

Resume of Henry E. Monroy

PNM Exhibit HEM-1

Is contained in the following 2 pages.

HENRY E. MONROY
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Henry E. Monroy

Address: PNM Resources Inc.
MS 0915
414 Silver SW
Albuquerque, NM 87102

Position: Director, Cost of Service and Internal Audit

Education: Bachelor of Accountancy, New Mexico State University, 2001
Certified Public Accountant in the State of New Mexico, December 2012

Employment: Employed by Public Service Company of New Mexico since 2003.
Positions held within the Company include:

Director, Cost of Service and Corporate Budget
Director, Utility Accounting
Manager, Cost of Service
Senior Manager, Derivative Accounting
Manager, Energy Analysis and Accounting
Project Manager
Senior Accountant

Testimony Filed:

- 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. – NMPRC – Case No. 08-00273-UT, filed September 22, 2008.
- In the Matter of Texas-New Mexico Power Company's Request for Approval of an Advance Metering System (AMS) Deployment and AMS Surcharge. – PUCT – Docket No. 38036, filed May, 2010.
- In the Matter of the Application of Public Service Company of New Mexico for the Abandonment and Decertification of the Generating Station in Las Vegas, New Mexico, NMPRC – Case No. 10-00264-UT, filed August 30, 2010.

- Initial Filing of PNM to Revise Sheets in its OATT, Coordination Tariff, and GFAs Reflecting Implementation of Transmission Formula Rate – FERC – Docket Nos. ER13-685-000, ER13-687-000 and ER13-690-000, filed December 2012.
- In the Matter of Public Service Company of New Mexico’s Renewable Energy Portfolio Procurement Plan for 2014 and Proposed 2014 Rider Rate Under Rate Rider No. 36. – NMPRC – Case No. 13-00183-UT, filed June 1, 2013.
- In the Matter of the Application of Public Service Company of New Mexico for Continued use of Fuel and Purchased Power Cost Adjustment Clause. – NMPRC – Case No. 13-00187-UT, filed May 28, 2013.
- In the Matter of Application of PNM for Approval to Abandon San Juan Generating Station Units 2 and 3, Issuance of CCNs for Replacement Power Resources, Issuance of Accounting Order and Determination of Ratemaking Principles and Treatment – NMPRC – Case No. 13-00390-UT, filed December 20, 2013.
- In the Matter of the Application of PNM for Approval of Renewable Energy Rider No. 36 Pursuant to Advice Notice No. 439 and for Variances from Certain Filing Requirements – Case No. 12-00007-UT, filed February 28, 2014.
- In the Matter of Public Service Company of New Mexico’s Application for a Certificate of Public Convenience and Necessity and Related Approvals for the La Luz Energy Center – Case No. 13-00175-UT, filed March 21, 2014.
- In the Matter of Public Service Company of New Mexico’s Renewable Energy Portfolio Procurement Plan for 2015 and Proposed 2015 Rider Rate Under Rate Rider No. 36. – NMPRC – Case No. 14-00158-UT, filed June 2, 2014.
- 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. 507. – NMPRC – Case No. 14-00332-UT, filed December 11, 2014.
- In the Matter of the Application of PNM for Approval of Renewable Energy Rider No. 36 Pursuant to Advice Notice No. 439 and for Variances from Certain Filing Requirements – Case No. 12-00007-UT, filed February 27, 2015.
- In the Matter of the Application of Public Service Company of New Mexico for Approval to Serve the Jicarilla Apache Nation under a Long Term Wholesale Power Supply Agreement – Case No. 15-00134-UT, filed May 12, 2015.
- In the Matter of Public Service Company of New Mexico’s Renewable Energy Portfolio Procurement Plan for 2016 and Proposed 2016 Rider Rate Under Rider No. 36. – Case No. 15-00166-UT, filed June 1, 2015.

Cost of Service Functional Working Model Manual

PNM Exhibit HEM-2

Is contained in the following 6 pages.

INSTRUCTIONS FOR COST OF SERVICE FUNCTIONAL MODEL

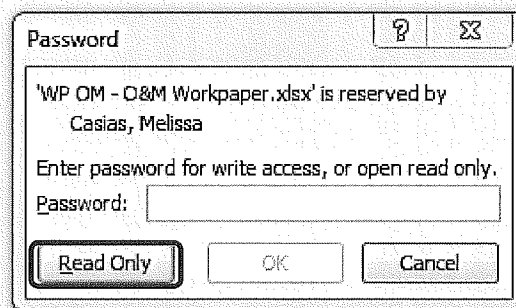
INTRODUCTION: The Cost of Service Functional Model (“Cost of Service Model”) consists of the Microsoft Excel (“Excel”) file PNM Exhibit HEM-3 – WP COS. xlsx located in the “HEM-3 – Cost of Service” folder and supporting work paper Excel files located in the “HEM-4 – Workpapers” folder within the “Cost of Service Model” folder.

PNM Exhibit HEM-3 – WP COS.xlsx contains the Company’s Cost of Service studies in this proceeding, including Cost of Service studies for the adjusted Base Period and the Test Period. The Cost of Service studies provide the jurisdictional allocations of the Company’s revenue requirements to PNM Retail and other PNM jurisdictions.

The supporting workpapers contained in file “HEM-4 Workpapers” include both PNM Exhibit HEM-4 and PNM Exhibit SAT-2. PNM Exhibit HEM-4 consists of 13 Microsoft Excel workbook files that support various sections of the Cost of Service Model. Please refer to “PNM Exhibit HEM-4 WP Index” for listing of Microsoft Excel workbooks and description of individual worksheets contained within each Microsoft Excel workbook. PNM Exhibit SAT-2 consists of 1 Microsoft Excel workbook that supports the base fuel calculation and other fuel related expenses.

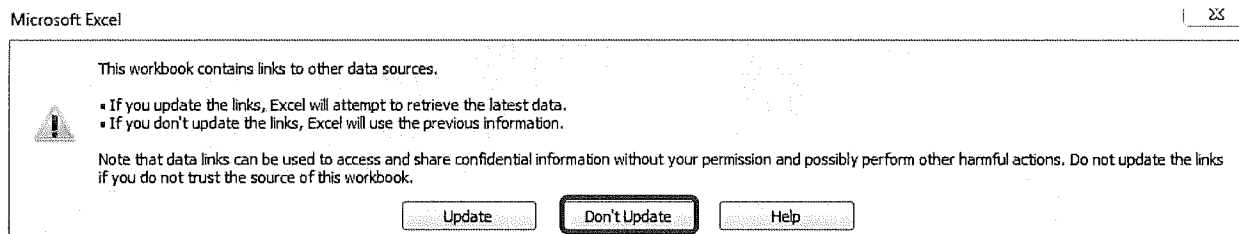
SECTION I: INSTRUCTIONS FOR SAVING THE COST OF SERVICE FUNCTIONAL MODEL TO LOCAL DRIVE

1. Locate DVD Labeled “2015 Electric Rate Case Filing Case No. 15-00261-UT Cost of Service Model, Embedded Class Cost of Service and Rate Design including Workpapers” provided with PNM’s Application.
2. Insert Disc into computer DVD-ROM drive.
3. Open Windows Explorer and navigate to the inserted disc.
4. Open all of the Excel files on the disc. When each file opens, you will be prompted to enter a password.



It is suggested that you click on “Read Only” to ensure the data integrity of the file is retained. However, if you anticipate making changes, the password for all files is “1234”.

5. Upon opening the Excel files, you may be prompted to update the Excel files (shown below).



Since **all** Excel files will be opened as part of this step, Click “Don’t Update”. The links will update automatically as the additional files are opened.

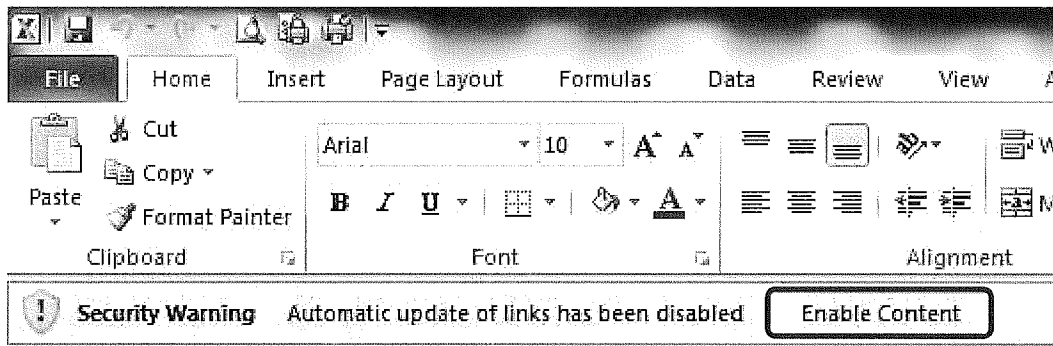
6. Designate a location (hard drive, system drive, etc.) to which you wish to save the provided files. Then for each of the individual opened Excel files, click on “File” then “Save As” and save to your desired location. *Note – If the files were opened as “Read Only” this will remove the password protection. If the Password was entered, then the password protection will stay intact.*

Please note, ALL files must remain open during the saving process to ensure that all the links are properly updated.

SECTION 2: NAVIGATING THE COST OF SERVICE MODEL

1. It is suggested that you start navigation with PNM Exhibit HEM-3 – WP COS.xlsx. Within this file, the worksheet titled “Lead Sheet COS” provides general notes for navigating the Cost of Service studies and references the applicable workpapers for the respective sections of the Cost of Service Model.
2. Following the links in PNM Exhibit HEM-3 – WP COS.xlsx will allow the user to trace the values back to the supporting workpapers.
3. A navigation shortcut may be used to open the relevant supporting workpaper in PNM Exhibit HEM-4 from within a cell in PNM Exhibit HEM-3 – WP COS.xlsx that is linked to it. For cell inputs that are linked to another worksheet or another Excel file, press “Ctrl” + “[”. This will take you directly to the linked number in the applicable worksheet or Excel file. Note: if a cell input has links to multiple cells, the then “Ctrl” + “[” shortcut will only take you to the first referenced linked cell.

4. Depending on your settings in Microsoft Excel, you may also be prompted with a security warning indicating Automatic update of links has been disabled.



To ensure any changes made to the Cost of Service Model is successful, the user should select "Enable Content" when prompted.

SECTION 3: USING THE COST OF SERVICE FUNCTIONAL MODEL

1. To ensure that any modeling changes that you intend to make will properly flow through the Cost of Service, all Excel files should be open while any data manipulation is being performed. A total of fifteen (15) workbooks should be open when making any changes.
2. It is important to ensure that when the Excel files are opened you are not in "Read Only" mode. If you have saved the files in a manner that leaves the password intact (See Step 6 of Section 1 above), the password (i.e 1324) should be entered. If you are in "Read Only" mode, then any changes that are made will not be saved (see Section 1 Step 6 for instructions on saving a copy of the model).
3. Included on PNM Exhibit HEM-3 – WP COS.xlsx is a worksheet labeled "Change Log" The purpose of this worksheet is to provide users with a check figure to show the result of any modeling changes they have made or to help determine whether they have unintentionally made a change to the Cost of Service studies or supporting work papers that has resulted in a change to the filed revenue requirements.
4. Input values or cells are identified with a grey highlight in the spreadsheet within the Excel files, indicating areas where any modeling change should be made. Making changes in these cells will help ensure formulas and the functional model stay intact.
5. **Certain formulas within the model contain complex "array formulas." These formulas can be broken if manipulation is attempted in these cells. Modeling changes should not be attempted in any cells that contain formulas. Changes should only be made to grey highlighted areas (hard input numbers) within the worksheets. If changes are made to a cell that contains a formula (white areas), the models may not function properly. Additionally, the insertion or deletion of a row or column within the functional model will cause references to be changed and break the functionality of the model (the only exception to this is in the "Change Log" as described in step 7 below).**
6. There are two ways to make changes to the cost of service functional model, as follows:
 - a. Column S in "PNM Exhibit HEM-3 COS Base Adj", and Column H in "PNM Exhibit HEM-3 COS Test" are titled "Other Manual Adjustment" and highlighted in grey. A user may

input any adjustment they are recommending in these fields and the impacts of this change will flow through the applicable Cost of Service study. Changes made in these columns DO NOT flow back into the supporting work papers but do appear in the Change Log. This is the suggested method for making changes to the Test Period Cost of Service.

- b. A user can make specific changes on the individual work papers. If this approach is preferred, it is suggested that users begin within the Cost of Service Excel file (PNM Exhibit HEM-3 WP –COS.xlsx) and trace back the specific line item they wish to adjust back to the supporting work paper and ultimately back to the supporting input that derives the test period values.
7. Initially, the change log information should provide a check figure of “-“, which indicates the files agree to Test Period revenue requirement that was originally filed. See below:

	A	B	C	D
1	PNM Exhibit HEM-3 - Test Period Change Log			
2				
3	As Filed		PNM Retail	
4			Jurisdiction	
5	NON-FUEL REVENUE REQUIREMENT		763,800,031	
6	FUEL REVENUE REQUIREMENT		217,655,764	
7	TOTAL REVENUE REQUIREMENT		981,455,795	
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				981,455,795
19			Test Period Check Figure	-

As indicated above, Row 19, Column D shows that the change log is zero, and therefore no changes have been made to the filed Test Period revenue requirements.

Upon making a modeling change, the impact to PNM Retail’s revenue requirements will appear in Row 19, Column C quantifying the impact of each proposed adjustment. See below for illustrative example:

	A	B	C	D	E
1	PNM Exhibit HEM-3 - Test Period Change Log				
2					
3	As Filed		PNM Retail		
4			Jurisdiction		
5	NON-FUEL REVENUE REQUIREMENT		763,800,031		
6	FUEL REVENUE REQUIREMENT		217,655,764		
7	TOTAL REVENUE REQUIREMENT		981,455,795		
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18				981,455,795	
19			Test Period Check Figure	(2,027,312)	Example 1 of Change - Enter Description of Change

Once the user has confirmed that the proposed adjustment is correct, the user should use the "Paste Value" function in Microsoft Excel to paste the amount of the adjustment beginning in Row 8, Column D and enter a description of the basis of this change. Then use the subsequent rows in Column D for the next set of adjustment. If the user does not know how to use the paste value function, you can manually enter the adjustment as well. Once the change is pasted or typed into the cell, the change log will revert back to zero as the check figure, as shown below. This will allow additional modeling changes to be made for each subsequent adjustment by repeating the steps above.

	A	B	C	D	E
1	PNM Exhibit HEM-3 - Test Period Change Log				
2					
3	As Filed		PNM Retail		
4			Jurisdiction		
5	NON-FUEL REVENUE REQUIREMENT		763,800,031		
6	FUEL REVENUE REQUIREMENT		217,655,764		
7	TOTAL REVENUE REQUIREMENT		981,455,795		
8				(2,027,312)	Example 1 of Change - Enter Description of Change
9					
10					
11					
12					
13					
14					
15					
16					
17					
18				979,428,482	
19			Test Period Check Figure	-	

If necessary, additional rows may be inserted to capture additional changes made to the Cost of Service Model. As stated in step 5 above, this is the only worksheet for which rows can be added without damaging the integrity of the model.

Note: The Change Log is not required to be utilized, but is a tool to help users identify and track changes made to the cost of service model. The Change Log is only applicable to the Test Period cost of service study.

SECTION 4: GENERAL NOTES

1. The Excel files have been password protected to maintain the integrity of the filed data. The Password for the files is "1234". It is suggested that users do not make changes on the filed DVD, but rather only make changes to the Cost of Service Functional Model after it has been saved by the user to their local drive as described in Section 1.
2. The Cost of Service Model has been built using Microsoft Excel 2010. PNM is not able to verify if the Cost of Service Model and its functionality will be impaired if a different version of Microsoft Excel is used.
3. Each Microsoft Excel file includes a "Lead Sheet". The Lead Sheet provides an index of all worksheets included in the Excel file, as well as a brief description and purpose of the worksheet. In addition, the Lead Sheet provides a listing of where information on that worksheet provides information to other worksheets or Microsoft Excel workbook files and the source location of the information on that worksheet.
4. Each worksheet's title on the Lead Sheet is a hyperlink within the Microsoft Excel workbook file. A user can click on the hyperlink and it will navigate them to that worksheet. Within each worksheet is a hyperlink that will take the user back to the Lead Sheet. This function was added to help in the user navigate between worksheets within an Excel file.
5. Certain worksheets utilize the outline function in Microsoft Excel. The purpose of using the outline function is to group certain information that is required to be filed, but which results in a voluminous amount of information to be shown in a Microsoft Excel workbook file. An outline is identified in Microsoft Excel with a "+" sign in the row or column. If the outline is expanded, this is identified as a "-" sign in the row or column. A user can expand or collapse the group outline when using the electronically filed cost of service functional model.
6. Base Period information provided from the Company's books and records are hard input numbers in the Functional Cost of Service Model.
7. Although users can use the links provided in the cost of service functional model, the workpapers also include manual referencing to worksheets or Excel files to help aid the user in navigating the worksheets and Excel files.
8. PNM Exhibit HEM-4 WP Plant – Net Plant Excel file and WP Plant – Corporate Net Plant Excel files are of a considerable size and will potentially cause a computer that is running them to perform more slowly than normal. Unless a user is making modeling changes, it is suggested that users turn the calculation option within the Microsoft Excel file to "manual", which will increase the speed of navigating through the file. If the calculations are turned to manual, the user must turn the calculations back to automatic once he/she is done navigating the workpaper. The options to change these settings in the Excel file are found under Formulas>Calculation Options. If the user is intending to make modeling changes, it is NOT suggested that the user perform this step.
9. Use of the "Ctrl" + "[" shortcut function when navigating in the Excel files is highly encouraged to quickly navigate through the worksheets and Excel files. (See Section 2, Step 3).

