000 Lumen Rated 175 Watt Mercury Vapor Post Top and Streetlight (73 kWh/mo.)	\$9.63	\$13.84	per unit-mo.
250W, 11,000 Lumen Mercury Vapor Underpass Light (103 kWh/mo.)	N/A	N/A	per unit-mo.
20,000 Lumen Rated 400 Watt Mercury Vapor Post Top and Streetlight (162 kWh/mo.)	\$16.41	\$23.96	per unit-mo.

Unbundled UG Served PNM Owned Light Charges (All Months)

6,400 Lumen 70 Watt High Pressure Sodium Streetlight (31 kWh/mo.)	\$9.64	\$13.45	per unit-mo.
9,500 Lumen 100 Watt High Pressure Sodium Streetlight (45 kWh/mo.)	\$9.60	\$13.53	per unit-mo.
16,000 Lumen Rated 150 Watt High Pressure Sodium Streetlight (67 kWh/mo.)	\$11.70	\$16.61	per unit-mo.
25,500 Lumen 250 Watt High Pressure Sodium Streetlight (107 kWh/mo.)	\$14.81	\$21.23	per unit-mo.
50,000 Lumen 400 Watt High Pressure Sodium Floodlight (165 kWh/mo.)	\$20.08	\$28.99	per unit-mo.
50,000 Lumen 400 Watt High Pressure Sodium Streetlight (165 kWh/mo.)	\$19.26	\$27.87	per unit-mo.

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7,000 Lumen Rated 175 Watt Mercury Vapor Post Top and Streetlight (73 kWh/mo.)	\$10.66	\$15.25	per unit-mo.
250W, 11,000 Lumen Mercury Vapor Underpass Light (103 kWh/mo.)	N/A	N/A	per unit-mo.
20,000 Lumen Rated 400 Watt Mercury Vapor Post Top and Streetlight (162 kWh/mo.)	\$17.46	\$25.39	per unit-mo.

Unbundled OH &UG Served Customer Owned Light Charges (All Months)

6,400 Lumen 70 Watt High Pressure Sodium Streetlight (31 kWh/mo.)	\$4.30	\$5.71	per unit-mo.
9,500 Lumen 100 Watt High Pressure Sodium Streetlight (45 kWh/mo.)	\$4.61	\$6.23	per unit-mo.
16,000 Lumen Rated 150 Watt High Pressure Sodium Streetlight (67 kWh/mo.)	\$5.81	\$7.95	per unit-mo.
25,500 Lumen 250 Watt High Pressure Sodium Streetlight (107 kWh/mo.)	\$8.93	\$12.25	per unit-mo.
50,000 Lumen 400 Watt High Pressure Sodium Floodlight (165 kWh/mo.)	\$13.65	\$18.74	per unit-mo.
50,000 Lumen 400 Watt High Pressure Sodium Streetlight (165 kWh/mo.)	\$13.59	\$18.66	per unit-mo.
7,000 Lumen Rated 175 Watt Mercury Vapor Post Top and Streetlight (73 kWh/mo.)	\$5.78	\$7.96	per unit-mo.
250W, 11,000 Lumen Mercury Vapor Underpass Light (103 kWh/mo.)	\$7.96	\$11.00	per unit-mo.
20,000 Lumen Rated 400 Watt Mercury Vapor Post Top and Streetlight (162 kWh/mo.)	\$12.45	\$17.20	per unit-mo.

All Lights (All Months)

Fuel Factor (All kWh)	\$0.007140	\$0.000000	per kWh
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Unbundled PNM Owned Pole Charges (All Months)

30 Foot Wood Pole	\$2.97	\$3.51	per unit-mo.
35 Foot Wood Pole	\$3.24	\$3.83	per unit-mo.
40 Foot Wood Pole	\$3.78	\$4.47	per unit-mo.
45 Foot Wood Pole	\$4.50	\$5.32	per unit-mo.
23 Foot Ornamental Pole	\$6.69	\$7.91	per unit-mo.
28 Foot Ornamental Pole	\$7.74	\$9.14	per unit-mo.
38 Foot Ornamental Pole	\$12.72	\$15.03	per unit-mo.
40 Foot Davit Pole	\$12.66	\$14.95	per unit-mo.

Unbundled PNM Owned Pole Charges (Conversion) (All Months)

30 Foot Wood Pole	\$1.53	N/A	per unit-mo.
35 Foot Wood Pole	\$1.53	N/A	per unit-mo.
40 Foot Wood Pole	\$1.63	N/A	per unit-mo.
45 Foot Wood Pole	\$1.80	N/A	per unit-mo.
23 Foot Ornamental Pole	\$3.06	N/A	per unit-mo.

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28 Foot Ornamental Pole	\$3.22	N/A	per unit-mo.
38 Foot Ornamental Pole	\$3.94	N/A	per unit-mo.
40 Foot Davit Pole	\$3.65	N/A	per unit-mo.

