

Fully allocated cost of service study.

PNM 530 Schedules K Series

Schedule K-1: Allocation of Rate Base—jurisdictional.

Schedule K-2: Allocation of Rate Base--functional classification.

Schedule K-3: Allocation of Rate Base--demand, energy, and customer.

Schedule K-4: Allocation of Rate Base to rate classes.

Schedule K-5: Allocation of total expenses—jurisdictional.

Schedule K-6: Allocation of total expenses--functional classification.

Schedule K-7: Allocation of total expenses--demand, energy, and customer.

Schedule K-8: Allocation of total expenses to rate classes.

PNM Schedule K-1

Allocation of Rate Base—jurisdictional.

This Schedule is also being provided electronically see index for location.

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	Schedule K-1								
3	Allocation of Rate Base - Jurisdictional								
4	Base Period Ending 3/31/2015								
5	Test Period Ending 9/30/2016								
6								Per 17.1.3.16.C(1) NMAC	
7	Description	Total Company Adjusted Base Period	PNM Retail Adjusted Base Period	Reference	Total Company Test Period	PNM Retail Test Period	Reference	Total Company Linkage Period	PNM Retail Linkage Period
8									
9	Total Net Plant	2,818,705,778	2,265,802,749	PNM Exhibit HEM-3 COS BASE ALLC, Column H, Line 78	3,237,492,198	2,647,655,001	PNM Exhibit HEM-3 COS Test, Column J, Line 78	2,885,913,521	2,332,807,543
10									
11	Total Accumulated Deferred Income Taxes	(717,748,726)	(596,687,840)	PNM Exhibit HEM-3 COS BASE ALLC, Column H, Line 124	(785,518,605)	(627,009,079)	PNM Exhibit HEM-3 COS Test, Column J, Line 124	(753,335,485)	(629,617,935)
12									
13	Total Regulatory Assets & Liabilities	(568,615)	23,995,943	PNM Exhibit HEM-3 COS BASE ALLC, Column H, Line 142	(2,692,896)	20,189,939	PNM Exhibit HEM-3 COS Test, Column J, Line 142	(1,809,679)	22,176,412
14									
15	Total Other Rate Base Items	269,329,538	231,813,080	PNM Exhibit HEM-3 COS BASE ALLC, Column H, Line 180	318,264,455	268,619,814	PNM Exhibit HEM-3 COS Test, Column J, Line 180	195,570,289	171,289,413
16									
17	Total Working Capital	184,043,127	142,347,707	PNM Exhibit HEM-3 COS BASE ALLC, Column H, Line 207	187,381,029	148,631,409	PNM Exhibit HEM-3 COS Test, Column J, Line 207	186,531,613	147,016,584
18									
19	Total Rate Base	2,553,761,103	2,067,271,638	PNM Exhibit HEM-3 COS BASE ALLC, Column H, Line 211	2,954,926,181	2,458,087,082	PNM Exhibit HEM-3 COS Test, Column J, Line 211	2,512,870,258	2,043,672,017
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55	This Schedule is sponsored by PNM Witness Monroy								

PNM Schedule K-2

Allocation of Rate Base--functional classification.

This Schedule is also being provided electronically see index for location.

Public Service Company of New Mexico
K-2 Allocation of Rate Base - Functional Classification
Base Period Ending 3/31/2015
Test Period Ending 9/30/2016

A	B	C	D	E	F
1 (a) Base Period					
2 Description	Total⁽¹⁾	Production⁽⁴⁾	Transmission⁽³⁾	Distribution⁽⁹⁾	Customer⁽⁵⁾
3 Net Plant in Service	\$ 2,265,802,749	\$ 1,203,644,529	\$ 251,213,543	\$ 652,834,466	\$ 158,110,211
4 Accumulated Deferred Income Taxes	\$ (596,687,840)	\$ (393,657,290)	\$ (54,954,112)	\$ (119,280,806)	\$ (28,795,633)
5 Regulatory Assets & Liabilities	\$ 23,995,943	\$ 14,044,756	\$ 2,277,823	\$ 4,840,954	\$ 2,832,409
6 Other Rate Base Items	\$ 231,813,080	\$ 124,696,014	\$ 51,660,194	\$ 33,633,384	\$ 21,823,488
7 Working Capital	\$ 142,347,707	\$ 128,268,243	\$ 5,546,409	\$ 7,517,929	\$ 1,015,126
8 TOTAL RATE BASE	\$ 2,067,271,638	\$ 1,076,996,252	\$ 255,743,857	\$ 579,545,928	\$ 154,985,601
9					
10					
11 (b) Test Period					
12 Description	Total⁽⁶⁾	Production⁽⁴⁾	Transmission⁽⁸⁾	Distribution⁽⁹⁾	Customer⁽¹⁰⁾
13 Net Plant in Service	\$ 2,647,655,001	\$ 1,499,760,401	\$ 310,219,560	\$ 679,466,075	\$ 158,208,965
14 Accumulated Deferred Income Taxes	\$ (627,009,079)	\$ (414,222,222)	\$ (57,051,026)	\$ (127,040,633)	\$ (28,695,198)
15 Regulatory Assets & Liabilities	\$ 20,189,939	\$ 11,785,517	\$ 2,085,860	\$ 3,974,049	\$ 2,344,512
16 Other Rate Base Items	\$ 268,619,814	\$ 154,982,446	\$ 59,867,883	\$ 35,023,798	\$ 18,745,686
17 Working Capital	\$ 148,631,409	\$ 134,574,463	\$ 5,114,302	\$ 7,709,787	\$ 1,232,857
18 TOTAL RATE BASE	\$ 2,458,087,082	\$ 1,386,880,604	\$ 320,236,579	\$ 599,133,077	\$ 151,836,822

(c) Explanation of adjustments

Due to differences in account balances between the two measurement periods, the balances in overall functional groupings varies. Please refer to PNM Exhibit HEM-4 and the testimony of PNM Witness Monroy for further discussion of base period adjustments and adjustments from adjusted base period to test period.

