

Rate of return by rate classification.

PNM 530 Schedules N Series

Schedule N-1: Rate of return by rate classification.

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

Public Service Company of New Mexico
Schedule N-1 Rate of Return by Rate Classification
Base Period Ending 3/31/2015
Test Period Ending 9/30/2016

	Residential	Small Power	General Power	Large Power	Mines Schedule 5	Irrigation	Wtar/Swg Pumping	Universities Schedule 15	Manufacturing Schedule 30	Industrial Schedule 33B	Schedule 35B	Private Lighting Schedule 6	Streetlighting	
	Total PNM Consolidated	Schedule 1 Residential 1	Schedule 2 Small Power 2	Schedule 3 General Power 3	Schedule 4 Large Power 4	Industrial Power (Mines, Multi Volt) 5	Schedule 10 Irrigation 6	Schedule 11 Water & Sewage 7	Industrial Power (Universities 115 kV) 8	Industrial Power (Manuf, 12.5 kV) 9	Large Service for Station Power 10	Lg Power Service >= 3,000 kW 11	Private Area Lighting 12	Schedule 20 Streetlighting 13
(a) Base Year - Current Rates														
Rate Base ⁽¹⁾	\$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	\$0	\$0	\$3,587,255	\$20,292,382
Net Operating Income (present rates) ⁽²⁾	\$118,561,597	\$43,463,932	\$21,916,521	\$32,943,228	\$12,832,149	\$907,664	\$258,821	\$1,527,052	\$714,212	\$1,528,377	\$0	\$0	\$704,888	\$1,764,752
Rate of Return (present rates)	5.74%	4.14%	7.73%	8.41%	6.03%	8.22%	3.63%	6.22%	8.50%	2.75%	0.00%	0.00%	19.65%	8.70%
Relative Rate of Return	1.00	0.72	1.35	1.47	1.05	1.43	0.63	1.09	1.48	0.48	0.00	0.00	3.43	1.52
(b.1) Test Year - Proposed Rates (Unbanded)														
Rate Base ⁽³⁾	\$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
Net Operating Income (proposed rates) ⁽⁴⁾	\$200,825,715	\$100,098,697	\$27,265,495	\$39,721,883	\$19,130,869	\$1,132,985	\$879,200	\$2,316,372	\$879,528	\$5,677,363	\$33,979	\$1,668,281	\$292,095	\$1,728,969
Rate of Return (proposed rates)	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%
Relative Rate of Return	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(b.2) Test Year - Proposed Rates (Banded)														
Rate Base ⁽⁵⁾	\$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
Net Operating Income (proposed rates) ⁽⁶⁾	\$202,145,144	\$88,638,305	\$30,092,728	\$47,871,006	\$20,799,765	\$1,533,581	\$575,409	\$2,321,076	\$902,621	\$4,761,697	\$44,588	\$2,261,657	\$635,695	\$1,707,018
Rate of Return (proposed rates)	8.22%	7.23%	9.02%	9.85%	8.88%	11.06%	5.35%	8.19%	8.38%	6.85%	10.72%	11.08%	17.78%	8.07%
Relative Rate of Return	1.00	0.88	1.10	1.20	1.08	1.34	0.65	1.00	1.02	0.83	1.30	1.35	2.16	0.98

(c) Explanation of adjustments

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.

Please refer to the direct testimony of PNM Witness Chan for an explanation of allocations to rate classes and proposed revenues before and after banding.

Reference:

- ⁽¹⁾PNM Exhibit SC-5, Page 1-2, Line 11
- ⁽²⁾PNM Exhibit SC-5, Page 1-2, Line 36
- ⁽³⁾PNM Exhibit SC-5, Page 103-104, Line 2
- ⁽⁴⁾PNM Exhibit SC-5, Page 103-104, Line 26
- ⁽⁵⁾PNM Exhibit SC-5, Page 103-104, Line 2
- ⁽⁶⁾Worksheet "RoFR after Banding.xlsx", Sheet1, Row 39