R. Rate 23 - Special Contract Service for Large Customers

Schedule 4B - Large Power (All Months)

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Units</u>
Minimum kW incl In Cust. Charge	500	500	kW
Customer Charge	\$2,625.00	\$4,775.00	per Bill
Billed Demand Charge	\$5.25	\$9.55	per kW
On-Peak kWh Charge	\$0.000087	\$0.000012	per kWh
Off-Peak kWh Charge	\$0.000087	\$0.000012	per kWh
RkVA Charge	\$0.25	\$0.25	per RkVA
Cust. Charge For XFMR Lease	\$750.00	\$750.00	per Bill
Demand Charge For XFMR Lease	\$1.50	\$1.50	per kW
Energy Losses Charge	\$0.004249	\$0.003318	per kWh
Ancillary Services Charge	\$1.242	\$1.238	per kW

Schedule 5B - Large Service (Mines 46/115 kV) (All Months)

Minimum kW incl In Cust. Charge	8,000	8,000	kW
Customer Charge	\$24,960.00	\$73,360.00	per Bill
Billed Demand Charge	\$3.12	\$9.17	per kW
On-Peak kWh Charge	\$0.000084	\$0.000027	per kWh
Off-Peak kWh Charge	\$0.000084	\$0.000027	per kWh
RkVA Charge	\$0.25	\$0.25	per RkVA
Cust. Charge For XFMR Lease	N/A	N/A	per Bill
Demand Charge For XFMR Lease	N/A	N/A	per kW
Energy Losses Charge	\$0.002028	\$0.001978	per kWh
Ancillary Services Charge	\$1.198	\$1.203	per kW

Schedule 14B - Large Service (Mines 115 kV) (All Months)

Minimum kW incl In Cust. Charge	8,000	8,000	kW
Customer Charge	\$24,960.00	\$35,120.00	per Bill
Billed Demand Charge	\$3.12	\$4.39	per kW
On-Peak kWh Charge	\$0.000084	\$0.000011	per kWh
Off-Peak kWh Charge	\$0.000084	\$0.000011	per kWh
RkVA Charge	\$0.25	\$0.25	per RkVA
Cust. Charge For XFMR Lease	N/A	N/A	per Bill
Demand Charge For XFMR Lease	N/A	N/A	per kW
Energy Losses Charge	\$0.002028	\$0.002205	per kWh
Ancillary Services Charge	\$1.196	\$1.200	per kW

Schedule 15B - Large Service (Universities 115 kV) (All Months)

Minimum kW incl In Cust. Charge	8,000	8,000	kW
Customer Charge	\$34,560.00	\$50,800.00	per Bill
Billed Demand Charge	\$4.32	\$6.35	per kW
On-Peak kWh Charge	\$0.000084	\$0.000018	per kWh
Off-Peak kWh Charge	\$0.000084	\$0.000018	per kWh
RkVA Charge	\$0.25	\$0.25	per RkVA
Cust. Charge For XFMR Lease	N/A	N/A	per Bill
Demand Charge For XFMR Lease	N/A	N/A	per kW

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Energy Losses Charge	\$0.002074	\$0.001963	per kWh
Ancillary Services Charge	\$1.196	\$1.200	per kW

Schedule 17B - Large Service Industrial (Manuf., 12.5 kV) (All Months)

Minimum kW incl In Cust. Charge	8,000	8,000	kW
Customer Charge	\$33,440.00	\$76,000.00	per Bill
Billed Demand Charge	\$4.18	\$9.50	per kW
On-Peak kWh Charge	\$0.000055	\$0.001604	per kWh
Off-Peak kWh Charge	\$0.000055	\$0.001604	per kWh
RkVA Charge	\$0.25	\$0.25	per RkVA
Cust. Charge For XFMR Lease	N/A	N/A	per Bill
Demand Charge For XFMR Lease	N/A	N/A	per kW
Energy Losses Charge	\$0.002210	\$0.002165	per kWh
Ancillary Services Charge	\$1.206	\$1.217	per kW

Schedule 30B - Industrial Power (Manuf., 12.5 kV, 30MW) (All Months)

Minimum kW incl In Cust. Charge	30,000	30,000	kW
Customer Charge	\$125,400.00	\$285,000.00	per Bill
Billed Demand Charge	\$4.18	\$9.50	per kW
On-Peak kWh Charge	\$0.000055	\$0.001604	per kWh
Off-Peak kWh Charge	\$0.000055	\$0.001604	per kWh
RkVA Charge	\$0.25	\$0.25	per RkVA
Cust. Charge For XFMR Lease	N/A	N/A	per Bill
Demand Charge For XFMR Lease	N/A	N/A	per kW
Energy Losses Charge	\$0.002210	\$0.002165	per kWh
Ancillary Services Charge	\$1.206	\$1.217	per kW