Reference:

- ⁽¹⁾PNM Exhibit SC-5, Page 81, Column 1, Lines 5-11
- ⁽²⁾PNM Exhibit SC-5, Page 81, Sum of Columns 3 & 6, Lines 5-11
- ⁽³⁾PNM Exhibit SC-5, Page 81, Column 7, Lines 5-11
- ⁽⁴⁾PNM Exhibit SC-5, Page 81, Column 8, Lines 5-11
- ⁽⁵⁾PNM Exhibit SC-5, Page 81, Column 4, Lines 5-11
- ⁽⁶⁾PNM Exhibit SC-5, Page 179, Column 1, Lines 5-11
- ⁽⁷⁾PNM Exhibit SC-5, Page 179, Sum of Columns 3 & 6, Lines 5-11
- ⁽⁸⁾PNM Exhibit SC-5, Page 179, Column 7, Lines 5-11
- ⁽⁹⁾PNM Exhibit SC-5, Page 179, Column 8, Lines 5-11
- ⁽¹⁰⁾PNM Exhibit SC-5, Page 179, Column 4, Lines 5-11

PNM Schedule K-3

Allocation of Rate Base--demand, energy, and customer.

This Schedule is also being provided electronically see index for location.

Public Service Company of New Mexico
K-3 Allocation of Rate Base - Demand, Energy and Customer
Base Period Ending 3/31/2015
Test Period Ending 9/30/2016

A	B	C	D	E
1 (a) Base Period				
2 Description	Total ⁽¹⁾	Demand ⁽²⁾	Energy ⁽³⁾	Customer ⁽⁴⁾
3 Net Plant in Service	\$ 2,265,802,749	\$ 2,107,692,538	\$ -	\$ 158,110,211
4 Accumulated Deferred Income Taxes	\$ (596,687,840)	\$ (573,445,887)	\$ 5,553,679	\$ (28,795,633)
5 Regulatory Assets & Liabilities	\$ 23,995,943	\$ 19,915,762	\$ 1,247,772	\$ 2,832,409
6 Other Rate Base Items	\$ 231,813,080	\$ 209,989,592	\$ -	\$ 21,823,488
7 Working Capital	\$ 142,347,707	\$ 71,631,587	\$ 69,700,994	\$ 1,015,126
8 TOTAL RATE BASE	\$ 2,067,271,638	\$ 1,835,783,592	\$ 76,502,445	\$ 154,985,601
9				
10				
11 (b) Test Period				
12 Description	Total ⁽⁵⁾	Demand ⁽⁶⁾	Energy ⁽⁷⁾	Customer ⁽⁸⁾
13 Net Plant in Service	\$ 2,647,655,001	\$ 2,489,446,036	\$ -	\$ 158,208,965
14 Accumulated Deferred Income Taxes	\$ (627,009,079)	\$ (607,669,299)	\$ 9,355,418	\$ (28,695,198)
15 Regulatory Assets & Liabilities	\$ 20,189,939	\$ 17,845,427	\$ 0	\$ 2,344,512
16 Other Rate Base Items	\$ 268,619,814	\$ 249,874,127	\$ -	\$ 18,745,686
17 Working Capital	\$ 148,631,409	\$ 72,733,432	\$ 74,665,119	\$ 1,232,857
18 TOTAL RATE BASE	\$ 2,458,087,082	\$ 2,222,229,723	\$ 84,020,537	\$ 151,836,822

(c) Explanation of adjustments

Classification of costs between demand, energy, and customer did not change between Base Period and Test Period. Please see Schedule M-1. Due to differences in account balances between the two measurement periods, the balances in overall groupings varies. Please refer to PNM Exhibit HEM-4 and the testimony of PNM Witness Monroy for further discussion of base period adjustments and adjustments from adjusted base period to test period.

Reference:

- ⁽¹⁾PNM Exhibit SC-5, Page 81, Column 1, Lines 5-11
- ⁽²⁾PNM Exhibit SC-5, Page 81, Column 2, Lines 5-11
- ⁽³⁾PNM Exhibit SC-5, Page 81, Column 3, Lines 5-11
- ⁽⁴⁾PNM Exhibit SC-5, Page 81, Column 4, Lines 5-11
- ⁽⁵⁾PNM Exhibit SC-5, Page 179, Column 1, Lines 5-11
- ⁽⁶⁾PNM Exhibit SC-5, Page 179, Column 2, Lines 5-11
- ⁽⁷⁾PNM Exhibit SC-5, Page 179, Column 3, Lines 5-11
- ⁽⁸⁾PNM Exhibit SC-5, Page 179, Column 4, Lines 5-11

PNM Schedule K-4

Allocation of Rate Base to rate classes.

