

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

2ND REVISED RIDER NO. 18
CANCELLING 1ST RIDER NO. 18

CITY OF SANTA FE 2007 UNDERGROUND PROJECTS

Page 1 of 2

EXPLANATION OF RIDER: Pursuant to the terms of the Company's Rate 22, this Rider is established to provide a mechanism for the Company to recover Total Excess Costs incurred by PNM as a result of underground construction of the new distribution projects in the City of Santa Fe that would normally be installed overhead by PNM. The projects that would normally have been installed overhead by PNM that are covered by this Rider is

2007 City of Santa Fe South Pacheco 11

This Rider consists of a fixed monthly charge by rate class that is applied to all applicable customers located within the City of Santa Fe.

APPLICABILITY: This Rider shall be applicable to all PNM customers receiving electric service under rate schedules 1A, 1B, 2A, 2B, 3B, 4B, and 11B that are located within the City of Santa Fe.

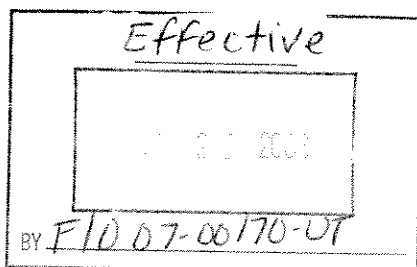
RIDER EXCESS COST CHARGES: The following fixed charges appear as a line item addition on monthly electric bills for customers located within the City of Santa Fe.

<u>Rate Class</u>	<u>Tariff(s)</u>	<u>Excess Cost Fixed Charge</u>
Residential	Schedule 1A and 1B	(\$0.01) Per Bill Per Month x
Small Power	Schedule 2A and 2B	\$0.00 Per Bill Per Month x
General Power	Schedule 3B	(\$0.80) Per Bill Per Month x
Large Power	Schedule 4B	\$0.13 Per Bill Per Month x
Water & Sewage	Schedule 11B	\$1.49 Per Bill Per Month x

(The charges billed under this Rider are considered to be contributions in aid of construction as opposed to electric revenue, and are thus not subject to either Franchise fees or gross receipts taxes)

TERRITORY: All territory within the City Limits of Santa Fe, NM served by the Company.

DURATION: The Rider will be in effect for three (3) billing months from the effective date of this Rider.



Advice Notice No. 354

Signature/Title Rebecca Carter
Rebecca Carter
Manager, Regulatory Projects

GCG#499339

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

2ND REVISED RIDER NO. 18
CANCELLING 1ST RIDER NO. 18

CITY OF SANTA FE 2007 UNDERGROUND PROJECTS

Page 2 of 2

ADJUSTMENTS: There are up to two adjustments to the excess charges that can occur during the life of the Rider.

- 1) The Rider Excess Cost Charges that appear above are based upon construction estimates available at the time of this Rider's approval. Once actual construction costs for the projects covered by this Rider are available, excess costs will be recalculated. If the recalculated excess costs differ by 20% or more from the approved excess costs, then the Rider Excess Cost Charges will be recalculated.
- 2) At the end of the twelve (12) month recovery period, the total of Rider Excess Cost Charges billed will be compared to the actual excess costs that the Rider was authorized to collect. The difference will be passed through to current customers located within the City of Santa Fe in the form of a fixed Excess Cost Adjustment Charge by rate class applied over a three billing month period.

Effective
NOV 25 2008
BY F10 07-00170-UT

Advice Notice No. 354

Signature/Title Rebecca Carter
Rebecca Carter
Manager, Regulatory Projects

GCG#499339

2nd Revised Rider 18 Rate Design Work Paper

Table 2: Excess Costs for Rider 18 Based on Actual Project Costs

Line #	Project Name	Actual Underground Costs [D]	Estimated Overhead Costs [B]	Actual Excess Costs [E] = [D] - [B]
1	2007 City of Santa Fe South Pacheco II	\$329,350.61	\$111,224.93	\$218,125.68
2	Totals	\$329,350.61	\$111,224.93	\$218,125.68