Revenue Requirement Studies, Base Period and Test Period

PNM Exhibit HEM-3

Is contained in the following 67 pages.

	A	B	C	D
1	PNM Exhibit HEM-3			
2	Lead Sheet Cost of Service			
3				
4	Tab - COS Base Adj			
5	Purpose: Provides the unadjusted books and records of the Company and summarizes adjustments made to the base period to develop the adjusted base period in cost of			
6	service formats.			
7	-	Unadjusted Base Period (Column F) is based on PNM's Books and Records. See table below for supporting work papers.		
8	-	Columns G through R provide the summary of adjustments made to the base period to develop the Adjusted Base Period. See Testimony of PNM Witness Monroy for discussion of Base Period Adjustments.		
9	-	Other Manual Adjustments (Column S) provide users an input to propose any adjustments to a cost of service line item. Please refer to PNM Exhibit HEM-2 for further details.		
10	-	Adjusted Base Period (Column T) provides the sum of the unadjusted base period and the base period adjustments to derive the Adjusted Base Period amounts.		
11	Tab - COS BASE ALLC			
12	Purpose: Provides the allocation of the adjusted base period to PNM Retail and other jurisdictions, based on the allocators beginning in Row 717.			
13	-	Adjusted Base Period (Column G) is the adjusted base period values as calculated in COS Base Adj (Column T) explained above.		
14	-	PNM Retail Jurisdiction (Column H) reflects the Base Period revenue requirement for PNM's proposed retail jurisdictional cost of service, subject to this rate case proceeding. Renewables (Column I) reflects amounts currently collected through PNM Renewable Rate Rider, which PNM proposes to continue. PNM Combined Retail Jurisdiction (Column J) is the total of PNM Retail and Renewables. Please refer to the testimony of PNM Witness Monroy for further discussion of jurisdictions.		
15	Tab - COS Test			
16	Purpose: Provides the allocation of the test period to PNM Retail and other jurisdictions, based on the allocators beginning in Row 717.			
17	-	Test Period (Column G) is the proposed test period amounts. See table below for supporting work papers for support of amounts included in the test period cost of service.		
18	-	Other Manual Adjustments (Column H) provide users an input to propose any adjustments to a cost of service line item. Please refer to PNM Exhibit HEM-2 for further details.		
19	-	Test Period (with Manual Adjustments) (Column I) is the total of the Test Period plus any Manual Adjustments included in Column H. Please note, that the as filed test period Cost of Service, Column G and Column I will be the same and will only differ if the user adds a manual input in Column H. Column H is only provided as a tool for users to input adjustments if desired in one place.		
20	-	PNM Retail Jurisdiction (Column J) reflects the Test Period revenue requirement for PNM's retail jurisdictional cost of service, subject to this rate case proceeding. Renewables (Column K) reflects amounts currently forecasted to be collected through the proposed continuation of PNM Renewable Rate Rider. PNM Combined Retail Jurisdiction (Column L) is the total of PNM Retail and Renewables. Please refer to the testimony of PNM Witness Monroy for further discussion of jurisdictions.		
21	Tab - A-5 Base and Tab A-5 Test			
22	Purpose: Rule 530 Schedule A-5 is included in the COS Model. This allows users to change components of the Weighted Average Cost of Capital in the fully functional model.			
23	Tab - Table HEM-1			
24	Purpose: Calculates the proposed rate deficiency, comparing test period revenue requirements to existing revenues.			
25				
26				
27	Reference Table for Cost of Service:			
28		Cost of Service Section	PNM Exhibit HEM-4 Work paper or Other Source	
29		Net Plant (Lines 6 - 78)	WP Plant - Net Plant Work paper	
30		Accumulated Deferred Income Taxes (Lines 80 - 124)	Refer to Direct Testimony of PNM Witness Harland and Rule 530 Schedule H-12	
31		Regulatory Assets and Liabilities (Lines 126 - 142)	WP RA - Reg Asset & Liab work paper	
32		Other Rate Base Items (Lines 144 - 180)	WP ORB - Other Rate Base Workpaper	
33		Working Capital (Lines 182 - 207)	WP WC - Working Capital Workpaper & Rule 530 Schedule E-1	
34		Production Fuel related expenses (Lines 215 - 260)	PNM Exhibit SAT-2, sponsored by PNM Witness Taylor	
35		O&M (Lines 262 - 433)	WP OM - O&M Workpaper and WP SS - Shared Services	
36		Depreciation and Amortization Expense (Lines 435 - 482)	WP Plant - Net Plant Workpaper	
37		General Taxes (Lines 484 - 555)	WP GT - General Taxes Workpaper	
38		Other Allowable Expenses (Lines 557 - 583)	WP OA - Other Allowable Exp Workpaper	
39		Federal Income Tax (Lines 593 - 646)	Refer to Direct Testimony of PNM Witness Harland and Rule 530 Schedule H-9	
40		State Income Tax (Lines 648 - 661)	Refer to Direct Testimony of PNM Witness Harland and Rule 530 Schedule H-9	
41		Revenue Credits (Lines 674 - 694)	WP RC - Revenue Credits Workpaper	
42		Weighted Cost of Capital (Lines 705 - 709)	Rule 530 Schedule A-5	
43		Key Allocators (Lines 717 - 808)	WP AL - Allocators Workpaper & Model Driven Calculations	
44				
45	General Notes			
46	- The electronic version of this workbook uses the Microsoft excel outline function. This function groups the elements of cost, and or columns for print formatting purposes.			
47	- Any proposed modeling changes should only be made in this workbook in the Other Manual Adjustments Column. Changes made to any other cell			
48	may result in breaking the model and its links.			
49	- Certain information is hard input in the model, specifically related to ADIT and Income Taxes (Please refer to the testimony of PNM Witness Harland) and Cash Working Capital (Please refer to testimony of PNM Witness Monroy). Additionally, fuel is not fully functional within the Cost of Service Model (Please refer to testimony of PNM Witness Taylor).			

PNM Exhibit HEM-3: Revenue Requirement Studies, Base Period and Test Period

COS Base Adj

Is contained in the following 26 pages.

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3 COS BASE ADJ											
2	Base Period Ending March 31, 2015											
3	Rate Base				Unadjusted Base Period PNM	PNM Exhibit HEM-4 WP NP-1a	PNM Exhibit HEM-4 WP NP-1b	ADIT Adjustment	PNM Exhibit HEM-4 WP RA-1	PNM Exhibit HEM-4 WP ORB-1	PNM Exhibit HEM-4 WP WC-1	PNM Exhibit HEM-4 WP OM-2
4	Net Plant											
5												
6												
7												
8	Net Production Plant											
9												
10	Steam Production Net Plant				679,979,574	(366,604)						
11												
12	Nuclear Production Net Plant - Palo Verde 1 & 2				186,977,635	66,363,349						
13	Nuclear Production Net Plant - Palo Verde 3				130,310,798	697,815						
14	Total Nuclear Production Net Plant				317,288,433	67,061,164						
15												
16	Other Production Plant - Gas				294,265,970	-						
17	Other Production Plant - Renewable				168,800,246	-						
18	Total Other Production Net Plant				463,066,216	-						
19												
20	Total Net Production Plant				1,460,334,222	66,694,560						
21												
22	Net Transmission Plant											
23												
24	Step-Up Transformers - Excluding PV3				8,073,016	-						
25	Step-Up Transformers - PV3				227,288	-						
26	Total Transmission Station Equipment - Step-up Xmr and Aux				8,300,304	-						
27												
28	Transmission System Net Plant - Allocated				365,294,118	-						
29	Transmission System Net Plant - PV 3				4,769,394	-						
30	Transmission System Net Plant - High Lonesome Mesa				21,564,162	-						
31	Transmission System Net Plant - Dedicated Retail				4,017,706	-						
32	Transmission System Net Plant - Dedicated FERC				169,771	-						
33	Total Transmission System Net Plant				395,815,151	-						
34												
35	Total Net Transmission Plant				404,115,455	-						
36												
37												
38	Net Distribution Plant											
39												
40	Distribution Substations Net Plant - Dedicated FERC				1,418,678	-						
41	Distribution Substations Net Plant - PNM				129,516,101	-						
42	Distribution Substations Net Plant - Renewables				1,892,819	-						
43	Total Distribution Substations Net Plant				132,817,597	-						
44												
45	Primary Distribution System Net Plant - PNM				318,989,117	-						
46	Primary Distribution System Net Plant - Renewables				2,545,747	-						
47	Total Primary Distribution Net Plant				319,534,864	-						
48												
49	Secondary Distribution System Net Plant - PNM				190,639,542	-						
50	Secondary Distribution System Net Plant - Renewables				813,994	-						
51	Total Secondary Distribution Net Plant				191,453,536	-						
52												
53	Services Net Plant - PNM				51,160,688	-						
54												
55	Meters Net Plant - PNM				37,168,017	-						
56												
57	Private Lighting - 371				512,666	-						
58	Street Lighting - 373				11,576,593	-						
59	Total Lighting Net Plant				12,089,219	-						
60												
61	Total Net Plant Distribution Plant				744,244,922	-						
62												
63												
64	Net Plant General & Intangible Plant (303,399,399)											
65												
66	Production General & Intangible Net Plant				4,639,555	-						
67	PV Unit 3 General & Intangible Net Plant				1,049,516	-						
68	Renewables General & Intangible Net Plant				20,267	-						
69	Bulk Power Operations				1,878,761	-						

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3 COS BASE ADJ									
2	Base Period Ending March 31, 2015			PNM Exhibit HEM-4 WP Fuel-1	PNM Exhibit HEM-4 WP GT-1	PNM Exhibit HEM-4 WP RC-1	Tax Adjustment	Cash Working Capital & NM S&I Adjustment	Other Manual Adjustments	Adjusted Base Period PNM
3	Rate Base									
4	Net Plant									
5										
6	Net Plant									
7										
8	Net Production Plant									
9										
10	Steam Production Net Plant									879,612,969
11										
12	Nuclear Production Net Plant - Palo Verde 1 & 2									253,340,984
13	Nuclear Production Net Plant - Palo Verde 3									131,008,612
14	Total Nuclear Production Net Plant									384,349,597
15										
16	Other Production Plant - Gas									284,285,970
17	Other Production Plant - Renewable									168,800,246
18	Total Other Production Net Plant									453,066,216
19										
20	Total Net Production Plant									1,527,028,782
21										
22	Net Transmission Plant									
23										
24	Step-Up Transformers - Excluding PV3									8,073,018
25	Step-Up Transformers - PV3									227,288
26	Total Transmission Station Equipment - Step-up Xlmr and Aux									8,300,304
27										
28	Transmission System Net Plant - Allocated									365,294,118
29	Transmission System Net Plant - PV 3									4,769,394
30	Transmission System Net Plant - High Lonesome Mesa									21,564,162
31	Transmission System Net Plant - Dedicated Retail									4,017,706
32	Transmission System Net Plant - Dedicated FERC									169,771
33	Total Transmission System Net Plant									395,815,151
34										
35	Total Net Transmission Plant									404,115,455
36										
37										
38	Net Distribution Plant									
39										
40	Distribution Substations Net Plant - Dedicated FERC									1,418,678
41	Distribution Substations Net Plant - PNM									129,516,101
42	Distribution Substations Net Plant - Renewables									1,882,819
43	Total Distribution Substations Net Plant									132,817,597
44										
45	Primary Distribution System Net Plant - PNM									316,889,117
46	Primary Distribution System Net Plant - Renewables									2,545,747
47	Total Primary Distribution Net Plant									319,534,864
48										
49	Secondary Distribution System Net Plant - PNM									190,639,542
50	Secondary Distribution System Net Plant - Renewables									813,994
51	Total Secondary Distribution Net Plant									191,453,536
52										
53	Services Net Plant - PNM									51,160,889
54										
55	Meters Net Plant - PNM									37,189,017
56										
57	Private Lighting - 371									512,656
58	Street Lighting - 373									11,576,563
59	Total Lighting Net Plant									12,089,219
60										
61	Total Net Plant Distribution Plant									744,244,922
62										
63										
64	Net Plant General & Intangible Plant (303,389-399)									
65										
66	Production General & Intangible Net Plant									4,639,555
67	PV Unit 3 General & Intangible Net Plant									1,049,518
68	Renewables General & Intangible Net Plant									20,267
69	Bulk Power Operations									1,878,781

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3	COS BASE ADJ										
2	Base Period Ending March 31, 2015											
3	Energy Management System Facilities											
70	Other Division Offices/ Customer Service				5,057,878							
71	Communications - Transmission				28,604,573							
72	Production Related (Shared Services)				26,527,763							
73	Transmission Related (Shared Services)				-	24,913,589						
74	Distribution/ Customer Related (Shared Services)				-	5,863,299						
75	Total Net Plant General & Inaugurable Plant - PNM				67,778,312	44,753,419						
76						75,538,307						
77												
78												
79						142,232,866						
80	Accumulated Deferred Income Taxes											
81	Injury & Damages			190	3,266,262							
82	Deferred PV Gain			190	217,134							
83	Alvarado Square Lease			282	(1,518,271)							
84	Deferred Coal Costs			283	(500,112)							
85	Renewable NOL ADIT			190	38,868,355							
86	Palo Verde Construction Credits 1& 2			190	105,688							
87	Pension Prepaid Tax Qualified			190, 283	(71,603,813)							
88	Pension Prepaid Tax NQRP			190, 283	2,624,524							
89	Eastern Interconnect Project Prepaid Tax			190								
90	LXP Policy Write-offs			190	957,131							
91	Capitalized Interest			190	22,148,888							
92	Palo Verde Dry Cask Storage PV 1 & 2			190	3,289,053			(3,289,053)				
93	Palo Verde Dry Cask Storage PV 3			190	1,813,458			(1,813,458)				
94	Contributions In Aid of Construction			190	35,099,552							
95	Palo Verde Prudence Amortization 1&2			190	24,053							
96	Coal Mine Decommissioning			190, 283	(12,830,200)			8,747,588				
97	Pollution Control Facilities			281	(508,641)							
98	FERC Customer Depreciation			282	1,260,167							
99	Renewable ADIT			282	(46,876,599)							
100	Liberalized Depreciation - Other			282	10,737,359			(9,159,924)				
101	Liberalized Depreciation - Generation			282	(410,287,117)							
102	Liberalized Depreciation - Distribution			282	(195,676,972)							
103	Liberalized Depreciation - Transmission			282	(92,954,107)							
104	Palo Verde 3 Liberalized Depreciation			282	(98,917,842)							
105	Palo Verde Start-Up Amortization			282	250,026							
106	Nuclear Fuel Amortization PV 1&2			282	6,360,182							
107	Nuclear Fuel Amortization PV 3			282	3,180,091							
108	Debt AFUDC			282	(20,121,286)							
109	Pre-1981 Repair Allowance			282	(22,188,422)							
110	Palo Verde Licensing Amortization			282	(4,486,841)							
111	Asset Retirement Obligation			190, 282, 283	41,850,154			(35,449,388)				
112	Asset Writedown			282	7,914,712							
113	Loss on Recaptured Debt			283	(3,269,195)							
114	Book Capitalized Interest			283	(7,457,359)							
115	Prepaid Expenses			283	(3,817,803)							
116	Net Operating Loss NOL			190	99,146,601			1,089,866				
117	Deferred Federal Tax Credits			190	8,474,716							
118	PCB Refinancing			190, 283	(6,434,838)							
119	LVGS Decommission			190	444,802							
120	Deferred NM AETC			190	1,550,648							
121	Rate Case Expenses			283	(375,240)							
122	TOU			283								
123	DOE Refund			190	2,224,257			(6,717)				
124	Total Accumulated Deferred Income Taxes				(678,065,635)			(39,683,091)				
125												
126	Regulatory Assets & Liabilities											
127												
128	Coal Mine Decommissioning-Surface			182	31,862,756							
129	PV 1&2 Prudence Audit			284	(107,181)				(22,057,921)			
130	PV 1&2 Combustion Engineering			254	(286,477)							
131	Palo Verde DOE Spent Fuel Refund				(5,653,781)							
132	Deferred Coal Costs			182	1,247,772				22,157			
133	Reg Asset LVGS Decommission				249,665							
134	Reg Liab LVGS Decommission				(1,374,044)							
135	PCB Refinancing Hedge			182	15,247,990							