This Schedule is also being provided electronically see index for location.

Public Service Company of New Mexico
Schedule K-4 Allocation of Rate Base to Rate Classes
Base Period Ending 3/31/2015
Test Period Ending 9/30/2016

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1 (a) Base Period														
2 Description	Total	Residential	Small Power	General Power	Large Power	Mines	Irrigation	Water & Sewage	Universities	Manufacturing	Station Service	Large Power >3,000kW	Private Area Lighting	Streetlighting
3 Net Plant in Service ⁽¹⁾	\$ 2,265,802,749	\$ 1,157,328,954	\$ 312,057,659	\$ 428,776,450	\$ 229,566,823	\$ 11,692,012	\$ 7,809,627	\$ 25,890,758	\$ 8,948,930	\$ 58,869,250	\$ -	\$ -	\$ 3,526,346	\$ 21,335,939
4 Accum Deferred Income Taxes ⁽²⁾	\$ (596,687,840)	\$ (301,681,797)	\$ (80,896,060)	\$ (114,036,449)	\$ (63,089,154)	\$ (3,363,742)	\$ (1,965,908)	\$ (6,318,213)	\$ (2,730,874)	\$ (17,315,761)	\$ -	\$ -	\$ (829,322)	\$ (4,460,562)
5 Regulatory Assets & Liabilities ⁽³⁾	\$ 23,995,943	\$ 12,454,781	\$ 3,197,935	\$ 4,389,635	\$ 2,445,419	\$ 132,316	\$ 77,548	\$ 266,623	\$ 104,977	\$ 677,042	\$ -	\$ -	\$ 42,646	\$ 207,020
6 Other Rate Base Items ⁽⁴⁾	\$ 231,813,080	\$ 117,881,659	\$ 31,497,333	\$ 42,091,454	\$ 24,560,782	\$ 1,375,884	\$ 757,913	\$ 2,455,127	\$ 1,097,336	\$ 6,986,551	\$ -	\$ -	\$ 650,801	\$ 2,458,239
7 Working Capital ⁽⁵⁾	\$ 142,347,707	\$ 62,932,195	\$ 17,637,612	\$ 30,358,664	\$ 19,259,801	\$ 1,210,329	\$ 451,596	\$ 2,237,369	\$ 981,971	\$ 6,329,641	\$ -	\$ -	\$ 196,784	\$ 751,745
8 TOTAL RATE BASE ⁽⁶⁾	\$ 2,067,271,638	\$ 1,048,915,792	\$ 283,494,480	\$ 391,579,754	\$ 212,743,671	\$ 11,046,800	\$ 7,130,776	\$ 24,531,664	\$ 8,402,340	\$ 55,546,723	\$ -	\$ -	\$ 3,587,255	\$ 20,292,382
9 (b) Test Period														
11 Description	Total	Residential	Small Power	General Power	Large Power	Mines	Irrigation	Water & Sewage	Universities	Manufacturing	Station Service	Large Power >3,000kW	Private Area Lighting	Streetlighting
12 Net Plant in Service ⁽⁷⁾	\$ 2,647,655,001	\$ 1,329,399,177	\$ 361,542,949	\$ 522,661,720	\$ 247,653,482	\$ 14,281,145	\$ 11,767,301	\$ 29,617,520	\$ 11,296,447	\$ 72,306,273	\$ 423,234	\$ 20,875,469	\$ 3,489,290	\$ 22,340,993
13 Accum Deferred Income Taxes ⁽⁸⁾	\$ (627,009,079)	\$ (312,028,369)	\$ (86,005,121)	\$ (124,631,063)	\$ (59,993,800)	\$ (3,512,647)	\$ (2,589,585)	\$ (6,612,190)	\$ (2,904,935)	\$ (18,151,832)	\$ (106,678)	\$ (5,138,213)	\$ (779,684)	\$ (4,554,962)
14 Regulatory Assets & Liabilities ⁽⁹⁾	\$ 20,189,939	\$ 10,445,240	\$ 2,719,454	\$ 3,796,949	\$ 1,830,630	\$ 108,437	\$ 80,672	\$ 209,948	\$ 87,578	\$ 553,446	\$ 3,309	\$ 159,353	\$ 31,765	\$ 163,159
15 Other Rate Base Items ⁽¹⁰⁾	\$ 268,619,814	\$ 132,454,476	\$ 36,930,434	\$ 51,877,661	\$ 26,504,657	\$ 1,667,943	\$ 1,002,497	\$ 2,805,666	\$ 1,374,553	\$ 8,455,977	\$ 52,349	\$ 2,442,261	\$ 624,969	\$ 2,426,371
16 Working Capital ⁽¹¹⁾	\$ 148,631,409	\$ 64,927,730	\$ 18,539,268	\$ 32,486,695	\$ 18,164,997	\$ 1,322,745	\$ 500,434	\$ 2,331,218	\$ 911,689	\$ 6,326,498	\$ 43,687	\$ 2,080,724	\$ 208,874	\$ 786,848
17 TOTAL RATE BASE ⁽¹²⁾	\$ 2,458,087,082	\$ 1,225,198,255	\$ 333,726,985	\$ 486,191,961	\$ 234,159,966	\$ 13,867,623	\$ 10,761,319	\$ 28,352,160	\$ 10,765,332	\$ 69,490,362	\$ 415,902	\$ 20,419,594	\$ 3,575,213	\$ 21,162,410

(c) Explanation of adjustments

Class allocation factors changed between Base Period and Test Period due to differing sales, load and customer counts. Please refer to Schedule M-1.
Please refer to PNM Exhibit HEM-4 and the testimony of PNM Witness Monroy for further discussion of base period adjustments and adjustments from adjusted base period to test period.