Table 3: Excess Costs for Rider 18 Based on Actual Project Costs

Line #	Rate Schedule	City of Santa Fe Excess Cost Allocator [G]	Rider 18 Allocated Excess Cost (Based on Actual Cost) [J] = [G] * \$218,126
3	Residential 1A & 1B	0.331952	\$76,770
4	Small Power 2A & 2B	0.227127	\$49,542
5	General Power 3B	0.346262	\$75,529
6	Large Power 4B	0.069119	\$15,077
7	Water & Sewage 11B	0.005540	\$1,208
8	Totals		\$218,126

Table 4: Calculation of Net Excess Cost Balance at End of March 2008

Line #	Rate Schedule	Rider 18 Allocated Excess Cost (Based on Actual Cost) [J]	Accumulated Carrying Costs through November 2008 [L] <i>(Calculated on monthly basis. Cumulative Rate = 12.64% through 4/08, 11.66% from 5/08 on)</i>	Total of Rider 18 Recovery through November 2008 (Based on Actual Recovery through 9/08, and Est. Recovery for 10-11/2008) [M]	Net Excess Cost Balance at End of November 2008 [N] = [J] + [L] - [M]
9	Residential 1A & 1B	\$76,770	\$4,383	\$82,644	(\$1,492)
10	Small Power 2A & 2B	\$49,542	\$2,846	\$52,330	\$58
11	General Power 3B	\$75,529	\$4,386	\$80,929	(\$1,015)
12	Large Power 4B	\$15,077	\$547	\$15,618	\$5
13	Water & Sewage 11B	\$1,208	\$68	\$1,246	\$31
14	Totals	\$218,126	\$12,229	\$232,768	(\$2,413)

Table 5: Calculation 1st Revised Rider 18 Monthly Charges by Rate Class

Line #	Rate Schedule	Net Excess Cost Balance at End of November 2008 [N]	Carrying Cost (Assuming a 3 month Recovery and Carrying Cost Rate of 11.66%) [O] = [N] * (1 + 11.66%/12 * 3) = [N] * 1.33111	Gross Remaining Rider 18 Recovery Balance [P] = [N] + [O]	Total Rider 18 Charges to be Incurred [Q] (3 x November 2008 Rider 18 Charges)	Final Revised Rider 18 Monthly Charges [R] = [P] / [Q]
15	Residential 1A & 1B	(\$1,492)	(\$219)	(\$1,521)	104,772	(\$0.01)
16	Small Power 2A & 2B	\$58	\$1	\$59	18,426	\$0.00
17	General Power 3B	(\$1,015)	(\$20)	(\$1,035)	1,296	(\$0.80)
18	Large Power 4B	\$5	\$0	\$5	39	\$0.13
19	Water & Sewage 11B	\$31	\$1	\$31	21	\$1.49
20	Totals	(\$2,413)	(\$47)	(\$2,460)	124,554	

Recovery Under Original Rider 18, 1st Revised Rider 18 and 2nd Revised Rider 18 Proof Of Revenue

Schedule 1A & 1B - Residential

Recovery Under Original / 1st Revised Rider 18

Mo/Yr	Month #		Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
			[c] = [f] prev month (Starting Balance found in PNM Exhibit ____ JDO 2F), Line 3, Item [J]	[d] = [c]*(12.04%/12) through 4/08, and [c]*(11.66%/12) from 5/08 on	[e] (Actuals through 9/08, Est. for 10-11/2008)	[f] = [c] + [d] - [e]
1	Dec-07	1	\$76,770	\$770	\$8,464	\$69,077
2	Jan-08	2	\$69,077	\$693	\$8,500	\$61,269
3	Feb-08	3	\$61,269	\$615	\$8,616	\$53,269
4	Mar-08	4	\$53,269	\$534	\$8,575	\$45,228
5	Apr-08	5	\$45,228	\$454	\$8,588	\$37,094
6	May-08	6	\$37,094	\$360	\$8,583	\$28,872
7	Jun-08	7	\$28,872	\$281	\$5,172	\$23,980
8	Jul-08	8	\$23,980	\$233	\$5,232	\$18,981
9	Aug-08	9	\$18,981	\$184	\$5,199	\$13,966
10	Sep-08	10	\$13,966	\$136	\$5,239	\$8,863
11	Oct-08	11	\$8,863	\$86	\$5,239	\$3,711
12	Nov-08	12	\$3,711	\$36	\$5,239	(\$1,492)
13	Totals			\$4,383	\$82,644	