<u>S. Schedule 16 - Special Charges</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Units</u>
1. Temporary Service			
Overhead Service	\$247.00	\$263.00	per Occurrence
Underground Service	\$46.00	\$50.00	per Occurrence
2. Collection Charge	\$11.00	\$17.00	per Occurrence
3. Reconnection Charge			
Normal Hours Charge	\$0.00	\$14.00	per Occurrence
After Hours Charge	\$0.00	\$20.00	per Occurrence
4. Charge for Returned Check or Bank Draft	\$15.00	\$15.00	per Occurrence
6. Charge For Meter Test	\$70.00	\$21.00	per Occurrence
7. Connect Charge			
Normal Hours Charge	\$19.00	\$14.00	per Occurrence
After Hours Charge	\$26.00	\$20.00	per Occurrence
8. Line Extension Estimate (per hour)	\$57.00	\$64.00	per

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			Occurrence
<u>T. Rider 8 - IIPR Applicable to Rate Nos. 3B, 3C and 4B</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Summer Months (Jun.-Aug.)</u>			
Shifted Energy Rate (Secondary Voltage Customers)	\$0.134409	N/A	per kWh
Shifted Energy Rate (Primary & Substation Voltage Customers)	\$0.134409	N/A	per kWh
Incremental On-Peak Energy Rate (Secondary Voltage Customers)	\$0.114409	N/A	per kWh
Incremental On-Peak Energy Rate (Primary Voltage Customers)	\$0.057321	N/A	per kWh
Incremental On-Peak Energy Rate (Substation Voltage Customers)	\$0.045017	N/A	per kWh
IID Rate (Secondary Voltage Customers) (Schedules 3B and 3C)	N/A	(\$6.18)	per IID kW
IID Rate (Primary Voltage Customers) (Schedule 4B)	N/A	(\$20.97)	per IID kW
IID Rate (Substation Voltage Customers) (Schedule 4B)	N/A	(\$28.85)	per IID kW
<u>Other Months (Sep.-May)</u>			
Shifted Energy Rate (Secondary Voltage Customers)	\$0.133346	N/A	per kWh
Shifted Energy Rate (Primary & Substation Voltage Customers)	\$0.133346	N/A	per kWh
Incremental On-Peak Energy Rate (Secondary Voltage Customers)	\$0.113346	N/A	per kWh
Incremental On-Peak Energy Rate (Primary Voltage Customers)	\$0.071861	N/A	per kWh
Incremental On-Peak Energy Rate (Substation Voltage Customers)	\$0.062856	N/A	per kWh
IID Rate (Secondary Voltage Customers) (Schedules 3B and 3C)	\$0.00	(\$0.38)	per IID kW
IID Rate (Primary Voltage Customers) (Schedule 4B)	\$0.00	(\$1.56)	per IID kW
IID Rate (Substation Voltage Customers) (Schedule 4B)	\$0.00	(\$2.08)	per IID kW
<u>U. Rider 10 - Palo Verde LOB Credit</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
Rider 10 - Palo Verde LOB Credit	(\$0.000006)	(\$0.000006)	per kWh
<u>V. Rider 11 - Voluntary Renewable Energy</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	Units
<u>Small Customers (1A, 1B, 2A, and 2B)</u>			
Per 100 kWh Block of Renewable Energy	\$1.69	\$0.80	per Month
50% Subscription Level	\$0.008450	\$0.004000	per kWh

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90% Subscription Level	\$0.015210	\$0.007200	per kWh
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Large Customers (Schedules 3B, 3C, 4B, 5B, 10A, 10B, 11B, 14B, 15B, 17B, and 30B)

Per 100,000 kWh Block of Renewable Energy (30B Only)	\$1,690.00	\$800.00	per kWh
1% Subscription Level	\$0.000169	\$0.000080	per kWh
2% Subscription Level	\$0.000338	\$0.000160	per kWh
3% Subscription Level	\$0.000507	\$0.000240	per kWh
5% Subscription Level	\$0.000845	\$0.000400	per kWh
10% Subscription Level	\$0.001690	\$0.000800	per kWh
25% Subscription Level	\$0.004225	\$0.002000	per kWh
50% Subscription Level	\$0.008450	\$0.004000	per kWh
90% Subscription Level	\$0.015210	\$0.007200	per kWh

NOTES:

Gross receipts tax is not included in the present or proposed bill estimates.

- (1) Franchise fees are not included in the present or proposed rates. The Franchise fee is collected as a separate line item from those customers subject to that fee.
- (2) These proposed rates apply to all rate classes but would affect only those customers utilizing the services indicated.

16. The proposed rate changes stated by customer rate class and, for residential customers, by consumption levels, are for informational purposes. The final rates as approved may vary.

**ISSUED** at Santa Fe, New Mexico, this 24<sup>th</sup> day of October, 2008.

**NEW MEXICO PUBLIC REGULATION COMMISSION**

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**Elizabeth C. Hurst**  
**Hearing Examiner**