Reference:

- ⁽¹⁾PNM Exhibit SC-5, Pages 1-2, Line 5
- ⁽²⁾PNM Exhibit SC-5, Pages 1-2, Line 6
- ⁽³⁾PNM Exhibit SC-5, Pages 1-2, Line 7
- ⁽⁴⁾PNM Exhibit SC-5, Pages 1-2, Line 8
- ⁽⁵⁾PNM Exhibit SC-5, Pages 1-2, Line 9
- ⁽⁶⁾PNM Exhibit SC-5, Pages 1-2, Line 11
- ⁽⁷⁾PNM Exhibit SC-5, Pages 99-100, Line 5
- ⁽⁸⁾PNM Exhibit SC-5, Pages 99-100, Line 6
- ⁽⁹⁾PNM Exhibit SC-5, Pages 99-100, Line 7
- ⁽¹⁰⁾PNM Exhibit SC-5, Pages 99-100, Line 8
- ⁽¹¹⁾PNM Exhibit SC-5, Pages 99-100, Line 9
- ⁽¹²⁾PNM Exhibit SC-5, Pages 99-100, Line 11

PNM Schedule K-5

Allocation of total expenses—jurisdictional.

This Schedule is also being provided electronically see index for location.

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	Schedule K-5								
3	Allocation of Total Expenses - Jurisdictional								
4	Base Period Ending 3/31/2015								
5	Test Period Ending 9/30/2016								
6									
7									Per 17.1.3.16.B NMAC
8	Description	Total Company Adjusted Base Period	PNM Retail Adjusted Base Period	Reference	Total Company Test Period	PNM Retail Test Period	Reference	Total Company Linkage Period	PNM Retail Linkage Period
9	Fuel Related Expenses								
9	Total Fuel (Net OSS)	209,223,260	230,895,821	PNM Exhibit HEM-3 COS BASE ALLC, Line 238	203,878,117	217,655,764	PNM Exhibit HEM-3 COS Test, Line 238	91,257,076	102,889,689
10	Total Non-Fuel Items	66,818,134	49,522,535	PNM Exhibit HEM-3 COS BASE ALLC, Line 258	62,058,574	37,919,397	PNM Exhibit HEM-3 COS Test, Line 258	36,813,210	24,525,436
11	Total Fuel Related Expense	276,041,394	280,418,357	PNM Exhibit HEM-3 COS BASE ALLC, Line 260	265,936,690	255,575,161	PNM Exhibit HEM-3 COS Test, Line 260	128,070,286	127,415,125
12									
13	Operating and Maintenance Expenses (O&M)								
14	Total Production O&M	175,870,690	153,586,918	PNM Exhibit HEM-3 COS BASE ALLC, Line 301	146,432,131	126,171,739	PNM Exhibit HEM-3 COS Test, Line 301	81,420,078	71,065,409
15	Total Transmission O&M	41,692,697	29,592,740	PNM Exhibit HEM-3 COS BASE ALLC, Line 330	40,131,315	28,834,054	PNM Exhibit HEM-3 COS Test, Line 330	19,465,863	14,027,187
16	Total Distribution O&M	21,538,765	21,820,544	PNM Exhibit HEM-3 COS BASE ALLC, Line 363	22,240,934	22,540,003	PNM Exhibit HEM-3 COS Test, Line 363	10,895,640	11,042,965
17	Total Customer Related O&M	20,051,347	19,316,055	PNM Exhibit HEM-3 COS BASE ALLC, Line 383	20,862,198	20,179,892	PNM Exhibit HEM-3 COS Test, Line 383	10,287,812	9,950,887
18	Total Administrative & General Expense	83,137,621	74,616,230	PNM Exhibit HEM-3 COS BASE ALLC, Line 431	94,137,245	84,383,090	PNM Exhibit HEM-3 COS Test, Line 431	42,917,241	38,709,309
19	Total Operating and Maintenance Expenses	342,291,119	298,932,486		323,803,823	282,108,779		164,986,635	144,795,757
20									
21	Total Depreciation and Amortization Expense	109,934,511	90,491,546	PNM Exhibit HEM-3 COS BASE ALLC, Line 482	152,788,693	126,885,928	PNM Exhibit HEM-3 COS Test, Line 482	59,233,549	48,760,605
22	Total General Taxes	36,414,931	29,207,751	PNM Exhibit HEM-3 COS BASE ALLC, Line 555	41,326,170	33,025,906	PNM Exhibit HEM-3 COS Test, Line 555	19,312,372	15,303,309
23	Total Other Allowable Expenses	11,880,040	7,537,886	PNM Exhibit HEM-3 COS BASE ALLC, Line 583	18,347,172	13,164,045	PNM Exhibit HEM-3 COS Test, Line 583	7,639,948	3,884,804
24									
25	Total Expenses	776,561,995	706,588,027	PNM Exhibit HEM-3 COS BASE ALLC, Line 586	802,202,548	710,759,818	PNM Exhibit HEM-3 COS Test, Line 586	379,242,789	340,159,599
26									
27	Return On Rate Base	209,663,787	169,723,002	PNM Exhibit HEM-3 COS BASE ALLC, Line 591	241,417,469	200,825,715	PNM Exhibit HEM-3 COS Test, Line 591	97,122,436	78,987,923
28	Federal Income Tax	63,925,545	51,752,539	PNM Exhibit HEM-3 COS BASE ALLC, Line 646	81,961,758	68,498,479	PNM Exhibit HEM-3 COS Test, Line 669	29,461,452	24,255,336
29	State Income Tax	14,597,559	12,715,211	PNM Exhibit HEM-3 COS BASE ALLC, Line 671	15,576,484	14,106,322	PNM Exhibit HEM-3 COS Test, Line 671	5,563,931	5,665,980
30	Revenue Credits	(18,546,159)	(16,829,366)	PNM Exhibit HEM-3 COS BASE ALLC, Line 694	(19,432,252)	(17,700,702)	PNM Exhibit HEM-3 COS Test, Line 694	(9,328,368)	(8,474,066)
31	Revenue Tax	5,320,705	4,698,957	PNM Exhibit HEM-3 COS BASE ALLC, Line 699	5,704,796	4,966,163	PNM Exhibit HEM-3 COS Test, Line 699	2,553,353	2,240,746
32									
33	Total Revenue Requirement	1,051,523,430	928,648,370	PNM Exhibit HEM-3 COS BASE ALLC, Line 703	1,127,430,803	981,455,795	PNM Exhibit HEM-3 COS Test, Line 703	504,615,593	442,835,518
34									
35	Notes:								
36	Linkage Data is provided for PNM Retail, at a summary level, pursuant to 17.1.3.16.B NMAC based on test period allocators.								
37	Please refer to PNM Exhibit HEM-3 for base period, adjustments to base period, and test period information.								
38	Please refer to PNM Exhibit HEM-4 and the testimony of PNM Witness Monroy for further discussion of base period adjustments and adjustments from base period								
39	to test period, including the development of linkage data.								
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64	This schedule is sponsored by PNM Witness Monroy								