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	A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3 COS BASE ADJ												
2	Base Period Ending March 31, 2015				FERC Account	Unadjusted Base Period PNM	PNM Exhibit HEM-4 WP NP-1a	PNM Exhibit HEM-4 WP NP-1b	ADIT Adjustment	PNM Exhibit HEM-4 WP RA-1	PNM Exhibit HEM-4 WP ORB-1	PNM Exhibit HEM-4 WP WC-1	PNM Exhibit HEM-4 WP OM-2
36				Reg Liab Renewables Fed Grant		(20,573,326)							
37				Reg Liab Renewables St Credit		(3,981,231)							
38				Alvarado Square Lease		3,834,986							
39				TOU Regulatory Asset		-							
40				ARO Liability		-							
41													
42				Total Regulatory Assets & Liabilities		21,477,149	-	-	(22,045,793)				-
43													
44	Other Rate Base Items												
145													
146				Customer Deposits	235	(12,790,808)					-		
147				RWIP-Production	108	1,026,574					(1,026,574)		
148				RWIP-Transmission	108	505,311					(505,311)		
149				RWIP-Distribution	108	2,297,336					(2,297,336)		
150				RWIP-PV 3	108	84,983					(84,983)		
151				ARO Liability - Production	230	(72,661,160)					58,511,295		
152				ARO Liability - Transmission	230						-		
153				ARO Liability - Distribution	230	(1,520,682)					-		
154				ARO Liability - PV 3	230	(31,076,504)					31,076,504		
155				Injuries and Damages PNM	228	(6,238,280)					-		
156				NQRP - Expense In Excess of Funding		(6,628,055)					-		
157				PV 1&2 Dry Cask Storage	253	(8,309,250)					8,309,250		
158				PV 3 Dry Cask Storage	253	(4,076,302)					4,076,302		
159				PV 1&2 Excess Gain Amortization	253	(547,399)					-		
160				NMITC Renewable Credit Solar	253	-					-		
161				High Lonesome Mesa -	253	(15,711,247)					-		
162				Unamortized Gain on EIP	253	0					-		
163				CWIP - Production	107	99,477,023					(64,379,500)		
164				CWIP - Transmission	107	60,737,274					(43,910,435)		
165				CWIP - Distribution	107	27,169,836					(11,537,279)		
166				CWIP - PV 3	107	11,439,786					(6,982,433)		
167				CWIP - Renewables	107	417,528					8,397		
168				CWIP - Production Related	107	131,084					(131,084)		
169				CWIP - Corporate Production	107	-					1,613,100		
170				CWIP - Corporate Transmission	107	-					189,932		
171				CWIP - Corporate Distribution	107	-					1,714,517		
172				Pueblos Transmission Rights-of-Way	186	51,643,742					-		
173				Pueblos Distribution Rights-of-Way	186	1,107,654					-		
174				EIP Acquisition Adjustment	114	6,299,182					-		
175				PV 1&2 Acquisition Adjustment	114	3,484,515					-		
176				Prepaid Pension Asset		181,164,839					-		
177				Unamortized Loss on Reacquired Debt	189	8,305,363					-		
178				Rate Case Expense	186	952,849					-		
179				PV 2 Lease Acquisition Adjustment		-					-		
180				Total Other Rate Base Items		294,686,176	-	-	-	-	(25,356,638)		-
181													

PNM Exhibit HEM - 3 COS Base Adj
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PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3 COS BASE ADJ											
2	Base Period Ending March 31, 2015											
3	Working Capital											
182	Fuel Stock											
183	Production Fuel Stock											
184	PV 1&2 Nuclear Fuel (120.1 - 5)			151	19,604,423						(1,470,278)	
185	PV 3 Nuclear Fuel (120.1 - 5)			120	56,668,910						(1,574,391)	
186	Total Fuel Stock			120	22,538,888						1,677,810	
187					96,812,221						(1,366,880)	
188												
189												
190	Materials & Supplies											
191	Production			154	30,187,108						(1,446,390)	
192	Transmission			154	929,527						(9,570)	
193	Distribution			154	5,684,791						231,614	
194	Palo Verde Unit 3			154	5,918,872						(188,189)	
195	Total Materials & Supplies				42,720,288						(1,410,545)	
196												
197	Prepayments											
198	Production			165	48,536,448						(15,226,455)	
199	Transmission			165	4,850,310						4,101,505	
200	Distribution			165	5,002,794						(2,064,924)	
201	Renewables			165	23,546						31	
202	Palo Verde Unit 3			165	1,196,210						(2,297)	
203	Total Prepayments				59,609,307						(13,212,140)	
204												
205	Total Cash Working Capital (see Rule 530 schedule E-1)											
206												
207	Total Working Capital				201,141,826						(15,989,545)	
208												
209	Total Rate Base Adjustments & Working Capital				(180,760,464)					(25,356,638)	(15,989,545)	
210												
211	Total Net Original Cost Rate Base				2,515,712,427					(22,045,763)	(15,989,545)	
212						142,232,866				(25,356,638)	(15,989,545)	
213	Operations and Maintenance Expense											
214												
215	Production Fuel related expenses											
216												
217	Production - Base Fuel Related											
218	Steam Generation			501	173,879,742							
219	Steam Fuel Handling and Disposal			501	-							
220	Nuclear			518	25,939,845							
221	Nuclear Disposal			518	-							
222	Gas Generation			547	37,828,938							
223	Renewables - Owned			547	-							
224	Wind (NMWED)			555	11,660,897							
225	Renewables - PPA			555	-							
226	Purchased Power Energy			555	36,866,251							
227	Spinning reserves			555	-							
228	Total Fuel Costs (before OSS)				286,225,673							
229												
230	Off-system Sales			447	(35,496,587)							
231	Off-system Sales - PV 3				(40,490,822)							
232	Off-system Sales Credit				1,866,812							
233	Other Revenue Credits to Fuel Clause				-							
234	Load Side from Transmission Customers			456.1	(401,231)							
235	Physical Sales of Gas (under FAC hedge plan)				(4,588)							
236	Total Other Fuel				(74,526,416)							
237												
238	Total Fuel (net OSS)				211,699,257							
239												

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3 COS BASE ADJ									
2	Base Period Ending March 31, 2015									
3										
182	Working Capital									
183										
184	Fuel Stock									
185	Production Fuel Stock									
186	PV 1&2 Nuclear Fuel (120.1 - .5)									18,134,145
187	PV 3 Nuclear Fuel (120.1 - .5)									55,094,518
188	Total Fuel Stock									24,215,898
189										97,445,381
190	Materials & Supplies									
191	Production									
192	Transmission									28,740,718
193	Distribution									919,958
194	Palo Verde Unit 3									5,918,405
195	Total Materials & Supplies									5,732,573
196										41,309,753
197	Prepayments									
198	Production									
199	Transmission									33,308,993
200	Distribution									8,951,815
201	Renewables									2,917,869
202	Palo Verde Unit 3									23,577
203	Total Prepayments									1,193,913
204										46,397,167
205										
206	Total Cash Working Capital (see Rule 530 schedule E-1)							(1,109,154)		(1,109,154)
207										
208	Total Working Capital							(1,109,154)		184,043,127
209	Total Rate Base Adjustments & Working Capital							(1,109,154)		(264,944,675)
210										
211	Total Net Original Cost Rate Base							(1,109,154)		2,553,761,103
212										
213	Operations and Maintenance Expense									
214										
215	Production Fuel related expenses									
216										
217	Production - Base Fuel Related									
218	Steam Generation			(2,475,997)						171,403,745
219	Steam Fuel Handling and Disposal									
220	Nuclear									
221	Nuclear Disposal									25,939,845
222	Gas Generation									
223	Renewables - Owned									37,828,938
224	Wind (NMWEC)									
225	Renewables - PPA									11,680,997
226	Purchased Power Energy									
227	Spinning reserves									36,986,251
228	Total Fuel Costs (before OSS)			(2,475,997)						283,749,676
229										
230	Off-system Sales									
231	Off-system Sales - PV 3									(35,496,587)
232	Off-system Sales Credit									(40,490,822)
233	Other Revenue Credits to Fuel Clause									1,866,812
234	Load Side from Transmission Customers									
235	Physical Sales of Gas (under FAC hedge plan)									(401,231)
236	Total Other Fuel									(4,568)
237										(74,526,416)
238	Total Fuel (net OSS)			(2,475,997)						209,223,260
239										

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3	COS BASE ADJ										
2	Base Period Ending March 31, 2015											
3				FERC Account	Unadjusted Base Period PNM	PNM Exhibit HEM-4 WP NP-1a	PNM Exhibit HEM-4 WP NP-1b	ADIT Adjustment	PNM Exhibit HEM-4 WP RA-1	PNM Exhibit HEM-4 WP ORB-1	PNM Exhibit HEM-4 WP WC-1	PNM Exhibit HEM-4 WP OM-2
240	Production - Non Fuel Items			501	12,883,904							
241	Coal Fuel Handling			518	(35,147)							
242	Nuclear Fuel Handling			547	11,078,317							
243	Gas Plants Fuel Transportation			555	2,109,677							
244	Gas PPA - Rio Bravo - Demand			555	19,127,831							
245	Gas PPA - Valencia - Demand			555	32,581,309							
246	Purchase Power for Economy Service Customer											
247	Economy purchase Power Demand											
248	Deferred Energy				19,020,983							
249	REC Purchases and Renewable Energy Amortization			555	12,472,070							
250	Gas Swaps - Non Fuel Clause Settlements and Excess Gas Physical Purchases				687,967							
251	Gas Swaps - Settlements - City of Aztec											
252	Coal Mine Decommissioning - Allowed			501.15	6,803,375							
253	Coal Mine Decommissioning - Disallowed			501.15	3,488,258							
254	Coal Mine Decommissioning - FERC			501.15	253,391							
255	Hedge - FERC				825,500							
256	Spinning reserves				380,770							
257	Broker Fees				183,909							
258	Total Non Fuel Items				121,781,914							
259												
260	Total Fuel Related Expense				383,481,171							
261												
262	O&M											
263	Steam Production											
264	Oper-Sup & Eng-Prod			500	4,523,241							178,822
265	Oper-Steam Expense-Major			502	8,958,483							(219,957)
266	Oper-Electric Exp-Major			505	4,884,524							(58,851)
267	Oper-Misc Steam Power Exp			506	4,586,577							(38,015)
268	Oper-Rents-Steam Power			507	182,730							
269	Maint-Sup & Eng-Steam			510	3,671,145							(187,759)
270	Maint-Sup & Eng-Steam - Renewables			510	2,315							(2,315)
271	Maint-Structures-Steam			511	4,935,330							86,139
272	Maint-Boller Plant			512	22,996,284							(1,118,441)
273	Maint-Electric Plant			513	3,027,709							(33,988)
274	Maint-Gen & Elec Plant			514	4,209,339							(311,173)
275	Nuclear Production											
276	Oper-Sup & Eng-Nuclear			517	6,149,338							
277	Oper-Coolants and Water			519	2,899,536							
278	Oper-Steam Expenses-Nuclear			520	2,456,522							(38,314)
279	Oper-Electric Exp			523	1,919,981							
280	Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE C			524	8,108,647							
281	Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit			524	(1,816,980)							
282	Oper-Rents-Nuclear, excluding PV 1&2 CE Credit and Excess Gain Amort			525	56,387,088							
283	Oper-Rents-Nuclear - PV 1&2 CE Credit			525	(283,794)							
284	Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization			525	(156,745)							
285	Maint-Sup & Eng-Nuclear			528	2,145,990							(323,363)
286	Maint-Structures-Major			529	607,061							(81,508)
287	Maint-Reactor Plant			530	3,780,890							(439,713)
288	Maint-Elec Plant			531	4,341,094							(283,833)
289	Maint-Misc Nuclear Plant			532	878,565							(129,543)
290	Palo Verde 3 - Nuclear Production, FERC 517,519-532,			517,519-532	14,114,054							
291	Other Production											
292	Oper-Sup & Eng-Other			546	4,594,905							(116,681)
293	Oper-Sup & Eng-Other - Renewables			546								
294	Oper-Oh Pwr Gen Exp-Other			549								
295	Oper-Oh Pwr Gen Exp-Other - Renewables			549	76,536							114,383

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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3	COS BASE ADJ										
2	Base Period Ending March 31, 2015											
3												
296	Maint - Structures											
297	Maint-Gen & Elec Plant			552	179,117							77,129
298	Maint-Gen & Elec Plant - Renewables			553	7,049,877							(588,860)
299	Maint-Gen & Elec Plant			553	709,809							(85,811)
300	Maint-Gen & Elec Plant - Renewables			556	3,286,875							277,265
301	Total Production O&M			556	-							-
302					179,185,985							(3,295,275)
303	Transmission O&M (560-574, excluding 565);											
304	Oper-Sup & Eng-ETrans			560	1,944,387							29,385
305	Oper-Load Dispatch-ETrans			561	778,914							30,253
306	Oper-Station Exp-ETrans			562	415,614							75,311
307	Oper-Overhead Lines-ETrans			563	108,322							93,859
308	Oper-Undergrd Line-ETrans			564	-							-
309	Oper-Misc Transmission-E			566	2,349,099							13,024
310	Oper-Rents-Transmission-E			567	12,466,880							(4,924)
311	Maint Sup & Eng-ETrans			568	6,889							1,796
312	Maint-Structures-ETrans			569	636							(545)
313	Maint-Sta Equip-ETrans			570	2,818,711							(33,987)
314	Maint-Overhead Lns-ETrans			571	333,789							(80,823)
315	Maint-Unrd Lns-ETrans			572	-							-
316	Maint-Misc Trans Pk-Maj-E			573	-							-
317	Maint-Trans Plant-NonMaj-E			574	7,625							-
318	HLM - Transmission O&M			560-564,566-574	20,000							(1,259)
319	Total Transmission O&M, excluding FERC 565				21,250,846							122,080
320												
321	Transmission O&M by Others (565);											
322	Owned Generation Wheeling			565	8,670,259							-
323	PV 3 Wheeling			565	397,716							-
324	Retail Wheeling			565	1,898,807							-
325	FERC Wholesale Customer Wheeling			565	2,489,787							-
326	WAPA Exchange			565	-							-
327	Transmission by Others			565	3,915,347							2,947,855
328	Total Transmission by Others, FERC 565				17,371,916							-
329												-
330	Total Transmission O&M				38,622,762							3,069,935
331												

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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3	COS BASE ADJ										
2	Base Period Ending March 31, 2015											
3				FERC	Unadjusted Base	PNM Exhibit	PNM Exhibit	ADIT	PNM Exhibit	PNM Exhibit	PNM Exhibit	
				Account	Period	HEM-4	HEM-4	Adjustment	HEM-4	HEM-4	HEM-4	
					PNM	WP NP-1a	WP NP-1b		WP RA-1	WP ORB-1	WP WC-1	WP OM-2
332	Total Dist O&M (590-598)											
333												
334	PNM Street & Private Lighting											
335	Oper-Street Light/Signal-E			595	75,000							2,382
336	Oper-Customer Install-EDis			597	-							
337	Maint-Streetlight/Signal-E			596	1,136,936							42,140
338	Total Street and Private Lighting				1,211,936	-	-	-	-	-	-	44,522
339												
340	PNM Meters											
341	Oper-Meter Expense-EDist			596	2,594,132							721,920
342	Maint-Meters-EDist			597	337,637							(36,075)
343	Total Meters				2,931,769	-	-	-	-	-	-	685,846
344												
345	All Other Distribution O&M											
346	Oper-Sup & Eng-EDist			580	2,600,620							17,669
347	Oper-Load Dispatch-EDist			581	6,417							(6,417)
348	Oper-Station Exp-EDist			582	275,095							(43,722)
349	Oper-Overhead Lines-EDist			583	1,912,533							(300,419)
350	Oper-Undergrd Line-EDist			584	588,225							(145,915)
351	Oper-Undergrd Line-EDist - Renewables			584	(284,441)							2,862
352	Oper-Misc Dist Exp-EDist			588	5,867,082							(47,870)
353	Oper-Rents-Distribution-E			589	134,299							(4,795)
354	Maint-Sup & Eng-EDist			590	946,762							(41,336)
355	Maint-Structures-EDist			591	59,808							(32,474)
356	Maint-Station Equip-EDist			592	1,037,159							828
357	Maint-Overhead Lns-EDist			593	2,242,578							91,089
358	Maint-Und Lines-EDist			594	1,263,489							194
359	Maint-Line Transform-EDist			595	412							-
360	Maint-Misc Dist Plant-E			598	545,158							(510,505)
361	Total Other Distribution O&M				17,175,197	-	-	-	-	-	-	-
362												
363	Total Distribution O&M				21,318,902	-	-	-	-	-	-	219,863
364												

A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3	COS BASE ADJ								
2	Base Period Ending March 31, 2015									
3										
332	Total Dist O&M (580-588)									
333										
334	PNM Street & Private Lighting									
335	Oper-Street Light/Signal-E									77,382
336	Oper-Customer Install-EDis									-
337	Maint-Streetlight/Signal-E									1,179,076
338	Total Street and Private Lighting									1,256,458
339										
340	PNM Meters									
341	Oper-Meter Expense-EDist									3,316,053
342	Maint-Meters-EDist									301,562
343	Total Meters									3,617,615
344										
345	All Other Distribution O&M									
346	Oper-Sup & Eng-EDist									2,618,280
347	Oper-Load Dispatch-EDist									
348	Oper-Station Exp-EDist									231,373
349	Oper-Overhead Lines-EDist									1,612,114
350	Oper-Undergrd Line-EDist									422,310
351	Oper-Undergrd Line-EDist - Renewables									(281,779)
352	Oper-Misc Dist Exp-EDist									5,819,213
353	Oper-Rents-Distribution-E									129,505
354	Maint-Sup & Eng-EDist									905,426
355	Maint-Structures-EDist									59,808
356	Maint-Station Equip-EDist									1,004,685
357	Maint-Overhead Lns-EDist									2,245,406
358	Maint-Und Lines-EDist									1,354,578
359	Maint-Line Transform-EDist									606
360	Maint-Misc Dist Plant-E									545,156
361	Total Other Distribution O&M									16,664,692
362										
363	Total Distribution O&M									21,538,765
364										