2nd Revised Rider 18 Proof Of Revenue

Mo/Yr	Month #	# of Charges	2nd Revised Rider 18 Charge	Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
		[g]	[h] (PNM Exhibit ____ JDO-2F), Line 15, Item [R]	[j] = [m] prev month (Starting Balance found on Line 12, Item [f])	[k] = [j]*(11.66%/12)	[l] = [g]*[h]	[m] = [j] + [k] - [l]
14	Dec-08	13	34,924 (\$0.01)	(\$1,492)	(\$14)	(\$349)	(\$1,157)
15	Jan-09	14	34,924 (\$0.01)	(\$1,157)	(\$11)	(\$349)	(\$819)
16	Feb-09	15	34,924 (\$0.01)	(\$819)	(\$8)	(\$349)	(\$478)
17	Totals				(\$34)	(\$1,048)	

Recovery Under Original Rider 18, 1st Revised Rider 18 and 2nd Revised Rider 18 Proof Of Revenue

Small Power 2A & 2B

Recovery Under Original / 1st Revised Rider 18

Mo/Yr	Month #		Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
			[c] = [f] prev month (Starting Balance found in PNM Exhibit JDO 2F), Line 4, Item [J]	[d] = (c)*(12.04% / 12) through 4/08, and [e]*(11.66% / 12) from 5/08 on.	[e] (Actuals through 9/08, Est. for 10-11/2008)	[f] = [c] - [d] - [e]
1	Dec-07	1	\$49,542	\$497	\$5,469	\$44,570
2	Jan-08	2	\$44,570	\$447	\$5,506	\$39,512
3	Feb-08	3	\$39,512	\$396	\$5,634	\$34,275
4	Mar-08	4	\$34,275	\$344	\$5,555	\$29,064
5	Apr-08	5	\$29,064	\$292	\$5,514	\$23,842
6	May-08	6	\$23,842	\$232	\$5,528	\$18,545
7	Jun-08	7	\$18,545	\$180	\$3,148	\$15,578
8	Jul-08	8	\$15,578	\$151	\$3,225	\$12,504
9	Aug-08	9	\$12,504	\$121	\$3,171	\$9,455
10	Sep-08	10	\$9,455	\$92	\$3,194	\$6,353
11	Oct-08	11	\$6,353	\$62	\$3,194	\$3,220
12	Nov-08	12	\$3,220	\$31	\$3,194	\$58
13	Totals			\$2,846	\$52,330	

2nd Revised Rider 18 Proof Of Revenue

Mo/Yr	Month #	# of Charges	2nd Revised Rider 18 Charge	Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
		[g]	[h] (PNM Exhibit JDO-2F), Line 16, Item [R]	[i] = [n] prev month (Starting Balance found on Line 12, Item [f])	[k] = [j]*(11.66% / 12)	[l] = [g]*[h]	[m] = [i] + [k] - [l]
14	Dec-08	13	6,142	\$0.00	\$1	\$58	\$58
15	Jan-09	14	6,142	\$0.00	\$1	\$58	\$59
16	Feb-09	15	6,142	\$0.00	\$1	\$59	\$59
17	Totals				\$2	\$0	

Recovery Under Original Rider 18, 1st Revised Rider 18 and 2nd Revised Rider 18 Proof Of Revenue