PNM Schedule K-6

Allocation of total expenses--functional classification.

This Schedule is also being provided electronically see index for location.

Public Service Company of New Mexico
K-6 Allocation of Total Expenses - Functional Classification
Base Period Ending 3/31/2015
Test Period Ending 9/30/2016

A	B	C	D	E	F
(a) Base Period	Total ⁽¹⁾	Production ⁽²⁾	Transmission ⁽³⁾	Distribution ⁽⁴⁾	Customer ⁽⁵⁾
2 Operation & Maintenance Expenses Excluding Base Fuel	\$ 348,455,021	\$ 236,608,141	\$ 30,663,955	\$ 30,551,151	\$ 50,631,775
3 Operation & Maintenance Expense - Base Fuel	\$ 230,895,821	\$ 230,895,821	\$ -	\$ -	\$ -
4 Depreciation & Amortization Expense	\$ 90,491,546	\$ 40,511,745	\$ 10,530,941	\$ 24,610,899	\$ 14,837,961
5 General Taxes	\$ 29,207,751	\$ 15,086,433	\$ 6,710,494	\$ 4,919,503	\$ 2,491,322
6 Other Allowable Expenses	\$ 7,537,886	\$ 6,236,255	\$ 489,857	\$ 460,368	\$ 351,406
7 Net Allowable Federal Income Tax	\$ 51,752,539	\$ 25,904,181	\$ 6,794,064	\$ 15,122,018	\$ 3,932,277
8 Net Allowable State Income Tax	\$ 12,715,211	\$ 6,601,822	\$ 1,563,393	\$ 3,601,085	\$ 948,912
9 Revenue Tax	\$ 4,698,957	\$ 3,273,852	\$ 368,134	\$ 623,432	\$ 433,539
10 Less: Revenue Credits - Other Operating Revenue	\$ (16,829,366)	\$ (6,532,829)	\$ (5,363,675)	\$ (4,261,140)	\$ (671,722)
11 TOTAL EXPENSES	\$ 758,925,368	\$ 558,585,421	\$ 51,757,163	\$ 75,627,315	\$ 72,955,469
12					
13					
(b) Test Period	Total ⁽⁶⁾	Production ⁽⁷⁾	Transmission ⁽⁸⁾	Distribution ⁽⁹⁾	Customer ⁽¹⁰⁾
15 Operation & Maintenance Expenses Excluding Base Fuel	\$ 320,028,176	\$ 199,643,185	\$ 31,916,858	\$ 33,986,065	\$ 54,482,068
16 Operation & Maintenance Expense - Base Fuel	\$ 217,655,764	\$ 217,655,764	\$ -	\$ -	\$ -
17 Depreciation & Amortization Expense	\$ 126,885,928	\$ 58,639,616	\$ 15,989,208	\$ 32,868,994	\$ 19,388,110
18 General Taxes	\$ 33,025,906	\$ 17,415,973	\$ 7,496,794	\$ 5,371,353	\$ 2,741,786
19 Other Allowable Expenses	\$ 13,164,045	\$ 9,286,480	\$ 612,378	\$ 530,087	\$ 2,735,100
20 Net Allowable Federal Income Tax	\$ 68,498,479	\$ 38,647,591	\$ 8,938,751	\$ 16,695,242	\$ 4,216,894
21 Net Allowable State Income Tax	\$ 14,106,322	\$ 7,988,345	\$ 1,817,383	\$ 3,431,841	\$ 868,753
22 Revenue Tax	\$ 4,966,163	\$ 3,335,638	\$ 442,333	\$ 699,092	\$ 489,100
23 Less: Revenue Credits - Other Operating Revenue	\$ (17,700,702)	\$ (6,703,225)	\$ (5,959,453)	\$ (4,371,235)	\$ (666,788)
24 TOTAL EXPENSES	\$ 780,630,080	\$ 545,909,367	\$ 61,254,251	\$ 89,211,439	\$ 84,255,022