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3	COS BASE ADJ										
2	Base Period Ending March 31, 2015											
3												
365	Customer Related O&M											
366												
367	PNM Related Customer Accounts Exp											
368	Supervision-Customer Accts			901	472,045							
369	Meter Reading Expenses			902	4,332,464							425
370	Customer Record and Coll			903	6,783,728							113,334
371	Uncollectible Expenses			904	3,143,529							120,917
372	Misc Customer Accts Exp			905	-							-
373	Cust Service/Inf Expenses			906	183,879							-
374	Supervision-Customer Svc			907	829							118,000
375	Customer Assistance Exps			908	710,298							(83,126)
376	Inform/Instruc Advert Exps			909	-							-
377	Misc Cust Svc & Info Exp			910	-							-
378	Demo & Selling Expenses - Excluding Production			912	55,270							-
379	Demo & Selling Expenses - Production			912	4,381,761							(3,078)
380	Advertising Expense			913	-							(237,858)
381	Sales Expense			917	217							-
382												(1,284)
383	Total Customer Related O&M				20,024,019							27,328
384												
385	Administrative & General Expense											
386												
387	Production - Admin and General Salaries			920	(2,476,764)							(118,182)
388	Transmission - Admin and General Salaries			920	345,217							70,825
389	Distribution - Admin and General Salaries			920	2,014,187							72,856
390	Production - AG Office Supplies Exp			921	(554,229)							24
391	Transmission - AG Office Supplies Exp			921	244,603							(92)
392	Distribution - AG Office Supplies Exp			921	1,433,070							(1,548)
393	A&G Charged to CWIP - Production			922	(2,333,663)							-
394	A&G Charged to CWIP - Transmission			922	(4,225,088)							-
395	A&G Charged to CWIP - Distribution			922	(5,912,201)							(10,617,628)
396	Production Related - Shared Services			9229	33,108,633							(2,649,603)
397	Transmission Related - Shared Services			9229	8,485,436							(13,304,405)
398	Distribution/Customer Related - Shared Services			9229	46,539,615							158,341
399	Production - Outside Services			923	(405,652)							(105,232)
400	Transmission - Outside Services			923	242,939							-
401	Distribution - Outside Services			923	1,147,560							6,134
402	Production - Property Insurance			924	1,417,942							22,191
403	Transmission - Property Insurance			924	161,948							-
404	Not Used			924	-							-
405	Distribution - Property Insurance			924	185,149							148,708
406	Production - Injuries or Damages-Safety			925	1,082,671							97,683
407	Transmission - Injuries or Damages-Safety			925	28,950							(289)
408	Distribution - Injuries or Damages-Safety			925	1,086,861							6,161
409	Production - Empl Pension and Benefits			926	6,288,571							438,550
410	Transmission - Empl Pension and Benefits			926	(148,273)							(811,216)
411	Distribution - Empl Pension and Benefits			926	5,492,155							(59,561)
412	Production - Regulatory Commission Exp			928	1,364,948							(54,813)
413	Transmission - Regulatory Commission Exp			928	102,449							-
414	Distribution - Regulatory Commission Exp			928	23,229,210							(22,776,831)
415	Direct Assigned - FERC Generation			928	407,579							-
416	Direct Assigned - FERC Transmission			928	-							-
417	Production - Misc AG Expenses			930	8,044,984							(347,081)
418	Transmission - Misc AG Expenses			930	(3,807)							-
419	Distribution - Misc AG Expenses			930	422,297							-
420	Production - Rents-Cust			931	-							-

[illegible]

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3 COS BASE ADJ											
2	Base Period Ending March 31, 2015											
3				FERC Account	Unadjusted Base Period PNM	PNM Exhibit HEM-4 WP NP-1a	PNM Exhibit HEM-4 WP NP-1b	ADIT Adjustment	PNM Exhibit HEM-4 WP RA-1	PNM Exhibit HEM-4 WP ORB-1	PNM Exhibit HEM-4 WP WC-1	PNM Exhibit HEM-4 WP OM-2
421	Transmission - Rents-Cust			931	17,423							
422	Distribution - Rents-Cust			931								
423	Production - Gas Admin & General Maintenance			932	0							
424	Transmission - Gas Admin & General Maintenance			932	(38)							
425	Distribution - Gas Admin & General Maintenance			932	17,216							
426	Production - Maint of General Plant			935	(41,202)							
427	Transmission - Maint of General Plant			935	622,764							(137)
428	Distribution - Maint of General Plant			935	258,465							(31,119)
429	Renewables - A&G (920-935)			920-935	210,861							(69,667)
430	PV3 - A&G (920 - 935)			920-935	5,295,581							
431	Total Administrative & General Expense				133,167,556							(50,029,935)
432												
433	Total Operations & Maintenance Expense				514,061,118							(50,008,084)
434												
435	Depreciation and Amortization Expense											
436												
437	Production Depreciation											
438	Steam Production Plant				19,677,244		(2,420)					
439	Nuclear Production Plant - Palo Verde 1 & 2				4,963,991		1,712,443					
440	Nuclear Production Plant - Palo Verde 3				3,739,145		17,326					
441	Other Production Plant - Gas				10,142,071							
442	Other Production Plant - Renewable				5,269,372							
443	Total Production Depreciation Expense				43,791,723		1,727,349					
444												
445	Transmission Depreciation											
446	Step-Up Transformers - Excluding PV3				314,740							
447	Step-Up Transformers - PV3				9,634							
448	Transmission System Plant - Allocated				12,765,990							
449	Transmission System Plant - PV 3				106,328							
450	Transmission System Plant - High Lonesome Mesa				233,851							
451	Transmission System Net Plant - Dedicated Retail				235,527							
452	Transmission System Plant - Dedicated FERC				13,212							
453	Total Transmission Depreciation				13,679,282							
454												
455	Distribution Depreciation											
456	Distribution Substations Net Plant - Dedicated FERC				50,719							
457	Distribution Substations Net Plant - PNM				4,331,365							
458	Distribution Substations Net Plant - Renewables				297,098							
459	Primary Distribution System Net Plant - PNM				11,740,718							
460	Primary Distribution System Net Plant - Renewables				46,002							
461	Secondary Distribution System Net Plant - PNM				6,952,467							
462	Secondary Distribution System Net Plant - Renewables				13,181							
463	Services Net Plant - PNM				5,997,337							
464	Meless Net Plant - PNM				1,693,814							
465	Private Lighting - 371				37,571							
466	Street Lighting - 373				303,947							
467	Total Distribution Depreciation				31,354,217							
468												
469	General Depreciation											
470	Production General & Intangible Net Plant				1,194,057							
471	PV Unit 3 General & Intangible Net Plant				398,590							
472	Renewables General & Intangible Net Plant				1,667							
473	Bulk Power Operations				702,405							
474	Energy Management System Facilities				1,695,653							

A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3	COS BASE ADJ								
2	Base Period Ending March 31, 2015									
3										
421	Transmission - Rents-Cust									17,423
422	Distribution - Rents-Cust									
423	Production - Gas Admin & General Maintenance									0
424	Transmission - Gas Admin & General Maintenance									(38)
425	Distribution - Gas Admin & General Maintenance									17,216
426	Production - Maint of General Plant									(41,339)
427	Transmission - Maint of General Plant									591,645
428	Distribution - Maint of General Plant									188,798
429	Renewables - A&G (920-935)									210,891
430	PV3 - A&G (920 - 935)									5,295,581
431	Total Administrative & General Expense									83,137,621
432										
433	Total Operations & Maintenance Expense									
434										409,109,253
435	Depreciation and Amortization Expense									
436										
437	Production Depreciation									
438	Steam Production Plant									19,674,824
439	Nuclear Production Plant - Palo Verde 1 & 2									9,676,334
440	Nuclear Production Plant - Palo Verde 3									3,756,471
441	Other Production Plant - Gas									10,142,071
442	Other Production Plant - Renewable									5,269,372
443	Total Production Depreciation Expense									45,519,072
444										
445	Transmission Depreciation									
446	Step-Up Transformers - Excluding PV3									314,740
447	Step-Up Transformers - PV3									9,634
448	Transmission System Plant - Allocated									12,765,990
449	Transmission System Plant - PV 3									106,329
450	Transmission System Plant - High Lonesome Mesa									233,851
451	Transmission System Net Plant - Dedicated Retail									236,527
452	Transmission System Plant - Dedicated FERC									13,212
453	Total Transmission Depreciation									13,679,282
454										
455	Distribution Depreciation									
456	Distribution Substations Net Plant - Dedicated FERC									50,719
457	Distribution Substations Net Plant - PNM									4,331,365
458	Distribution Substations Net Plant - Renewables									297,096
459	Primary Distribution System Net Plant - PNM									11,740,718
460	Primary Distribution System Net Plant - Renewables									46,002
461	Secondary Distribution System Net Plant - PNM									6,952,487
462	Secondary Distribution System Net Plant - Renewables									13,181
463	Services Net Plant - PNM									1,683,814
464	Meters Net Plant - PNM									37,571
465	Private Lighting - 371									303,947
466	Street Lighting - 373									31,354,217
467	Total Distribution Depreciation									
468										
469	General Depreciation									
470	Production General & Intangible Net Plant									1,194,057
471	PV Unit 3 General & Intangible Net Plant									398,590
472	Renewables General & Intangible Net Plant									1,687
473	Bulk Power Operations									702,405
474	Energy Management System Facilities									1,686,653

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3	COS BASE ADJ										
2	Base Period Ending March 31, 2015											
3												
475	Other Division Offices/Customer Service			FERC Account	Unadjusted Base Period PNM	PNM Exhibit HEM-4 WP NP-1a	PNM Exhibit HEM-4 WP NP-1b	ADIT Adjustment	PNM Exhibit HEM-4 WP RA-1	PNM Exhibit HEM-4 WP ORB-1	PNM Exhibit HEM-4 WP WC-1	PNM Exhibit HEM-4 WP OM-2
476	Communications - Transmission				2,283,922							
477	Production Related (Shared Services)				3,017,375							
478	Transmission Related (Shared Services)				-		3,055,974					
479	Distribution/Customer Related (Shared Services)				-		814,578					
480	Total General Depreciation				9,303,669		6,207,719					
481							10,078,271					
482	Total Depreciation Expense				98,128,891		11,905,619					
483												
484	General Taxes											
485												
486	Property Taxes											
487	Production Property Taxes											
488	Steam Production Plant				5,495,458							
489	Nuclear Production Plant - Palo Verde 1 & 2				1,077,969							
490	Nuclear Production Plant - Palo Verde 3				1,055,849							
491	Other Production Plant - Gas				2,859,545							
492	Other Production Plant - Renewable				1,760,299							
493	Total Production Property Taxes				12,248,819							
494												
495	Transmission Property Taxes											
496	Step-Up Transformers - Excluding PV3				59,022							
497	Step-Up Transformers - PV3				1,888							
498	Transmission System Plant - Allocated				3,762,575							
499	Transmission System Plant - PV3				39,030							
500	Transmission System Plant - High Lonesome Mesa				242,565							
501	Transmission System Plant - Dedicated Retail				42,212							
502	Transmission System Plant - Dedicated FERC				1,803							
503	Total Transmission Property Taxes				4,149,095							
504												
505	Distribution Property Taxes											
506	Distribution Substations Net Plant - Dedicated FERC				14,838							
507	Distribution Substations Net Plant - PNM				1,367,480							
508	Distribution Substations Net Plant - Renewables				20,379							
509	Primary Distribution System Net Plant - PNM				3,250,225							
510	Primary Distribution System Net Plant - Renewables				20,678							
511	Secondary Distribution System Net Plant - PNM				1,962,357							
512	Secondary Distribution System Net Plant - Renewables				6,466							
513	Services Net Plant - PNM				538,363							
514	Meters Net Plant - PNM				382,471							
515	Private Lighting - 371				4,866							
516	Street Lighting - 373				118,190							
517	Total Distribution Property Taxes				7,686,312							
518												
519	General Property Taxes											
520	Production General & Intangible Net Plant				50,702							
521	PV Unit 3 General & Intangible Net Plant				9,204							
522	Renewables General & Intangible Net Plant				214							
523	Bulk Power Operations				21,434							
524	Energy Management System Facilities				51,284							
525	Other Division Offices/Customer Service				299,762							
526	Communications - Transmission				270,610							
527	Production Related (Shared Services)				-							
528	Transmission Related (Shared Services)				-							
529	Distribution/Customer Related (Shared Services)				-							
530	Total General Property Taxes				703,209							

A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3 COS BASE ADJ									
2	Base Period Ending March 31, 2015									
3										
475	Other Division Offices/Customer Service									2,293,922
476	Communications - Transmission									3,017,375
477	Production Related (Shared Services)									3,055,974
478	Transmission Related (Shared Services)									814,578
479	Distribution/Customer Related (Shared Services)									6,207,719
480	Total General Depreciation									19,381,940
481										
482	Total Depreciation Expense									109,834,511
483										
484	General Taxes									
485										
486	Property Taxes									
487	Production Property Taxes									
488	Steam Production Plant									5,495,458
489	Nuclear Production Plant - Palo Verde 1 & 2									1,077,869
490	Nuclear Production Plant - Palo Verde 3									1,055,649
491	Other Production Plant - Gas									2,859,545
492	Other Production Plant - Renewable									1,760,299
493	Total Production Property Taxes									12,248,819
494										
495	Transmission Property Taxes									
496	Step-Up Transformers - Excluding PV3									59,022
497	Step-Up Transformers - PV3									1,888
498	Transmission System Plant - Allocated									3,762,575
499	Transmission System Plant - PV3									39,030
500	Transmission System Plant - High Lonesome Mesa									242,565
501	Transmission System Plant - Dedicated Retail									42,212
502	Transmission System Plant - Dedicated FERC									1,803
503	Total Transmission Property Taxes									4,149,095
504										
505	Distribution Property Taxes									
506	Distribution Substations Net Plant - Dedicated FERC									14,839
507	Distribution Substations Net Plant - PNM									1,367,480
508	Distribution Substations Net Plant - Renewables									20,379
509	Primary Distribution System Net Plant - PNM									3,250,225
510	Primary Distribution System Net Plant - Renewables									20,678
511	Secondary Distribution System Net Plant - PNM									1,962,357
512	Secondary Distribution System Net Plant - Renewables									6,466
513	Services Net Plant - PNM									535,363
514	Meters Net Plant - PNM									382,471
515	Private Lighting - 371									4,866
516	Street Lighting - 373									118,190
517	Total Distribution Property Taxes									7,886,312
518										
519	General Property Taxes									
520	Production General & Intangible Net Plant									50,702
521	PV Unit 3 General & Intangible Net Plant									9,204
522	Renewables General & Intangible Net Plant									214
523	Bulk Power Operations									21,434
524	Energy Management System Facilities									51,284
525	Other Division Offices/Customer Service									299,782
526	Communications - Transmission									270,610
527	Production Related (Shared Services)									285,352
528	Transmission Related (Shared Services)									60,862
529	Distribution/Customer Related (Shared Services)									334,910
530	Total General Property Taxes									1,384,334

PNM EXHIBIT HEM-3 COS BASE ADJ
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3	COS BASE ADJ										
2	Base Period Ending March 31, 2015											
3				FERC Account	Unadjusted Base Period PNM	PNM Exhibit HEM-4 WP NP-1a	PNM Exhibit HEM-4 WP NP-1b	ADIT Adjustment	PNM Exhibit HEM-4 WP RA-1	PNM Exhibit HEM-4 WP ORB-1	PNM Exhibit HEM-4 WP WC-1	PNM Exhibit HEM-4 WP OM-2
531												
532												
533			Total Property Taxes		24,787,438	-	-	-	-	-	-	-
534			Payroll Taxes									
535			Production Related		1,512,846							
536			Transmission Related		100,685							
537			Distribution Related		2,461,830							
538					4,075,361							
539			Total Payroll Taxes									
540												
541			Other Taxes									
542			Misc Taxes - Production Related		4,612							
543			Misc Taxes - Renewable		183,082							
544			Misc Taxes - Transmission Related		868							
545			Misc Taxes - Distribution Related		(18,496)							
546			Regulatory Commission Fees (R&S) PNM		5,015,580							
547			Joint Projects Four Corners		352,968							
548			Joint Projects PUNGS		1,802,683							
549			Joint Projects Transmission		760							
550			Native American Taxes - Production		1,565,957							
551			Native American Taxes - Transmission		891,741							
552			Native American Taxes - Distribution		52,703							
553			Total Other Taxes		9,832,465							
554												
555			Total General Taxes		38,695,282							
556												
557			Other Allowable Expenses									
558												
559			Interest on Customer Deposits	431	248,735							
560			Amort Loss on Reacquired Debt	407.3	1,235,545							
561			Amort Renewable Energy Credits	555	2,338,168							
562			Carrying charges on renewables	419	405,243							
563			Amort Retail rate case exp	408.2	-							
564			PV DOE Settlement from 10-00086-UT	407	(185,278)							
565			Renewable Grant Amortization	407	(1,307,471)							
566			Accretion ARO - Production Related	403/411	5,871,429							
567			Accretion ARO - PV 3	403/411	2,401,763							
568			Accretion ARO - Distribution Related	403/411	120,830							
569			Amort PV 2 Lease Acquisition Adjustment									
570			Amort EIP Acquisition Adjustment		585,969							
571			Amort PV 1&2 Acquisition Adjustment		385,110							
572												
573												
574												
575												
576												
577												
578												
579												
580												
581												
582												
583			Total Other Allowable Expenses		11,880,040							
584												
585												
586			Total Operating Expenses		874,454,668							
587			(Excl Income & Revenue Related Taxes)				11,805,619					(50,008,084)
588												
589			Total Net Original Cost Rate Base		2,515,712,427	142,232,866	-	(39,688,091)	(22,045,763)	(25,356,639)	(15,989,545)	-
590			Weighted Cost of Capital		8,21%	8,21%	8,21%	8,21%	8,21%	8,21%	8,21%	8,21%
591			Return on Rate Base		206,559,990	11,677,318	-	(3,257,992)	(1,809,957)	(2,081,780)	(1,312,742)	-
592												
593			Federal Income Tax									
594			Return Adjustments									
595			Interest on Long Term Debt		(77,735,514)	(4,394,996)	-	1,226,208	681,214	763,520	494,077	-