General Power 3B

Recovery Under Original / 1st Revised Rider 18

Mo/Yr	Month #		Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
			[c] = [f] prev month (Starting Balance found in PNM Exhibit ____, JDO 2F), Line 5, Item [J]	[d] = [c]*(12.04%/ 12) through 4/08, and [e]*(11.66%/ 12) from 5/08 on.	[e] (Actuals through 9/08, Est. for 10-11/2008)	[f] = [c] + [d] - [e]
1	Dec-07	1	\$75,529	\$758	\$7,881	\$68,405
2	Jan-08	2	\$68,405	\$686	\$8,184	\$60,907
3	Feb-08	3	\$60,907	\$611	\$8,616	\$52,903
4	Mar-08	4	\$52,903	\$531	\$8,154	\$45,280
5	Apr-08	5	\$45,280	\$454	\$8,335	\$37,400
6	May-08	6	\$37,400	\$363	\$8,364	\$29,399
7	Jun-08	7	\$29,399	\$286	\$5,172	\$24,512
8	Jul-08	8	\$24,512	\$238	\$5,377	\$19,373
9	Aug-08	9	\$19,373	\$188	\$5,210	\$14,351
10	Sep-08	10	\$14,351	\$139	\$5,212	\$9,278
11	Oct-08	11	\$9,278	\$90	\$5,212	\$4,157
12	Nov-08	12	\$4,157	\$40	\$5,212	(\$1,015)
13	Totals			\$4,386	\$80,929	

2nd Revised Rider 18 Proof Of Revenue

Mo/Yr	Month #	# of Charges	2nd Revised Rider 18 Charge	Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
		[g]	[h] (PNM Exhibit ____, (JDO-2F), Line 17, Item (R))	[j] = [m] prev month (Starting Balance found on Line 12, Item [f])	[k] = [j]*(11.66%/ 12)	[l] = [g]*[h]	[m] = [j] + [k] - [l]
14	Dec-08	13	(\$0.80)	(\$1,015)	(\$10)	(\$346)	(\$679)
15	Jan-09	14	(\$0.80)	(\$679)	(\$7)	(\$346)	(\$340)
16	Feb-09	15	(\$0.80)	(\$340)	(\$3)	(\$346)	\$2
17	Totals				(\$20)	(\$1,037)	

Recovery Under Original Rider 18, 1st Revised Rider 18 and 2nd Revised Rider 18 Proof Of Revenue

Large Power 4B

Recovery Under Original / 1st Revised Rider 18

Mo/Yr	Month #		Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
			[c] = [f] prev month (Starting Balance found in PNM Exhibit ___(JDO-2F), Line 6, Item [J])	[d] = (c)*(12.04% / 12) through 4/08, and [c]*(11.66% / 12) from 5/08 on	[e] (Actuals through 9/08, Est. for 10-11/2008)	[f] = [c] - [d] - [e]
1	Dec-07	1	\$15,077	\$151	\$2,475	\$12,753
2	Jan-08	2	\$12,753	\$128	\$2,592	\$10,289
3	Feb-08	3	\$10,289	\$103	\$2,592	\$7,801
4	Mar-08	4	\$7,801	\$78	\$2,592	\$5,287
5	Apr-08	5	\$5,287	\$53	\$2,592	\$2,749
6	May-08	6	\$2,749	\$27	\$2,592	\$183
7	Jun-08	7	\$183	\$2	\$32	\$154
8	Jul-08	8	\$154	\$1	\$32	\$123
9	Aug-08	9	\$123	\$1	\$32	\$93
10	Sep-08	10	\$93	\$1	\$30	\$64
11	Oct-08	11	\$64	\$1	\$30	\$35
12	Nov-08	12	\$35	\$0	\$30	\$5
13	Totals			\$547	\$15,618	

2nd Revised Rider 18 Proof Of Revenue

Mo/Yr	Month #	# of Charges	2nd Revised Rider 18 Charge	Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
		[g]	[h] (PNM Exhibit ___(JDO-2F), Line 18, Item [R])	[j] = [m] prev month (Starting Balance found on Line 12, Item [I])	[k] = [j]*(11.66% / 12)	[l] = [g]*[h]	[m] = [j] - [k] - [l]
14	Dec-08	13	\$0.13	\$5	\$0	\$2	\$3
15	Jan-09	13	\$0.13	\$3	\$0	\$2	\$2
16	Feb-09	13	\$0.13	\$2	\$0	\$2	\$0
17	Totals				\$0	\$5	

Recovery Under Original Rider 18, 1st Revised Rider 18 and 2nd Revised Rider 18 Proof Of Revenue