(c) Explanation of adjustments

Due to differences in account balances between the two measurement periods, the balances in overall functional groupings varies. Please refer to PNM Exhibit HEM-4 and the testimony of PNM Witness Monroy for further discussion of base period adjustments and adjustments from adjusted base period to test period.

Reference:

- ⁽¹⁾PNM Exhibit SC-5, Page 84, Column 1, Lines 16-23, Less line 12
- ⁽²⁾PNM Exhibit SC-5, Page 84, Sum of Columns 3 & 6, Lines 16-23, Less line 12
- ⁽³⁾PNM Exhibit SC-5, Page 84, Column 7, Lines 16-23, Less line 12
- ⁽⁴⁾PNM Exhibit SC-5, Page 84, Column 8, Lines 16-23, Less line 12
- ⁽⁵⁾PNM Exhibit SC-5, Page 84, Column 4, Lines 16-23, Less line 12
- ⁽⁶⁾PNM Exhibit SC-5, Page 182, Column 1, Lines 16-23, Less line 12
- ⁽⁷⁾PNM Exhibit SC-5, Page 182, Sum of Columns 3 & 6, Lines 16-23, Less line 12
- ⁽⁸⁾PNM Exhibit SC-5, Page 182, Column 7, Lines 16-23, Less line 12
- ⁽⁹⁾PNM Exhibit SC-5, Page 182, Column 8, Lines 16-23, Less line 12
- ⁽¹⁰⁾PNM Exhibit SC-5, Page 182, Column 4, Lines 16-23, Less line 12

PNM Schedule K-7

Allocation of total expenses--demand, energy, and customer.

This Schedule is also being provided electronically see index for location.

Public Service Company of New Mexico
K-7 Allocation of Total Expenses - Demand, Energy and Customer
Base Period Ending 3/31/2015
Test Period Ending 9/30/2016

A	B	C	D	E
(a) Base Period	Total ⁽¹⁾	Demand ⁽²⁾	Energy ⁽³⁾	Customer ⁽⁴⁾
2 Operation & Maintenance Expenses Excluding Base Fuel	\$ 348,455,021	\$ 248,300,711	\$ 49,522,535	\$ 50,631,775
3 Operation & Maintenance Expense - Base Fuel	\$ 230,895,821	\$ -	\$ 230,895,821	\$ -
4 Depreciation & Amortization Expense	\$ 90,491,546	\$ 75,653,585	\$ -	\$ 14,837,961
5 General Taxes	\$ 29,207,751	\$ 26,716,430	\$ -	\$ 2,491,322
6 Other Allowable Expenses	\$ 7,537,886	\$ 7,371,758	\$ (185,278)	\$ 351,406
7 Net Allowable Federal Income Tax	\$ 51,752,539	\$ 45,711,147	\$ 2,109,115	\$ 3,932,277
8 Net Allowable State Income Tax	\$ 12,715,211	\$ 11,344,477	\$ 421,823	\$ 948,912
9 Revenue Tax	\$ 4,698,957	\$ 2,795,414	\$ 1,470,004	\$ 433,539
10 Less: Revenue Credits - Other Operating Revenue	\$ (16,829,366)	\$ (16,157,644)	\$ -	\$ (671,722)
11 TOTAL EXPENSES	\$ 758,925,368	\$ 401,735,878	\$ 284,234,021	\$ 72,955,469
12				
13				
(b) Test Period	Total ⁽⁵⁾	Demand ⁽⁶⁾	Energy ⁽⁷⁾	Customer ⁽⁸⁾
15 Operation & Maintenance Expenses Excluding Base Fuel	\$ 320,028,176	\$ 227,626,710	\$ 37,919,397	\$ 54,482,068
16 Operation & Maintenance Expense - Base Fuel	\$ 217,655,764	\$ -	\$ 217,655,764	\$ -
17 Depreciation & Amortization Expense	\$ 126,885,928	\$ 107,497,819	\$ -	\$ 19,388,110
18 General Taxes	\$ 33,025,906	\$ 30,284,120	\$ -	\$ 2,741,786
19 Other Allowable Expenses	\$ 13,164,045	\$ 10,428,945	\$ -	\$ 2,735,100
20 Net Allowable Federal Income Tax	\$ 68,498,479	\$ 61,915,435	\$ 2,366,150	\$ 4,216,894
21 Net Allowable State Income Tax	\$ 14,106,322	\$ 12,786,310	\$ 451,258	\$ 868,753
22 Revenue Tax	\$ 4,966,163	\$ 3,128,037	\$ 1,349,026	\$ 489,100
23 Less: Revenue Credits - Other Operating Revenue	\$ (17,700,702)	\$ (17,033,913)	\$ -	\$ (666,788)
24 TOTAL EXPENSES	\$ 780,630,080	\$ 436,633,463	\$ 259,741,595	\$ 84,255,022

(c) Explanation of adjustments

Classification of costs between demand, energy, and customer did not change between Base Period and Test Period. Please see Schedule M-1.