	A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3	COS BASE ADJ									
2	Base Period Ending March 31, 2015										
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A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM - 3 COS BASE ADJ											
2	Base Period Ending March 31, 2015											
3				FERC	Unadjusted Base	PNM Exhibit	PNM Exhibit	ADIT	PNM Exhibit	PNM Exhibit	PNM Exhibit	PNM Exhibit
396				Account	Period	HEM-4	HEM-4	Adjustment	HEM-4	HEM-4	HEM-4	HEM-4
397	Tax/Book Adjustments				PNM	WP NP-1a	WP NP-1b		WP RA-1	WP ORB-1	WP WC-1	WP OM-2
398												
399												
400	Non-deductible Meals				405,432							
401	Eastern Interconnect Project				(239,205)							
402	Palo Verde 1 & 2 Gain Amort Flow Through				(160,405)							
403	Palo Verde 1 & 2 Prudence Audit Flow Through				(143,744)							
404	AFUDC Equity Flow Through				(5,177,811)							
405	AFUDC Equity Flow Through - Renewables				(355,881)							
406	Federal Grant Amortization - Renewables				(1,130,882)							
407	Federal Grant Basis Adj - Renewables				565,347							
408	Gain/Loss Flow Through				67,300							
409	ACRS Flow Through				2,334,943							
410	San Juan ACRS Flow Through				347,653							
411	Four Corners SO2 Reversal Flow Through				827,028							
412	SU/SL Depreciation				(62,227)							
413	Amortization of EIP Prepaid Tax Reversal				199,374							
414	Total Tax/Book Adjustments				(2,742,898)							
415												
416	Total Return Adjustments				(80,478,412)	(4,394,996)		1,226,208	881,214	783,520	494,077	
417	Net Taxable Equity Return				126,061,578	7,282,323		(2,031,774)	(1,128,743)	(1,288,260)	(818,665)	
418												
419	Federal Tax Adjustments											
420												
421	Net Provision For Deferred Income Tax			410	(25,074)							
422	Excess Payroll Tax Reversal											
423												
424	ARAM Deferred Tax Reversal			410	(726,513)							
425												
426	Total Provision For Deferred Income Tax				(751,587)							
427												
428	Investment Tax Credits											
429	Palo Verde 182 Production ITC Amortization			411.4	(1,090,889)							
430	Generation ITC Amortization			411.4	(835,028)							
431	Renewables ITC Amortization			411.4	(10,811)							
432	PV Valley Transmission ITC Amortization			411.4	(18,089)							
433	Research and Development & Other Credits			410	(561,021)							
434	All Other ITC Amortization			411.4	(434,839)							
435	Total Investment Tax Credit Amortization & Other Credits				(2,740,737)							
436												
437	Total Federal Tax Adjustments				(3,482,324)							
438												
439	Adjusted Equity Return				122,589,254	7,282,323		(2,031,774)	(1,128,743)	(1,288,260)	(818,665)	
440	Federal Tax Factor (0.35/(1-0.35))				53,8462%	53,8462%		53,8462%	53,8462%	53,8462%	53,8462%	
441	Federal Income Tax				65,998,886	3,921,254		(1,094,033)	(607,785)	(699,064)	(440,820)	
442	Add:											
443	Total Provision For Deferred Income Tax				(751,587)							
444	EIP Amortization				189,374							
445	Total Investment Tax Credit Amortization & Other Credits				(2,740,737)							
446												
447	Net Allowable Federal Income Tax				62,705,938	3,921,254		(1,094,033)	(607,785)	(699,064)	(440,820)	
448												
449	State Income Tax											
450	Return on Rate Base				206,539,980	11,677,318		(3,257,962)	(1,809,957)	(2,081,780)	(1,312,742)	
451	Less: Return Adjustments											
452	Interest on Long Term Debt				(77,735,514)	(4,394,996)		1,226,208	881,214	783,520	494,077	
453	Tax/Book Adjustments				(2,942,272)							
454	Add: Net Allowable F I T				62,705,938	3,921,254		(1,094,033)	(607,785)	(699,064)	(440,820)	
455	22 MW, Battery project and PV Farm PTC			408	1,150,771							
456	State Taxable Income				189,728,911	11,203,577		(3,125,808)	(1,796,528)	(1,997,324)	(1,259,484)	
457	State Tax Factor				7.00%	7.00%		7.00%	7.00%	7.00%	7.00%	
458	State Income Tax				13,281,024	784,250		(218,607)	(121,557)	(139,513)	(88,164)	
459	Add: 22 MW, Battery project and PV Farm PTC				(984,678)							
460	Add: New Mexico NOL Valuation Allowance			410	2,145,448							

	A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3 COS BASE ADJ										
2	Base Period Ending March 31, 2015										
3											
596											
597	Tax/Book Adjustments										
598											
599	Non-deductible Meals										505,089
600	Eastern Interconnect Project										(183,208)
601	Palo Verde 1 & 2 Gain Amort Flow Through										(157,956)
602	Palo Verde 1 & 2 Prudence Audit Flow Through										(143,010)
603	AFUDC Equity Flow Through - Renewables										(5,886,191)
604	AFUDC Equity Flow Through - Renewables										(355,891)
605	Federal Grant Amortization - Renewables										(1,113,431)
606	Federal Grant Basis Adj - Renewables										566,716
607	Gain/Loss Flow Through										88,958
608	ACRS Flow Through										2,293,681
609	San Juan ACRS Flow Through										342,348
610	Four Corners SO2 Reversal Flow Through										617,456
611	SUGL Depreciation										(9,572)
612	Amortization of EIP Prepaid Tax Reversal										(7,812)
613	Total Tax/Book Adjustments										152,702
614											(3,392,778)
615	Total Return Adjustments										
616											(649,880)
617	Net Taxable Equity Return										34,273
618											(58,789)
619	Federal Tax Adjustments										
620											
621	Net Provision For Deferred Income Tax										
622	Excess Payroll Tax Reversal										
623											
624	ARAM Deferred Tax Reversal										828
625	Total Provision For Deferred Income Tax										(13,616)
626											14,244
627	Investment Tax Credits										
628	Palo Verde 1&2 Production ITC Amortization										128,575
629	Generation ITC Amortization										(964,324)
630	Renewables ITC Amortization										15,896
631	PV Valley Transmission ITC Amortization										273
632	Research and Development & Other Credits										3,607
633	All Other ITC Amortization										123,500
634	Total Investment Tax Credit Amortization & Other Credits										84,813
635											354,484
636	Total Federal Tax Adjustments										388,708
637											
638	Adjusted Equity Return										(281,172)
639	Federal Tax Factor (0.35/(1-0.35))										53,8462%
640	Federal Income Tax										53,8462%
641	Add:										(151,400)
642	Total Provision For Deferred Income Tax										14,244
643	EIP Amortization										(46,672)
644	Total Investment Tax Credit Amortization & Other Credits										354,484
645											
646	Net Allowable Federal Income Tax										170,636
647											63,925,645
648	State Income Tax										
649											
650	Return on Rate Base										
651	Less: Return Adjustments										(91,062)
652	Interest on Long Term Debt										34,273
653	Tax/Book Adjustments										(603,208)
654	Add: Net Allowable F I T										170,636
655	22 MW, Battery project and PV Farm PTC										(22,197)
656	State Taxable Income										(454,769)
657	State Tax Factor										7.00%
658	State Income Tax										(87,387)
659	Add: 22 MW, Battery project and PV Farm PTC										7.00%
660	Add: New Mexico NOL Valuation Allowance										(6,116)
											13,468,985
											(1,006,875)
											2,145,449

A	B	C	D	E	F	G	H	I	J	K	L	M
1	PNM Exhibit HEM-3 COS BASE ADJ											
2	Base Period Ending March 31, 2015											
3				FERC	Unadjusted Base	PNM Exhibit	PNM Exhibit	ADIT	PNM Exhibit	PNM Exhibit	PNM Exhibit	PNM Exhibit
661	Net Allowable State Income Tax			Account	Period	HEM-4	HEM-4	Adjustment	HEM-4	HEM-4	HEM-4	HEM-4
662					PNM	WP NP-1a	WP NP-1b		WP RA-1	WP ORB-1	WP WC-1	WP OM-2
663					14,441,795	784,250	-	(218,807)	(121,557)	(139,813)	(88,164)	-
664	Return on Rate Base				206,539,980	11,877,318	-	(3,257,982)	(1,809,957)	(2,081,780)	(1,312,742)	-
665	Total Operating Expenses				874,484,588	-	11,805,619	-	-	-	-	(50,008,084)
666	(Excluding Income & Rev Related Taxes)											
667												
668	Net Allowable Federal Income Tax				62,705,936	3,921,254	-	(1,094,033)	(607,785)	(699,064)	(440,820)	-
669												
670	Net Allowable State Income Tax				14,441,795	784,250	-	(218,807)	(121,557)	(139,813)	(88,164)	-
671												
672												
673												
674	Revenue Credits:											
675	Sale of SO2 Credits			411	(26)							
676	Rent For Electric Property Transmission			454	(434,934)							
677	Rent for Electric Property - Distribution			454	(4,511,667)							
678	Late Payment Charges			451	(966,781)							
679	Misc Service Charge Revenue			451	(1,045,817)							
680	Other Retail Revenue - Transmission			456	(105,711)							
681	Other Retail Revenue - Distribution			456	(421,175)							
682	Generation Ancillary Services Credit Sch 2-5			456100	(2,255,940)							
683	Real Power Losses (Financial)			456100	(720,388)							
684	Transmission redispatch contract revenues			456100	(459,552)							
685	Ancillary Services-Sch 1 and Non-Firm			456100	(2,705,453)							
686	Short Term Firm Transmission			456100	(714,278)							
687	Ancillary Services-Sch 1 ST PTP and Other			456100	(285,672)							
688	Economy Service Customer Revenue Credits			456100	(4,378,288)							
689	Co 7 Revenue											
690												
691												
692												
693												
694	Total Revenue Credits				(19,005,711)							
695												
696	Total Revenue Requirements Before Revenue Tax				1,139,186,578	16,382,823	11,805,619	(4,570,822)	(2,539,299)	(2,920,656)	(1,841,725)	(50,008,084)
697												
698	Revenue Tax Factor (1&S Fee) (Revenue Tax Rate/(1-Revenue Tax Rate))											
699	Revenue Tax											
700												
701	NON-FUEL REVENUE REQUIREMENT				927,487,322	16,382,823	11,805,619	(4,570,822)	(2,539,299)	(2,920,656)	(1,841,725)	(50,008,084)
702	FUEL REVENUE REQUIREMENT				211,699,257	-	-	-	-	-	-	-
703	TOTAL REVENUE REQUIREMENT				1,139,186,578	16,382,823	11,805,619	(4,570,822)	(2,539,299)	(2,920,656)	(1,841,725)	(50,008,084)
704												
705												

A	B	C	D	N	O	P	Q	R	S	T
1	PNM Exhibit HEM - 3 COS BASE ADJ									
2	Base Period Ending March 31, 2015									
3										
661	Net Allowable State Income Tax			PNM Exhibit HEM-4 WP Fuel-1	PNM Exhibit HEM-4 WP GT-1	PNM Exhibit HEM-4 WP RC-1	Tax Adjustment (54,031)	Cash Working Capital & NM SMI Adjustment (6,116)	Other Manual Adjustments	Adjusted Base Period PNM 14,597,559
662										
663										
664	Return on Rate Base							(91,062)		209,863,787
665										
666	Total Operating Expenses (Excluding Income & Rev Related Taxes)			(57,439,777)	(2,280,331)					776,561,995
667										
668	Net Allowable Federal Income Tax						170,638	(30,579)		63,925,545
669										
670	Net Allowable State Income Tax						(54,031)	(6,116)		14,597,559
671										
672										
673										
674	Revenue Credits:									
675	Sale of SO2 Credits									(26)
676	Rent For Electric Property Transmission									(434,934)
677	Rent for Electric Property - Distribution									(4,571,687)
678	Late Payment Charges									(966,781)
679	Misc Service Charge Revenue									(1,045,817)
680	Other Retail Revenue - Transmission									(105,711)
681	Other Retail Revenue - Distribution									(421,175)
682	Generation Ancillary Services Credit Sch 2-5									(2,255,940)
683	Real Power Losses (Financial)									(720,388)
684	Transmission redispatch contract revenues									
685	Ancillary Services-Sch 1 and Non-Firm					459,552				
686	Short Term Firm Transmission									(2,705,453)
687	Ancillary Services-Sch 1 ST PTP and Other									(714,279)
688	Economy Service Customer Revenue Credits									(285,672)
689	Co 7 Revenue									(4,378,298)
690										
691										
692										
693										
694	Total Revenue Credits					459,552				(18,546,159)
695										
696	Total Revenue Requirements Before Revenue Tax			(57,439,777)	(2,280,331)	459,552	116,605	(127,756)		1,046,202,725
697										
698	Revenue Tax Factor (I&S Fee) (Revenue Tax Rate/(1-Revenue T									0.5086%
699	Revenue Tax							5,320,705		5,320,705
700										
701	NON-FUEL REVENUE REQUIREMENT			(54,963,781)	(2,280,331)	459,552	116,605	5,192,949		842,300,170
702	FUEL REVENUE REQUIREMENT			(2,475,997)						209,223,260
703	TOTAL REVENUE REQUIREMENT			(57,439,777)	(2,280,331)	459,552	116,605	5,192,949		1,051,523,430
704										
705										

PNM Exhibit HEM-3: Revenue Requirement Studies, Base Period and Test Period

COS Base ALLC

Is contained in the following 17 pages.

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC	Allocators	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3											
4	Rate Base										
5											
6	Net Plant										
7											
8	Net Production Plant										
9											
10	Steam Production Net Plant				Gen Dmd	679,612,989	649,063,007.27	-	649,063,007.27	30,582,593.63	-
11											
12	Nuclear Production Net Plant - Palo Verde 1 & 2				Gen Dmd	253,340,984	241,952,800	-	241,952,800	11,400,344	-
13	Nuclear Production Net Plant - Palo Verde 3				Excluded	131,008,612	-	-	-	-	131,008,612
14	Total Nuclear Production Net Plant					384,349,697	241,952,800	-	241,952,800	11,400,344	131,008,612
15											
16	Other Production Plant - Gas				Gen Dmd	284,255,970	281,038,126	-	281,038,126	13,241,969	-
17	Other Production Plant - Renewable				Renewables	168,800,246	-	168,800,246	168,800,246	-	-
18	Total Other Production Net Plant					453,056,216	281,038,126	-	448,838,372	13,241,969	-
19											
20	Total Net Production Plant					1,527,028,782	1,172,053,933	168,800,246	1,340,854,179	55,224,897	131,008,612
21											
22	Net Transmission Plant										
23											
24	Step-Up Transformers - Excluding PV3				Gen Dmd	8,073,016	7,710,118	-	7,710,118	363,286	-
25	Step-Up Transformers - PV3				Excluded	227,288	-	-	-	-	227,288
26	Total Transmission Station Equipment - Step-Up Xfmr and Aux					8,300,304	7,710,118	-	7,710,118	363,286	227,288
27											
28	Transmission System Net Plant - Allocated				Trans Dmd	365,294,118	219,980,118	-	219,980,118	145,314,000	-
29	Transmission System Net Plant - PV 3				Excluded	4,769,394	-	-	-	-	4,769,394
30	Transmission System Net Plant - High Lonesome Mesa				Excluded	21,554,162	-	-	-	-	21,554,162
31	Transmission System Net Plant - Dedicated Retail				Retail	4,017,706	4,017,706	-	4,017,706	-	-
32	Transmission System Net Plant - Dedicated FERC				FERC	189,771	-	-	-	169,771	-
33	Total Transmission System Net Plant					395,815,151	223,997,824	-	223,997,824	145,483,771	26,333,556
34											
35	Total Net Transmission Plant					404,115,455	231,707,942	-	231,707,942	145,847,057	26,560,845
36											
37											
38	Net Distribution Plant										
39											
40	Distribution Substations Net Plant - Dedicated FERC				FERC	1,418,678	-	-	-	1,418,678	-
41	Distribution Substations Net Plant - PNM				Retail	129,516,101	129,516,101	-	129,516,101	-	-
42	Distribution Substations Net Plant - Renewables				Renewables	1,882,819	-	1,882,819	1,882,819	-	-
43	Total Distribution Substations Net Plant					132,817,597	129,516,101	1,882,819	131,398,920	1,418,678	-
44											
45	Primary Distribution System Net Plant - PNM				Retail	316,989,117	316,989,117	-	316,989,117	-	-
46	Primary Distribution System Net Plant - Renewables				Renewables	2,545,747	-	2,545,747	2,545,747	-	-
47	Total Primary Distribution Net Plant					319,534,864	316,989,117	2,545,747	319,534,864	-	-
48											
49	Secondary Distribution System Net Plant - PNM				Retail	190,639,542	190,639,542	-	190,639,542	-	-
50	Secondary Distribution System Net Plant - Renewables				Renewables	813,994	-	813,994	813,994	-	-
51	Total Secondary Distribution Net Plant					191,453,536	190,639,542	813,994	191,453,536	-	-
52											
53	Services Net Plant - PNM				Retail	51,160,688	51,160,688	-	51,160,688	-	-