Water & Sewage 11B

Recovery Under Original / 1st Revised Rider 18

Mo/Yr	Month #		Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
			[c] = [f] prev month (Starting Balance found in PNM Exhibit JDO 2F), Line 7, Item [J])	[d] = [c]*(12.04% / 12) through 4/08, and [e]*(11.66% / 12) from 5/08 on.	[e] (Actuals through 9/08, Est. for 10-11/2008)	[f] = [c] - [d] - [e]
1	Dec-07	1	\$1,208	\$12	\$82	\$1,138
2	Jan-08	2	\$1,138	\$11	\$172	\$978
3	Feb-08	3	\$978	\$10	\$153	\$835
4	Mar-08	4	\$835	\$8	\$153	\$691
5	Apr-08	5	\$691	\$7	\$153	\$545
6	May-08	6	\$545	\$5	\$153	\$398
7	Jun-08	7	\$398	\$4	\$75	\$327
8	Jul-08	8	\$327	\$3	\$60	\$270
9	Aug-08	9	\$270	\$3	\$57	\$215
10	Sep-08	10	\$215	\$2	\$63	\$154
11	Oct-08	11	\$154	\$1	\$63	\$93
12	Nov-08	12	\$93	\$1	\$63	\$31
13	Totals			\$68	\$1,246	

2nd Revised Rider 18 Proof Of Revenue

Mo/Yr	Month #	# of Charges	2nd Revised Rider 18 Charge	Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
		[g]	[h] (PNM Exhibit JDO-2F), Line 19, Item [R])	[j] = [m] prev month (Starting Balance found on Line 12, Item [f])	[k] = [j]*(11.66% / 12)	[l] = [g]*[h]	[m] = [j] + [k] - [l]
14	Dec-08	13	\$1.49	\$31	\$0	\$10	\$21
15	Jan-09	14	\$1.49	\$21	\$0	\$10	\$10
16	Feb-09	15	\$1.49	\$10	\$0	\$10	(\$0)
17	Totals				\$1	\$31	

Recovery Under Original Rider 18, 1st Revised Rider 18 and 2nd Revised Rider 18 Proof Of Revenue

Total Recovery

Recovery Under Original / 1st Revised Rider 18

Mo/Yr	Month #		Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
			[c]	[d] = [c]*(12.04% / 12) through 4/08, and [c]*(11.66% / 12) from 5/08 on	[e] (Actuals through 9/08, Est. for 10-11/2008)	[f] = [c] + [d] - [e]
1	Dec-07	1	\$218,126	\$2,189	\$24,370	\$195,944
2	Jan-08	2	\$195,944	\$1,966	\$24,954	\$172,956
3	Feb-08	3	\$172,956	\$1,735	\$25,609	\$149,082
4	Mar-08	4	\$149,082	\$1,496	\$25,028	\$125,550
5	Apr-08	5	\$125,550	\$1,260	\$25,180	\$101,630
6	May-08	6	\$101,630	\$988	\$25,219	\$77,398
7	Jun-08	7	\$77,398	\$752	\$13,599	\$64,550
8	Jul-08	8	\$64,550	\$627	\$13,926	\$51,251
9	Aug-08	9	\$51,251	\$498	\$13,670	\$38,080
10	Sep-08	10	\$38,080	\$370	\$13,737	\$24,712
11	Oct-08	11	\$24,712	\$240	\$13,737	\$11,215
12	Nov-08	12	\$11,215	\$109	\$13,737	(\$2,413)
13	Totals			\$12,229	\$232,768	

2nd Revised Rider 18 Proof Of Revenue

Mo/Yr	Month #	# of Charges	Excess Cost Beginning Balance	Carrying Cost Accrual	Excess Cost Recovery	Excess Cost Ending Balance
		[g]	[j] = [m] prev month (Starting Balance found on Line 12, Item [f])	[k] = [j]*(1.66% / 12)	[l] = [g]*[b]	[m] = [j] + [k] - [l]
14	Dec-08	13	(\$2,413)	(\$23)	(\$683)	(\$1,754)
15	Jan-09	14	(\$1,754)	(\$17)	(\$683)	(\$1,088)
16	Feb-09	15	(\$1,088)	(\$11)	(\$683)	(\$416)
17	Totals			(\$51)	(\$2,048)	