Due to differences in account balances between the two measurement periods, the balances in overall groupings varies.

Please refer to PNM Exhibit HEM-4 and the testimony of PNM Witness Monroy for further discussion of base period adjustments and adjustments from adjusted base period to test period.

Reference:

⁽¹⁾PNM Exhibit SC-5, Page 84, Column 1, Lines 16-23, Less Line 12

⁽²⁾PNM Exhibit SC-5, Page 84, Column 2, Lines 16-23, Less Line 12

⁽³⁾PNM Exhibit SC-5, Page 84, Column 3, Lines 16-23, Less Line 12

⁽⁴⁾PNM Exhibit SC-5, Page 84, Column 4, Lines 16-23, Less Line 12

⁽⁵⁾PNM Exhibit SC-5, Page 182, Column 1, Lines 16-23, Less Line 12

⁽⁶⁾PNM Exhibit SC-5, Page 182, Column 2, Lines 16-23, Less Line 12

⁽⁷⁾PNM Exhibit SC-5, Page 182, Column 3, Lines 16-23, Less Line 12

⁽⁸⁾PNM Exhibit SC-5, Page 182, Column 4, Lines 16-23, Less Line 12

PNM Schedule K-8

Allocation of total expenses to rate classes.

This Schedule is also being provided electronically see index for location.

Public Service Company of New Mexico
Schedule K-8 Allocation of Total Expenses to Rate Classes
Base Period Ending 3/31/2015
Test Period Ending 9/30/2016