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC		Adjusted Base Period	PNM Retail	Renewables	PNM Combined	Total FERC	Excluded
3				Account	Allocator	PNM	Jurisdiction		Jurisdiction	Jurisdiction	
54					Retail	37,189,017	37,189,017	-	37,189,017	-	-
55	Meters Net Plant - PNM										
56											
57	Private Lighting - 371				Retail	512,556	512,556	-	512,556	-	-
58	Street Lighting - 373				Retail	11,576,563	11,576,563	-	11,576,563	-	-
59	Total Lighting Net Plant					12,089,219	12,089,219	-	12,089,219	-	-
60											
61	Total Net Plant Distribution Plant					744,244,922	737,583,695	5,242,559	742,826,244	1,419,678	-
62											
63											
64	Net Plant General & Intangible Plant (303,385-399)										
65											
66	Production General & Intangible Net Plant				Gen Dmd	4,639,555	4,430,988	-	4,430,988	208,780	-
67	PV Unit 3 General & Intangible Net Plant				Excluded	1,049,516	-	-	-	-	1,049,516
68	Renewables General & Intangible Net Plant				Renewables	20,267	-	20,267	20,267	-	-
69	Bulk Power Operations				Prod W&S	1,878,761	1,849,631	-	1,849,631	78,355	150,775
70	Energy Management System Facilities				Gen/Trans Dmd	5,057,878	3,634,792	-	3,634,792	1,423,165	-
71	Other Division Offices/Customer Service				Retail	28,604,573	28,604,573	-	28,604,573	-	-
72	Communications - Transmission				Trans Dmd	26,527,763	15,975,019	-	15,975,019	10,552,744	-
73	Production Related (Shared Services)				Prod W&S	24,913,589	21,875,175	-	21,875,175	1,039,037	1,999,377
74	Transmission Related (Shared Services)				Trans W&S	5,668,299	3,530,583	-	3,530,583	2,332,225	5,491
75	Distribution/Customer Related (Shared Services)					44,756,419	44,756,419	-	44,756,419	-	-
76	Total Net Plant General & Intangible Plant - PNM				Retail	143,316,619	124,457,189	20,267	124,477,456	15,634,307	3,205,159
77											
78	Total Net Plant					2,818,705,778	2,265,802,749	174,063,072	2,439,865,821	218,124,938	160,774,616
79											
80	Accumulated Deferred Income Taxes										
81	Injury & Damages			190	Total W&S	3,266,262	2,917,087	-	2,917,087	156,102	193,109
82	Deferred PV Gain			190	FERC	217,134	-	-	-	217,134	-
83	Alvarado Square Lease			282	Retail	(1,518,271)	(1,518,271)	-	(1,518,271)	-	-
84	Deferred Coal Costs			283	Retail	(600,112)	(500,112)	-	(500,112)	-	-
85	Renewable NOL ADIT			190	Renewables	38,869,355	-	38,869,355	38,869,355	-	-
86	Palo Verde Construction Credits 1 & 2			190	Retail	105,688	105,688	-	105,688	-	-
87	Pension Prepaid Tax Qualified			190, 283	Total W&S	(71,603,813)	(63,948,665)	-	(63,948,665)	(3,422,105)	(4,233,380)
88	Pension Prepaid Tax NQRP			190, 283	Total W&S	2,624,524	2,343,937	-	2,343,937	125,432	155,168
89	Eastern Interconnect Project Prepaid Tax			190	Trans Dmd	-	-	-	-	-	-
90	LXP Policy Write-offs			190	Retail	957,131	957,131	-	957,131	-	-
91	Capitalized Interest			190	Total Net Plt	22,148,698	18,976,111	-	18,976,111	1,826,798	1,346,488
92	Palo Verde Dry Cask Storage PV 1 & 2			190	Gen Dmd	-	-	-	-	-	-
93	Palo Verde Dry Cask Storage PV 3			190	Excluded	-	-	-	-	-	-
94	Contributions in Aid of Construction			190	Retail	35,099,552	35,099,552	-	35,099,552	-	-
95	Palo Verde Prudence Amortization 1&2			190	Retail	24,053	24,053	-	24,053	-	-
96	Coal Mine Decommissioning			190, 283	Retail	(3,882,612)	(3,882,612)	-	(3,882,612)	-	-
97	Pollution Control Facilities			281	FERC	(508,641)	-	-	-	(508,641)	-
98	FERC Customer Depreciation			282	FERC Transmission	1,260,187	-	-	-	1,260,187	-
99	Renewable ADIT			282	Renewables	(46,876,599)	-	(46,876,599)	(46,876,599)	-	-
100	Liberalized Depreciation - Other			282	G&I Plt	1,577,415	1,370,032	-	1,370,032	172,103	35,283
101	Liberalized Depreciation - Generation			282	Gen Dmd	(410,297,117)	(391,853,441)	-	(391,853,441)	(18,463,370)	-
102	Liberalized Depreciation - Distribution			282	Retail	(195,576,972)	(195,576,972)	-	(195,576,972)	-	-
103	Liberalized Depreciation - Transmission			282	Trans Dmd	(92,954,107)	(55,976,963)	-	(55,976,963)	(36,977,144)	-

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLC										
2	Base Period Ending March 31, 2015			FERC	Allocated	Adjusted Base Period	PNM Retail	Renewables	PNM Combined	Total FERC	Excluded
3				Account		PNM	Jurisdiction		Jurisdiction	Jurisdiction	
104	Palo Verde 3 Liberalized Depreciation			282	Excluded	(68,917,842)	-	-	-	-	(68,917,842)
105	Palo Verde Start-Up Amortization			282	FERC	250,028	-	-	-	250,028	-
106	Nuclear Fuel Amortization PV 1&2			282	Energy	6,360,182	6,053,791	-	6,053,791	306,391	-
107	Nuclear Fuel Amortization PV 3			282	Excluded	3,180,091	-	-	-	-	3,180,091
108	Debt AFUDC			282	Total Net Pit	(20,121,286)	(17,238,951)	-	(17,238,951)	(1,659,584)	(1,223,225)
109	Pre-1981 Repair Allowance			282	Gen Dmd	(22,138,422)	(21,143,256)	-	(21,143,256)	(986,229)	-
110	Palo Verde Licensing Amortization			282	PV	(4,486,841)	(2,847,130)	-	(2,847,130)	(144,097)	(1,495,614)
111	Asset Retirement Obligation			190, 282, 283	Gen Dmd	6,200,781	5,922,024	-	5,922,024	279,034	-
112	Afton Writedown			282	Gen Dmd	7,914,712	7,558,830	-	7,558,830	356,182	-
113	Loss on Recaptured Debt			283	Retail	(3,289,195)	(3,289,195)	-	(3,289,195)	-	-
114	Book Capitalized Interest			283	Total Net Pit	(7,457,359)	(6,389,107)	-	(6,389,107)	(615,088)	(453,352)
115	Prepaid Expenses			283	Gen Dmd	(3,817,603)	(3,645,984)	-	(3,645,984)	(171,792)	-
116	Net Operating Loss NOL			190	Total Net Pit	100,238,467	85,877,787	-	85,877,787	8,287,307	6,088,892
117	Deferred Federal Tax Credits			190	Energy	8,474,716	8,066,461	-	8,066,461	408,255	-
118	PCB Refinancing			190, 283	Retail	(6,434,833)	(6,434,833)	-	(6,434,833)	-	-
119	LVGS Decommission			190	Retail	444,502	444,802	-	444,802	-	-
120	Deferred NM AETC			190	Renewables	1,580,648	(375,240)	1,580,648	1,580,648	-	-
121	Rate Case Expenses			283	Retail	(375,240)	(375,240)	-	(375,240)	-	-
122	TOU			283	Retail	-	-	-	-	-	-
123	DOE Refund			190	Retail	2,215,540	2,215,540	-	2,215,540	-	-
124	Total Accumulated Deferred Income Taxes				Retail	(717,748,726)	(596,687,840)	(6,426,596)	(603,114,436)	(49,333,079)	(65,319,641)
125											
126	Regulatory Assets & Liabilities										
127											
128	Coal Mine Decommissioning-Surface			182	Retail	9,794,835	9,794,835	-	9,794,835	-	-
129	PV 1&2 Prudence Audit			254	Retail	(107,181)	(107,181)	-	(107,181)	-	-
130	PV 1&2 Combustion Engineering			254	Retail	(266,477)	(266,477)	-	(266,477)	-	-
131	Palo Verde DOE Spent Fuel Refund				Retail	(5,631,624)	(5,631,624)	-	(5,631,624)	-	-
132	Deferred Coal Costs			182	Retail	1,247,772	1,247,772	-	1,247,772	-	-
133	Reg Asset LVGS Decommission				Retail	249,685	249,685	-	249,685	-	-
134	Reg Liab LVGS Decommission				Retail	(1,374,044)	(1,374,044)	-	(1,374,044)	-	-
135	PCB Refinancing Hedge			182	Retail	16,247,990	16,247,990	-	16,247,990	-	-
136	Reg Liab Renewables Fed Grant				Renewables	(20,573,328)	-	(20,573,328)	(20,573,328)	-	-
137	Reg Liab Renewables St Credit				Renewables	(3,991,231)	-	(3,991,231)	(3,991,231)	-	-
138	Alvarado Square Lease				Retail	3,834,986	3,834,986	-	3,834,986	-	-
139	TOU Regulatory Asset				Retail	-	-	-	-	-	-
140	ARO Liability				Gen Dmd	-	-	-	-	-	-
141											
142	Total Regulatory Assets & Liabilities					(568,615)	23,995,943	(24,564,557)	(568,615)	-	-
143											
144	Other Rate Base Items										
145											
146	Customer Deposits			235	Retail	(12,790,808)	(12,790,808)	-	(12,790,808)	-	-
147	RWIP-Production			108	Gen Dmd	-	-	-	-	-	-
148	RWIP-Transmission			108	Trans Dmd	-	-	-	-	-	-
149	RWIP-Distribution			108	Retail	-	-	-	-	-	-
150	RWIP-PV 3			108	Excluded	-	-	-	-	-	-
151	ARO Liability - Production			230	Gen Dmd	(14,149,864)	(13,513,800)	-	(13,513,800)	(636,744)	-
152	ARO Liability - Transmission			230	Trans Dmd	-	-	-	-	-	-
153	ARO Liability - Distribution			230	Retail	(1,520,682)	(1,520,682)	-	(1,520,682)	-	-

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1	PNM Exhibit HEM - 3 COS BASE ALLOC											
2	Base Period Ending March 31, 2015				FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3						Excluded						
154	ARO Liability - PV 3				230							
155	Injuries and Damages PNM				228	Total W&S	(3,238,280)	(7,357,527)	-	(7,357,527)	(369,726)	(487,066)
156	NQRP - Expense in Excess of Funding					Total W&S	(6,628,065)	(5,917,664)	-	(5,917,664)	(316,674)	(351,747)
157	PV 1&2 Dry Cask Storage					Gen Dmd	-	-	-	-	-	-
158	PV 3 Dry Cask Storage					Excluded	-	-	-	-	-	-
159	PV 1&2 Excess Gain Amortization				253	FERC	(547,399)	-	-	-	(547,399)	-
160	NMTC Renewable Credit Solar				253	Renewables	-	-	-	-	-	-
161	High Lonsome Mesa -				253	Excluded	(15,711,247)	-	-	-	-	(15,711,247)
162	Unamortized Gain on EIP				253	Trans Dmd	0	0	-	0	0	-
163	CWIP - Production				107	Gen Dmd	35,097,523	33,519,819	-	33,519,819	1,573,389	-
164	CWIP - Transmission				107	Trans Dmd	16,828,838	10,133,122	-	10,133,122	6,693,716	-
165	CWIP - Distribution				107	Retail	15,632,558	15,632,558	-	15,632,558	-	-
166	CWIP - PV 3				107	Excluded	4,456,363	-	-	-	-	4,456,363
167	CWIP - Renewables				107	Renewables	425,925	-	425,925	425,925	-	-
168	CWIP - Production Related				107	Prod Pit	-	-	-	-	-	-
169	CWIP - Corporate Production				107	Prod W&S	1,513,100	1,416,369	-	1,416,369	67,275	129,455
170	CWIP - Corporate Transmission				107	Trans W&S	188,932	113,669	-	113,669	75,087	177
171	CWIP - Corporate Distribution				107	Retail	1,714,517	1,714,517	-	1,714,517	-	-
172	Pueblos Transmission Rights-of-Way				186	Trans Dmd	51,643,742	31,099,862	-	31,099,862	20,543,881	-
173	Pueblos Distribution Rights-of-Way				186	Retail	1,107,654	1,107,654	-	1,107,654	-	-
174	EIP Acquisition Adjustment				114	Trans Dmd	6,299,182	3,793,356	-	3,793,356	2,505,807	-
175	PV 1&2 Acquisition Adjustment				114	Gen Dmd	3,484,516	3,327,879	-	3,327,879	156,803	-
176	Prepaid Pension Asset					Total W&S	181,164,839	161,796,544	-	161,796,544	8,658,268	10,710,875
177	Unamortized Loss on Recquired Debt				189	Retail	8,305,363	8,305,363	-	8,305,363	-	-
178	Rate Case Expense				188	Retail	952,849	952,849	-	952,849	-	-
179	PV 2 Lease Acquisition Adjustment					Gen Dmd	-	-	-	-	-	-
180	Total Other Rate Base Items						269,329,538	231,813,080	425,925	232,239,005	38,385,684	(1,293,199)
181												
182	Working Capital											
183												
184	Fuel Stock											
185	Production Fuel Stock				151	Energy	18,134,145	17,250,562	-	17,250,562	873,582	-
186	PV 1&2 Nuclear Fuel (120.1 - .5)				120	Energy	55,094,518	52,440,432	-	52,440,432	2,654,087	-
187	PV 3 Nuclear Fuel (120.1 - .5)				120	Excluded	24,216,698	-	-	-	-	24,216,698
188	Total Fuel Stock						97,445,361	69,700,994	-	69,700,994	3,527,569	24,216,698
189												
190	Materials & Supplies											
191	Production				154	Gen Dmd	28,740,718	27,448,765	-	27,448,765	1,293,332	-
192	Transmission				154	Trans Pit	919,956	527,478	-	527,478	332,016	60,465
193	Distribution				154	Retail	5,916,405	5,916,405	-	5,916,405	-	-
194	Palo Verde Unit 3				154	Excluded	5,732,673	-	-	-	-	5,732,673
195	Total Materials & Supplies						41,309,753	33,892,647	-	33,892,647	1,625,349	5,733,138
196												
197	Prepayments											
198	Production				165	Gen Dmd	33,303,993	31,812,643	-	31,812,643	1,489,950	-
199	Transmission				165	Trans Pit	8,951,815	5,132,708	-	5,132,708	3,230,750	588,366
200	Distribution				165	Retail	2,917,869	2,917,869	-	2,917,869	-	-
201	Renewables				165	Renewables	23,577	23,577	-	23,577	-	-
202	Palo Verde Unit 3				165	Excluded	1,193,913	-	-	-	-	1,193,913
203	Total Prepayments						46,397,167	39,863,220	23,577	39,886,796	4,729,699	1,782,279

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1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3											
204			Total Cash Working Capital			(1,109,154)	(1,109,154)		(1,109,154)		-
205											
206			Total Cash Working Capital (see Rule 530 schedule E-1)			184,043,127	142,347,707	23,577	142,371,283	9,882,717	31,792,115
207											
208			Total Rate Base Adjustments & Working Capital			(284,944,675)	(199,531,111)	(30,541,651)	(229,072,763)	(1,054,678)	(34,820,725)
209											
210			Total Net Original Cost Rate Base			2,553,761,103	2,087,271,638	143,521,421	2,210,793,059	217,080,260	125,953,891
211											
212											
213	Operations and Maintenance Expense										
214											
215	Production Fuel related expenses										
216											
217	Production - Base Fuel Related										
218	Steam Generation			501	Direct Assignment	171,403,745	160,195,326		160,195,326	11,208,419	-
219	Steam Fuel Handling and Disposal			501	Direct Assignment						-
220	Nuclear			518	Direct Assignment	25,939,845	16,089,734		16,089,734	1,223,496	8,646,615
221	Nuclear Disposal			518	Direct Assignment						-
222	Gas Generation			547	Direct Assignment	37,828,938	35,154,432		35,154,432	2,674,506	-
223	Renewables - Owned			547	Direct Assignment						-
224	Wind (NMWEC)			555	Direct Assignment	11,680,897	11,724,174		11,724,174	-	(43,277)
225	Renewables - PPA			555	Direct Assignment						-
226	Purchased Power Energy			555	Direct Assignment	36,896,251	27,147,900		27,147,900	2,397,295	7,351,055
227	Spinning reserves			555	Direct Assignment						-
228	Total Fuel Costs (before OSS)					293,749,676	250,291,568	-	250,291,568	17,503,717	15,954,393
229											
230	Off-system Sales			447	Direct Assignment	(35,496,587)	(20,957,065)		(20,957,065)	(12,043,998)	(2,486,524)
231	Off-system Sales - PV 3			447	Direct Assignment	(40,490,822)					(40,490,822)
232	Off-system Sales Credit			447	Direct Assignment	1,866,812	1,866,812		1,866,812	-	-
233	Other Revenue Credits to Fuel Clause				Direct Assignment						-
234	Load Side from Transmission Customers			456.1	Direct Assignment	(401,231)	(300,903)		(300,903)	(100,329)	-
235	Physical Sales of Gas (under FAC hedge plan)				Direct Assignment	(4,588)	(4,588)		(4,588)	-	-
236	Total Other Fuel					(74,528,416)	(19,395,745)	-	(19,395,745)	(12,144,326)	(42,986,346)
237											
238	Total Fuel (net OSS)					209,223,260	230,895,821	-	230,895,821	5,359,391	(27,031,953)
239											
240	Production - Non Fuel Items										
241	Coal Fuel Handling			501	Energy	12,883,904	12,263,244	-	12,263,244	620,861	-
242	Nuclear Fuel Handling			518	Energy	(35,147)	(33,454)	-	(33,454)	(1,893)	-
243	Gas Plants Fuel Transportation			547	Energy	10,166,450	9,676,699	-	9,676,699	489,752	-
244	Gas PPA - Rio Bravo - Demand			555	Gen Dmd	2,109,677	2,014,843	-	2,014,843	94,935	-
245	Gas PPA - Valencia - Demand			555	Gen Dmd	19,127,931	18,267,996	-	18,267,996	860,752	-
246	Purchase Power for Economy Service Customer				Retail			-		-	-
247	Economy Purchase Power Demand			555				-		-	-
248	Deferred Energy				Excluded			-		-	-
249	REC Purchases and Renewable Energy Amortization			555	Renewables	12,472,070	-	12,472,070	12,472,070	-	-
250	Gas Swaps - Non Fuel Clause Settlements and Excess Gas Physical Purchases				FERC	687,867	-	-	-	687,867	-
251	Gas Swaps - Settlements - City of Aztec				Aztec		-	-	-	-	-
252	Coal Mine Decommissioning - Allowed			501.15	Retail	6,832,115	6,832,115	-	6,832,115	-	-
253	Coal Mine Decommissioning - Disallowed			501.15	Excluded	1,080,798	-	-	-	-	1,080,798

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1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC Account							
3				501.15	FERC	Adjusted Base Period	PNM	142,390			
254	Coal Mine Decommissioning - FERC				FERC						
255	Hedge - FERC				FERC						
256	Spinning reserves				Gen Dmd						
257	Broker Fees				Gen Dmd						
258	Total Non Fuel Items										
259											
260	Total Fuel Related Expense										
261											
262	O&M										
263	Steam Production										
264	Oper-Sup & Eng-Prod			500	Gen Dmd						
265	Oper-Steam Expense-Major			502	Gen Dmd						
266	Oper-Electric Exp-Major			505	Gen Dmd						
267	Oper-Misc Steam Power Exp			506	Gen Dmd						
268	Oper-Rents-Steam Power			507	Gen Dmd						
269	Maint-Sup & Eng-Steam			510	Energy						
270	Maint-Sup & Eng-Steam - Renewables			511	Renewables						
271	Maint-Structures-Steam			511	Gen Dmd						
272	Maint-Boiler Plant			512	Energy						
273	Maint-Electric Plant			513	Energy						
274	Maint-Gen & Elec Plant			514	Gen Dmd						
275	Nuclear Production										
276	Oper-Sup & Eng-Nuclear			517	Gen Dmd						
277	Oper-Coolants and Water			519	Gen Dmd						
278	Oper-Steam Expenses-Nuclear			520	Gen Dmd						
279	Oper-Electric Exp			523	Gen Dmd						
280	Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit			524	Gen Dmd						
281	Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit			524	Retail						
282	Oper-Rents-Nuclear, excluding PV 1&2 CE Credit and Excess Gain Amortization			525	Gen Dmd						
283	Oper-Rents-Nuclear - PV 1&2 CE Credit			525	Retail						
284	Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization			525	FERC						
285	Maint-Sup & Eng-Nuclear			528	Energy						
286	Maint-Structures-Major			529	Gen Dmd						
287	Maint-Reactor Plant			530	Energy						
288	Maint-Elec Plant			531	Energy						
289	Maint-Misc Nuclear Plant			532	Gen Dmd						
290	Palo Verde 3 - Nuclear Production, FERC 517,519-532			517,519-532	Excluded						
291	Other Production										
292	Oper-Sup & Eng-Other			546	Energy						
293	Oper-Sup & Eng-Other - Renewables			546	Renewables						
294	Oper-Off Pwr Gen Exp-Other			549	Energy						
295	Oper-Off Pwr Gen Exp-Other - Renewables			549	Renewables						
296	Maint - Structures			552	Gen Dmd						
297	Maint-Gen & Elec Plant			553	Energy						
298	Maint-Gen & Elec Plant - Renewables			553	Renewables						
299	Maint-Gen & Elec Plant			556	Gen Dmd						
300	Maint-Gen & Elec Plant - Renewables			556	Renewables						
301	Total Production O&M										
302											
303	Transmission O&M (560-574, excluding 555)										

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1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC Account							
3					Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
304	Oper-Sup & Eng-ETrans			580	Trans Dmd	1,973,753	1,188,594	-	1,188,594	785,159	-
305	Oper-Load Dispatch-ETrans			581	Trans Dmd	809,167	487,280	-	487,280	321,887	-
306	Oper-Station Exp-ETrans			582	Trans Dmd	490,925	295,635	-	295,635	195,290	-
307	Oper-Overhead Lines-ETrans			583	Trans Dmd	202,180	121,753	-	121,753	80,427	-
308	Oper-Undergrd Line-ETrans			584	Trans Dmd	-	-	-	-	-	-
309	Oper-Misc Transmission-E			586	Trans Dmd	2,352,122	1,422,470	-	1,422,470	939,652	-
310	Oper-Rents-Transmission-E			587	Trans Dmd	12,461,956	7,504,590	-	7,504,590	4,957,366	-
311	Maint Sup & Eng-ETrans			588	Trans Dmd	8,685	5,230	-	5,230	3,455	-
312	Maint-Structures-ETrans			569	Trans Dmd	91	55	-	55	36	-
313	Maint-Sta Equip-ETrans			570	Trans Dmd	2,784,724	1,676,961	-	1,676,961	1,107,763	-
314	Maint-Overhead Lns-ETrans			571	Trans Dmd	252,966	152,336	-	152,336	100,630	-
315	Maint-Und Lns-ETrans			572	Trans Dmd	-	-	-	-	-	-
316	Maint-Misc Trans Pft-Maj-E			573	Trans Dmd	-	-	-	-	-	-
317	Maint-Trans Plant-NonMaj-E			574	Trans Dmd	6,358	3,628	-	3,628	2,529	-
318	HLM - Transmission O&M			580-584,586-574	Excluded	20,000	-	-	-	-	20,000
319	Total Transmission O&M, excluding FERC 565					21,372,926	12,868,732	-	12,868,732	8,494,194	20,000
320											
321	Transmission O&M by Others (565);										
322	Owned Generation Wheeling			565	Gen Dmd	8,670,259	8,280,514	-	8,280,514	390,162	-
323	PV 3 Wheeling			565	Excluded	397,716	-	-	-	-	397,716
324	Retail Wheeling			565	Retail	1,898,807	1,898,807	-	1,898,807	-	-
325	FERC Wholesale Customer Wheeling			565	FERC	2,489,787	-	-	-	2,489,787	-
326	WAPA Exchange			565	Gen Dmd	2,947,855	2,815,343	-	2,815,343	132,653	-
327	Transmission by Others			565	Gen Dmd	3,916,347	3,739,344	-	3,739,344	176,191	-
328	Total Transmission by Others, FERC 565				Gen Dmd	20,315,771	16,734,008	-	16,734,008	3,189,793	397,716
329											
330	Total Transmission O&M					41,692,697	29,592,740	-	29,592,740	11,662,987	417,716
331											
332	Total Dist O&M (580-599)										
333											
334	PNM Street & Private Lighting										
335	Oper-Street Light/Signal-E			585	Retail	77,382	77,382	-	77,382	-	-
336	Oper-Customer Install-EDis			587	Retail	-	-	-	-	-	-
337	Maint-Streetlight/Signal-E			596	Retail	1,179,076	1,179,076	-	1,179,076	-	-
338	Total Street and Private Lighting					1,256,458	1,256,458	-	1,256,458	-	-
339											
340	PNM Meters										
341	Oper-Meter Expense-EDist			586	Retail	3,316,053	3,316,053	-	3,316,053	-	-
342	Maint-Meters-EDist			597	Retail	301,562	301,562	-	301,562	-	-
343	Total Meters					3,617,615	3,617,615	-	3,617,615	-	-
344											
345	All Other Distribution O&M										
346	Oper-Sup & Eng-EDist			580	Retail	2,618,290	2,618,290	-	2,618,290	-	-
347	Oper-Load Dispatch-EDist			581	Retail	-	-	-	-	-	-
348	Oper-Station Exp-EDist			582	Retail	231,373	231,373	-	231,373	-	-
349	Oper-Overhead Lines-EDist			583	Retail	1,612,114	1,612,114	-	1,612,114	-	-
350	Oper-Undergrd Line-EDist			584	Retail	422,310	422,310	-	422,310	-	-
351	Oper-Undergrd Line-EDist - Renewables			584	Renewables	(281,779)	-	(281,779)	(281,779)	-	-
352	Oper-Misc Dist Exp-EDist			588	Retail	5,819,213	5,819,213	-	5,819,213	-	-
353	Oper-Rents-Distribution-E			589	Retail	129,505	129,505	-	129,505	-	-

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015										
3				FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
354	Maint-Sup & Eng-EDist			590	Retail	905,426	905,426	-	905,426	-	-
355	Maint-Structures-EDist			591	Retail	59,808	59,808	-	59,808	-	-
356	Maint-Station Equip-EDist			592	Retail	1,004,685	1,004,685	-	1,004,685	-	-
357	Maint-Overhead Lns-EDist			593	Retail	2,243,406	2,243,406	-	2,243,406	-	-
358	Maint-Und Lns-EDist			594	Retail	1,354,578	1,354,578	-	1,354,578	-	-
359	Maint-Line Transform-EDist			595	Retail	606	606	-	606	-	-
360	Maint-Misc Dist Plant-E			598	Retail	545,158	545,158	-	545,158	-	-
361	Total Other Distribution O&M					16,664,692	16,664,692	(281,779)	16,664,692	-	-
362											
363	Total Distribution O&M					21,538,765	21,820,544	(281,779)	21,538,765	-	-
364											
365	Customer Related O&M										
366											
367	PNM Related Customer Accounts Exp										
368	Supervision-Customer Accts			901	Retail	472,469	472,469	-	472,469	-	-
369	Meter Reading Expenses			902	Retail	4,445,798	4,445,798	-	4,445,798	-	-
370	Customer Record and Coll			903	Retail	6,904,644	6,904,644	-	6,904,644	-	-
371	Uncollectible Expenses			904	Retail	3,143,529	3,143,529	-	3,143,529	-	-
372	Misc Customer Accts Exp			905	Retail	-	-	-	-	-	-
373	Cust Service/Inf Expenses			906	Retail	281,878	281,878	-	281,878	-	-
374	Supervision-Customer Svc			907	Retail	829	829	-	829	-	-
375	Customer Assistance Exps			908	Retail	627,172	627,172	-	627,172	-	-
376	Inform/Instruc Advert Exps			909	Retail	-	-	-	-	-	-
377	Misc Cust Svc & Info Exp			910	Retail	-	-	-	-	-	-
378	Demo & Selling Expenses - Excluding Production			912	Retail	52,192	52,192	-	52,192	-	-
379	Demo & Selling Expenses - Production			912	Sales	4,123,902	3,388,611	-	3,388,611	248,259	487,033
380	Advertising Expense			913	Retail	-	-	-	-	-	-
381	Sales Expense			917	Retail	(1,087)	(1,087)	-	(1,087)	-	-
382											
383	Total Customer Related O&M					20,051,347	19,316,055	-	19,316,055	248,259	487,033
384											
385	Administrative & General Expense										
386											
387	Production - Admin and General Salaries			920	Gen Dmd	(2,594,946)	(2,478,298)	-	(2,478,298)	(116,779)	-
388	Transmission - Admin and General Salaries			920	Trans W&S	416,042	250,306	-	250,306	165,347	369
389	Distribution - Admin and General Salaries			920	Retail	2,087,043	2,087,043	-	2,087,043	-	-
390	Production - AG Office Supplies Exp			921	Gen Dmd	(564,205)	(529,292)	-	(529,292)	(24,939)	-
391	Transmission - AG Office Supplies Exp			921	Trans W&S	244,510	147,106	-	147,106	97,175	228
392	Distribution - AG Office Supplies Exp			921	Retail	1,431,521	1,431,521	-	1,431,521	-	-
393	A&G Charged to CWIP - Production			922	Gen Dmd	(2,333,663)	(2,228,760)	-	(2,228,760)	(105,015)	-
394	A&G Charged to CWIP - Transmission			922	Trans W&S	(4,225,698)	(2,542,454)	-	(2,542,454)	(1,679,489)	(3,954)
395	A&G Charged to CWIP - Distribution			922	Retail	(5,912,201)	(5,912,201)	-	(5,912,201)	-	-
396	Production Related - Shared Services			9229	Gen Dmd	22,491,006	21,479,989	-	21,479,989	1,012,096	-
397	Transmission Related - Shared Services			9229	Trans W&S	5,815,833	3,499,017	-	3,499,017	2,311,373	5,442
398	Distribution/Customer Related - Shared Services			9229	Retail	33,235,210	33,235,210	-	33,235,210	-	-
399	Production - Outside Services			923	Gen Dmd	(245,311)	(238,104)	-	(238,104)	(11,219)	-
400	Transmission - Outside Services			923	Trans W&S	137,707	82,849	-	82,849	54,728	129
401	Distribution - Outside Services			923	Retail	1,147,580	1,147,580	-	1,147,580	-	-
402	Production - Property Insurance			924	Prod Pit	1,424,076	1,228,876	-	1,228,876	57,902	137,360
403	Transmission - Property Insurance			924	Trans Pit	184,139	105,560	-	105,560	66,457	12,103