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Total	Residential	Small Power	General Power	Large Power	Mines	Irrigation	Water & Sewage	Universities	Manufacturing	Station Service	Large Power >3,000kW	Private Area Lighting	Streetlighting
1 (a) Base Period														
2 Operation & Maintenance Expenses Excluding Base Fuel ⁽¹⁴⁾	\$ 348,455,021	\$ 176,684,845	\$ 44,245,055	\$ 64,008,961	\$ 38,350,735	\$ 2,282,696	\$ 1,087,819	\$ 4,342,764	\$ 1,849,790	\$ 11,842,137	\$ -	\$ -	\$ 1,103,757	\$ 2,656,463
3 Operation & Maintenance Expense - Base Fuel ⁽¹⁴⁾	\$ 230,895,821	\$ 89,131,883	\$ 26,505,199	\$ 53,523,148	\$ 36,696,466	\$ 2,487,660	\$ 747,190	\$ 5,025,098	\$ 1,958,427	\$ 12,982,053	\$ -	\$ -	\$ 438,199	\$ 1,400,499
4 Depreciation & Amortization Expense ⁽¹⁴⁾	\$ 90,491,546	\$ 49,003,577	\$ 12,345,431	\$ 15,888,490	\$ 8,214,518	\$ 384,402	\$ 312,370	\$ 975,773	\$ 317,924	\$ 1,984,229	\$ -	\$ -	\$ 168,916	\$ 895,916
5 General Taxes ⁽¹⁵⁾	\$ 29,207,751	\$ 14,864,769	\$ 3,937,342	\$ 5,516,606	\$ 2,904,113	\$ 165,646	\$ 97,679	\$ 280,892	\$ 133,547	\$ 844,382	\$ -	\$ -	\$ 78,788	\$ 383,989
6 Other Allowable Expenses ⁽¹⁶⁾	\$ 7,537,886	\$ 3,844,383	\$ 972,911	\$ 1,441,515	\$ 823,160	\$ 46,746	\$ 22,025	\$ 67,358	\$ 40,620	\$ 247,229	\$ -	\$ -	\$ 5,904	\$ 26,035
7 Net Allowable Federal Income Tax ⁽¹⁷⁾	\$ 51,752,539	\$ 26,244,162	\$ 7,111,456	\$ 9,809,565	\$ 5,313,611	\$ 274,761	\$ 179,706	\$ 622,588	\$ 206,831	\$ 1,376,153	\$ -	\$ -	\$ 91,240	\$ 522,466
8 Net Allowable State Income Tax ⁽¹⁷⁾	\$ 12,715,211	\$ 6,456,674	\$ 1,745,224	\$ 2,408,223	\$ 1,305,390	\$ 67,575	\$ 43,905	\$ 150,542	\$ 51,356	\$ 339,645	\$ -	\$ -	\$ 21,862	\$ 124,817
9 Revenue Tax ⁽¹⁸⁾	\$ 4,698,957	\$ 2,260,271	\$ 599,797	\$ 922,123	\$ 554,708	\$ 33,055	\$ 15,353	\$ 67,275	\$ 26,264	\$ 170,884	\$ -	\$ -	\$ 11,043	\$ 38,184
10 Less: Revenue Credits - Other Operating Revenue ⁽¹⁹⁾	\$ (16,829,366)	\$ (7,912,251)	\$ (2,200,171)	\$ (3,429,508)	\$ (2,002,752)	\$ (116,864)	\$ (57,269)	\$ (250,872)	\$ (84,146)	\$ (575,628)	\$ -	\$ -	\$ (31,786)	\$ (168,118)
11 TOTAL EXPENSES	\$ 758,925,368	\$ 360,578,314	\$ 95,262,243	\$ 150,089,122	\$ 92,159,948	\$ 5,625,678	\$ 2,448,777	\$ 11,281,418	\$ 4,500,612	\$ 29,211,083	\$ -	\$ -	\$ 1,887,921	\$ 5,880,251
12														
13														
14 (b) Test Period														
15 Operation & Maintenance Expenses Excluding Base Fuel ⁽¹⁴⁾	\$ 320,028,176	\$ 163,145,852	\$ 41,122,794	\$ 59,156,817	\$ 30,768,045	\$ 2,063,613	\$ 1,131,528	\$ 3,939,105	\$ 1,508,289	\$ 10,049,734	\$ 67,600	\$ 3,164,051	\$ 1,162,037	\$ 2,748,711
16 Operation & Maintenance Expense - Base Fuel ⁽¹⁴⁾	\$ 217,655,764	\$ 84,478,904	\$ 24,623,026	\$ 50,960,292	\$ 31,008,864	\$ 2,503,072	\$ 696,635	\$ 4,660,303	\$ 1,496,167	\$ 11,334,055	\$ 84,637	\$ 4,067,136	\$ 420,744	\$ 1,321,929
17 Depreciation & Amortization Expense ⁽¹⁴⁾	\$ 126,885,928	\$ 67,200,559	\$ 17,106,581	\$ 23,258,926	\$ 10,620,166	\$ 566,917	\$ 562,394	\$ 1,341,553	\$ 475,249	\$ 2,910,689	\$ 18,327	\$ 835,967	\$ 245,300	\$ 1,743,300
18 General Taxes ⁽¹⁵⁾	\$ 33,025,906	\$ 16,548,764	\$ 4,486,923	\$ 6,457,917	\$ 2,987,311	\$ 189,655	\$ 131,706	\$ 313,744	\$ 157,937	\$ 964,784	\$ 6,047	\$ 278,210	\$ 81,479	\$ 421,429
19 Other Allowable Expenses ⁽¹⁶⁾	\$ 13,164,045	\$ 6,510,705	\$ 1,779,075	\$ 2,628,132	\$ 1,299,696	\$ 84,865	\$ 39,971	\$ 127,266	\$ 70,416	\$ 421,185	\$ 2,708	\$ 120,185	\$ 18,491	\$ 61,348
20 Net Allowable Federal Income Tax ⁽¹⁷⁾	\$ 68,498,479	\$ 34,135,244	\$ 9,299,464	\$ 13,551,474	\$ 6,527,722	\$ 386,689	\$ 299,895	\$ 790,469	\$ 300,116	\$ 1,937,457	\$ 11,598	\$ 569,423	\$ 99,512	\$ 589,416
21 Net Allowable State Income Tax ⁽¹⁷⁾	\$ 14,106,322	\$ 7,033,769	\$ 1,915,845	\$ 2,789,709	\$ 1,342,780	\$ 79,431	\$ 61,706	\$ 162,220	\$ 61,784	\$ 398,432	\$ 2,382	\$ 116,919	\$ 20,389	\$ 120,956
22 Revenue Tax ⁽¹⁸⁾	\$ 4,966,163	\$ 2,394,651	\$ 637,425	\$ 990,861	\$ 517,659	\$ 34,982	\$ 18,945	\$ 68,108	\$ 24,731	\$ 168,328	\$ 1,136	\$ 54,040	\$ 11,742	\$ 43,554
23 Less: Revenue Credits - Other Operating Revenue ⁽¹⁹⁾	\$ (17,700,702)	\$ (8,295,566)	\$ (2,263,309)	\$ (3,693,445)	\$ (1,898,895)	\$ (128,719)	\$ (77,975)	\$ (258,955)	\$ (86,655)	\$ (595,545)	\$ (3,932)	\$ (194,387)	\$ (31,212)	\$ (172,108)
24 TOTAL EXPENSES	\$ 780,630,080	\$ 373,152,882	\$ 98,707,824	\$ 156,100,685	\$ 83,173,348	\$ 5,780,506	\$ 2,864,805	\$ 11,143,812	\$ 4,008,034	\$ 27,589,120	\$ 190,503	\$ 9,011,544	\$ 2,028,482	\$ 6,878,535

(c) Explanation of adjustments

Class allocation factors changed between Base Period and Test Period due to differing sales, load and customer counts. Please refer to Schedule M-1.
Please refer to PNM Exhibit HEM-4 and the testimony of PNM Witness Monroy for further discussion of base period adjustments and adjustments from adjusted base period to test period.

Reference:

- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 16
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 17
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 18
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 19
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 20
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 21
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 22
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 3-4, Line 23
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 16
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 17
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 18
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 19
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 20
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 21
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 22
- ⁽¹⁴⁾PNM Exhibit SC-5, Pages 101-102, Line 23