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC Account		Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3					Allocator						
404	Not Used				Not Used						
405	Distribution - Property Insurance			924	Retail	331,855	331,855	-	331,855	-	-
406	Production - Injuries or Damages-Safety			925	Gen Dmd	1,127,295	1,127,295	-	1,127,295	53,116	-
407	Transmission - Injuries or Damages-Safety			925	Trans W&S	17,244	17,244	-	17,244	11,391	27
408	Distribution - Injuries or Damages-Safety			925	Retail	1,103,022	1,103,022	-	1,103,022	-	-
409	Production - Empl Pension and Benefits			926	Gen Dmd	6,707,120	6,405,622	-	6,405,622	301,820	-
410	Transmission - Empl Pension and Benefits			926	Trans W&S	(1,059,489)	(637,427)	-	(637,427)	(421,070)	(991)
411	Distribution - Empl Pension and Benefits			926	Retail	5,432,593	5,432,593	-	5,432,593	-	-
412	Production - Regulatory Commission Exp			928	Gen Dmd	1,310,135	1,251,242	-	1,251,242	58,956	-
413	Transmission - Regulatory Commission Exp			928	Trans W&S	102,449	61,637	-	61,637	40,716	96
414	Distribution - Regulatory Commission Exp			928	Retail	452,379	452,379	-	452,379	-	-
415	Direct Assigned - FERC Generation			928	NEC	407,579	-	-	-	407,579	-
416	Direct Assigned - FERC Transmission			928	FERC Transmission	-	-	-	-	-	-
417	Production - Misc AG Expenses			930	Gen Dmd	7,697,903	7,351,867	-	7,351,867	346,406	-
418	Transmission - Misc AG Expenses			930	Trans W&S	(3,807)	(2,291)	-	(2,291)	(1,513)	(4)
419	Distribution - Misc AG Expenses			930	Retail	422,297	422,297	-	422,297	-	-
420	Production - Rents-Cust			931	Gen Dmd	-	-	-	-	-	-
421	Transmission - Rents-Cust			931	Trans W&S	17,423	10,482	-	10,482	6,924	16
422	Distribution - Rents-Cust			931	Retail	-	-	-	-	-	-
423	Production - Gas Admin & General Maintenance			932	Gen Dmd	0	0	-	0	0	-
424	Transmission - Gas Admin & General Maintenance			932	Trans W&S	(35)	(23)	-	(23)	(15)	(0)
425	Distribution - Gas Admin & General Maintenance			932	Retail	17,216	17,216	-	17,216	-	-
426	Production - Maint of General Plant			935	Gen Dmd	(41,339)	(39,480)	-	(39,480)	(1,860)	-
427	Transmission - Maint of General Plant			935	Trans W&S	591,645	355,955	-	355,955	235,136	554
428	Distribution - Maint of General Plant			935	Retail	188,798	188,798	-	188,798	-	-
429	Renewables - A&G (920-935)			920-935	Renewables	210,861	210,861	-	210,861	-	-
430	PV3 - A&G (920 - 935)			920-935	Excluded	5,295,581	-	-	-	-	5,295,581
431	Total Administrative & General Expense					83,137,621	74,616,230	210,861	74,827,091	2,865,228	5,446,978
432											
433	Total Operations & Maintenance Expense					409,109,253	348,455,021	13,236,069	361,691,091	25,880,554	21,546,577
434											
435	Depreciation and Amortization Expense										
436											
437	Production Depreciation										
438	Steam Production Plant				Gen Dmd	19,674,824	18,790,401	-	18,790,401	885,367	-
439	Nuclear Production Plant - Palo Verde 1 & 2				Gen Dmd	6,676,334	6,376,220	-	6,376,220	300,435	-
440	Nuclear Production Plant - Palo Verde 3				Excluded	3,756,471	-	-	-	-	3,756,471
441	Other Production Plant - Gas				Gen Dmd	10,142,071	9,686,165	-	9,686,165	456,393	-
442	Other Production Plant - Renewable				Renewables	5,269,372	-	5,269,372	5,269,372	-	-
443	Total Production Depreciation Expense					45,619,072	34,852,785	5,269,372	40,122,157	1,542,195	3,756,471
444											
445	Transmission Depreciation										
446	Step-Up Transformers - Excluding PV3				Gen Dmd	314,740	300,592	-	300,592	14,163	-
447	Step-Up Transformers - PV3				Excluded	9,634	-	-	-	-	9,634
448	Transmission System Plant - Allocated				Trans Dmd	12,765,990	7,687,679	-	7,687,679	5,078,311	-
449	Transmission System Plant - PV 3				Excluded	106,328	-	-	-	-	106,328
450	Transmission System Plant - High Lonesome Mesa				Excluded	233,851	-	-	-	-	233,851
451	Transmission System Net Plant - Dedicated Retail				Retail	235,527	235,527	-	235,527	-	-
452	Transmission System Plant - Dedicated FERC				FERC	13,212	-	-	-	13,212	-
453	Total Transmission Depreciation					13,679,282	8,223,798	-	8,223,798	5,105,686	349,813

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3											
454											
455	Distribution Depreciation										
456	Distribution Substations Net Plant - Dedicated FERC				FERC	50,719	-	-	-	50,719	-
457	Distribution Substations Net Plant - PNM				Retail	4,331,365	4,331,365	-	4,331,365	-	-
458	Distribution Substations Net Plant - Renewables				Renewables	297,096	-	297,096	297,096	-	-
459	Primary Distribution System Net Plant - PNM				Retail	11,740,718	11,740,718	-	11,740,718	-	-
460	Primary Distribution System Net Plant - Renewables				Renewables	46,002	-	46,002	46,002	-	-
461	Secondary Distribution System Net Plant - PNM				Retail	6,952,467	6,952,467	-	6,952,467	-	-
462	Secondary Distribution System Net Plant - Renewables				Renewables	13,181	-	13,181	13,181	-	-
463	Services Net Plant - PNM				Retail	5,897,337	5,897,337	-	5,897,337	-	-
464	Meters Net Plant - PNM				Retail	1,683,814	1,683,814	-	1,683,814	-	-
465	Private Lighting - 371				Retail	37,571	37,571	-	37,571	-	-
466	Street Lighting - 373				Retail	303,947	303,947	-	303,947	-	-
467	Total Distribution Depreciation					31,354,217	30,947,219	356,279	31,303,498	50,719	-
468											
469	General Depreciation										
470	Production General & Intangible Net Plant				Gen Dmd	1,194,057	1,140,382	-	1,140,382	53,733	-
471	PV Unit 3 General & Intangible Net Plant				Excluded	388,590	-	-	-	-	398,590
472	Renewables General & Intangible Net Plant				Renewables	1,687	-	1,687	1,687	-	-
473	Bulk Power Operations				Prod W&S	702,405	616,741	-	616,741	29,294	56,370
474	Energy Management System Facilities				Gen/Trans Dmd	1,686,653	1,218,564	-	1,218,564	477,116	-
475	Other Division Offices/Customer Service				Retail	2,293,922	2,293,922	-	2,293,922	-	-
476	Communications - Transmission				Trans Dmd	3,017,375	1,817,063	-	1,817,063	1,200,312	-
477	Production Related (Shared Services)				Prod W&S	3,056,974	2,683,273	-	2,683,273	127,451	245,249
478	Transmission Related (Shared Services)				Trans W&S	814,578	490,080	-	490,080	323,736	762
479	Distribution/Customer Related (Shared Services)				Retail	6,207,719	6,207,719	-	6,207,719	-	-
480	Total General Depreciation					19,381,940	16,467,744	1,667	16,469,411	2,211,642	700,971
481											
482	Total Depreciation Expense					109,934,511	90,491,546	5,627,318	96,118,864	9,010,242	4,807,255
483											
484	General Taxes										
485											
486	Property Taxes										
487	Production Property Taxes										
488	Steam Production Plant				Gen Dmd	5,495,458	5,248,426	-	5,248,426	247,296	-
489	Nuclear Production Plant - Palo Verde 1 & 2				Gen Dmd	1,077,869	1,029,416	-	1,029,416	48,504	-
490	Nuclear Production Plant - Palo Verde 3				Excluded	1,055,649	-	-	-	-	1,055,649
491	Other Production Plant - Gas				Gen Dmd	2,859,545	2,731,003	-	2,731,003	128,680	-
492	Other Production Plant - Renewable				Renewables	1,780,289	-	1,780,289	1,780,289	-	-
493	Total Production Property Taxes					12,248,819	9,008,845	1,780,289	10,769,144	424,479	1,055,649
494											
495	Transmission Property Taxes										
496	Step-Up Transformers - Excluding PV3				Gen Dmd	59,022	55,369	-	55,369	2,666	-
497	Step-Up Transformers - PV3				Excluded	1,888	-	-	-	-	1,888
498	Transmission System Plant - Allocated				Trans Dmd	3,782,575	2,285,823	-	2,285,823	1,496,752	-
499	Transmission System Plant - PV 3				Excluded	39,030	-	-	-	-	39,030
500	Transmission System Plant - High Lonesome Mesa				Excluded	242,565	-	-	-	-	242,565
501	Transmission System Plant - Dedicated Retail				Retail	42,212	42,212	-	42,212	-	-
502	Transmission System Plant - Dedicated FERC				FERC	1,803	-	-	-	1,803	-
503	Total Transmission Property Taxes					4,149,095	2,364,404	-	2,364,404	1,501,211	283,483

	A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC											
2	Base Period Ending March 31, 2015				FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3												
504												
505				Distribution Property Taxes								
506				Distribution Substations Net Plant - Dedicated FERC		FERC	14,838	-	-	-	14,838	-
507				Distribution Substations Net Plant - PNM		Retail	1,367,480	1,367,480	-	1,367,480	-	-
508				Distribution Substations Net Plant - Renewables		Renewables	20,379	-	20,379	20,379	-	-
509				Primary Distribution System Net Plant - PNM		Retail	3,250,225	3,250,225	-	3,250,225	-	-
510				Primary Distribution System Net Plant - Renewables		Renewables	20,678	-	20,678	20,678	-	-
511				Secondary Distribution System Net Plant - PNM		Retail	1,962,357	1,962,357	-	1,962,357	-	-
512				Secondary Distribution System Net Plant - Renewables		Renewables	6,466	-	6,466	6,466	-	-
513				Services Net Plant - PNM		Retail	538,363	538,363	-	538,363	-	-
514				Meters Net Plant - PNM		Retail	382,471	382,471	-	382,471	-	-
515				Private Lighting - 371		Retail	4,866	4,866	-	4,866	-	-
516				Street Lighting - 373		Retail	118,190	118,190	-	118,190	-	-
517				Total Distribution Property Taxes			7,686,312	7,623,851	47,523	7,671,474	14,838	-
518												
519				General Property Taxes								
520				Production General & Intangible Net Plant		Gen Dmd	50,702	48,422	-	48,422	2,282	-
521				PV Unit 3 General & Intangible Net Plant		Excluded	9,204	-	-	-	-	9,204
522				Renewables General & Intangible Net Plant		Renewables	214	-	214	214	-	-
523				Bulk Power Operations		Prod W&S	21,434	18,820	-	18,820	894	1,720
524				Energy Management System Facilities		Gen/Trans Dmd	51,284	36,854	-	36,854	14,430	-
525				Other Division Offices/Customer Service		Retail	299,762	299,762	-	299,762	-	-
526				Communications - Transmission		Trans Dmd	270,610	162,961	-	162,961	107,649	-
527				Production Related (Shared Services)		Prod W&S	285,352	250,551	-	250,551	11,901	22,900
528				Transmission Related (Shared Services)		Trans W&S	60,862	36,617	-	36,617	24,188	57
529				Distribution/Customer Related (Shared Services)			334,910	334,910	-	334,910	-	-
530				Total General Property Taxes			1,384,334	1,188,898	214	1,189,113	161,343	33,881
531												
532												
533				Total Property Taxes			25,468,561	20,186,098	1,808,036	21,994,134	2,101,872	1,373,014
534												
535				Payroll Taxes								
536				Production Related		Prod W&S	3,123,679	2,742,721	-	2,742,721	130,275	250,683
537				Transmission Related		Trans W&S	638,286	384,016	-	384,016	253,672	597
538				Distribution Related		Dist W&S	2,336,006	2,336,006	-	2,336,006	-	-
539				Total Payroll Taxes			6,097,971	5,462,743	-	5,462,743	383,947	251,280
540												
541				Other Taxes								
542				Misc Taxes - Production Related		Gen Dmd	3,812	3,841	-	3,841	172	-
543				Misc Taxes - Renewable		Renewables	163,082	-	163,082	163,082	-	-
544				Misc Taxes - Transmission Related		Trans Dmd	866	515	-	515	340	-
545				Misc Taxes - Distribution Related		Retail	13,819	13,819	-	13,819	-	-
546				Regulatory Commission Fees (I&S) PNM			-	-	-	-	-	-
547				Joint Projects Four Corners		Gen Dmd	352,988	337,120	-	337,120	15,864	-
548				Joint Projects PVNGS		PV	1,902,683	1,143,895	-	1,143,895	57,894	800,884
549				Joint Projects Transmission		Trans Dmd	760	458	-	458	302	-
550				Native American Taxes - Production		Gen Dmd	1,565,957	1,495,564	-	1,495,564	70,468	-
551				Native American Taxes - Transmission		Trans Plt	891,741	511,298	-	511,298	321,833	58,610
552				Native American Taxes - Distribution		Dist Plt	52,703	52,703	-	52,601	101	-
553				Total Other Taxes			4,848,399	3,558,910	163,082	3,721,992	466,965	659,505

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC	Allocator	Adjusted Base Period	PNM Retail	Renewables	PNM Combined	Total FERC	Excluded
3				Account		PNM	Jurisdiction		Jurisdiction	Jurisdiction	
554						36,414,931	29,207,751	1,971,118	31,178,870	2,962,815	2,283,799
555											
556											
557	Other Allowable Expenses										
558											
559	Interest on Customer Deposits			431	Retail	248,735	248,735	-	248,735	-	-
560	Amort Loss on Reacquired Debt			407.3	Retail	1,235,545	1,235,545	-	1,235,545	-	-
561	Amort Renewable Energy Credits			555	Renewables	2,338,166	-	2,338,166	2,338,166	-	-
562	Carrying charges on renewables			419.0	Renewables	405,243	-	405,243	405,243	-	-
563	Amort Retail rate case exp			408.2	Retail	-	-	-	-	-	-
564	PV DOE Settlement from 10-00088-UT			407	Retail	(185,278)	(185,278)	-	(185,278)	-	-
565	Renewable Grant Amortization			407	Renewables	(1,307,471)	-	(1,307,471)	(1,307,471)	-	-
566	Accretion ARO - Production Related			403/411	Gen Dmd	5,671,429	5,416,487	-	5,416,487	265,214	-
567	Accretion ARO - PV 3			403/411	Excluded	2,401,763	-	-	-	-	2,401,763
568	Accretion ARO - Distribution Related			403/411	Retail	120,830	120,830	-	120,830	-	-
569	Amort PV 2 Lease Acquisition Adjustment				Gen Dmd	-	-	-	-	-	-
570	Amort EIP Acquisition Adjustment				Trans Dmd	352,870	352,870	-	352,870	233,098	-
571	Amort PV 1&2 Acquisition Adjustment				Gen Dmd	348,697	348,697	-	348,697	16,430	-
572											
573											
574											
575											
576											
577											
578											
579											
580											
581											
582											
583	Total Other Allowable Expenses					11,880,040	7,537,886	1,435,938	8,973,824	504,743	2,401,763
584											
585											
586	Total Operating Expenses					776,561,985	706,588,027	22,270,443	728,858,470	43,707,744	4,007,442
587	(Excl Income & Revenue Related Taxes)										
588											
589	Total Net Original Cost Rate Base					2,553,761,103	2,067,271,538	143,521,421	2,210,793,059	217,060,260	125,953,891
590	Weighted Cost of Capital					8.21%	8.21%	8.21%	8.21%	8.21%	8.21%
591	Return on Rate Base					209,653,787	169,723,002	11,783,109	181,506,110	17,820,647	10,340,814
592											
593	Federal Income Tax										
594	Return Adjustments										
595	Interest on Long Term Debt				MDC	(79,911,218)	(63,878,594)	(4,434,812)	(68,313,506)	(6,707,162)	(3,891,975)
596											
597	Tax/Book Adjustments										
598											
599	Non-deductible Meals				Total Net Plt	505,089	432,736	-	432,736	41,659	30,706
600	Eastern Interconnect Project				Trans Dmd	(183,208)	(110,328)	-	(110,328)	(72,890)	-
601	Palo Verde 1 & 2 Gain Amort Flow Through				FERC	(157,956)	-	-	-	(157,956)	-
602	Palo Verde 1 & 2 Prudence Audit Flow Through				Retail	(143,010)	(143,010)	-	(143,010)	-	-
603	AFUDC Equity Flow Through				Gen Dmd	(5,886,191)	(5,621,595)	-	(5,621,595)	(264,879)	-

	A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLC											
2	Base Period Ending March 31, 2015											
3												
804	AFUDC Equity Flow Through - Renewables					Renewables	(355,891)		(355,891)			
805	Federal Grant Amortization - Renewables					Renewables	(1,113,431)		(1,113,431)			
806	Federal Grant Basis Adj - Renewables					Renewables	556,716		556,716			
807	Gain/Loss Flow Through					Retail	68,958		68,958			
808	ACRS Flow Through					Retail	2,293,681		2,293,681			
809	San Juan ACRS Flow Through					Retail	342,346		342,346			
810	Four Corners SO2 Reversal Flow Through					Retail	617,466		617,466			
811	SL/GL Depreciation					Retail	(90,039)		(90,039)			
812	Amortization of EIP Prepaid Tax Reversal					Trans Dmd	152,702		152,702			
813	Total Tax/Book Adjustments						(3,392,778)		(3,392,778)			
814												
815	Total Return Adjustments						(82,303,996)		(82,303,996)			
816												
817	Net Taxable Equity Return						127,359,790		127,359,790			
818												
819	Federal Tax Adjustments											
820												
821	Net Provision For Deferred Income Tax											
822	Excess Payroll Tax Reversal											
823												
824	ARAM Deferred Tax Reversal											
825												
826	Total Provision For Deferred Income Tax											
827	Investment Tax Credits											
828	Paio Verde 1&2 Production ITC Amortization					Gen Dmd	(964,324)		(964,324)			
829	Generation ITC Amortization					Gen Dmd	(618,132)		(618,132)			
830	Renewables ITC Amortization					Renewables	(10,638)		(10,638)			
831	PV Valley Transmission ITC Amortization					Trans Dmd	(14,432)		(14,432)			
832	Research and Development & Other Credits					PV	(427,521)		(427,521)			
833	All Other ITC Amortization						(350,228)		(350,228)			
834	Total Investment Tax Credit Amortization & Other Credits						(2,386,273)		(2,386,273)			
835												
836	Total Federal Tax Adjustments						(3,123,616)		(3,123,616)			
837												
838	Adjusted Equity Return						124,236,174		124,236,174			
839	Federal Tax Factor (0.35/(1-0.35))						53,846,273		53,846,273			
840	Federal Income Tax						66,886,459		66,886,459			
841	Add:											
842	Total Provision For Deferred Income Tax						(737,343)		(737,343)			
843	EIP Amortization						152,702		152,702			
844	Total Investment Tax Credit Amortization & Other Credits						(2,386,273)		(2,386,273)			
845												
846	Net Allowable Federal Income Tax						63,925,645		63,925,645			
847												
848	State Income Tax											
849												
850	Return on Rate Base						209,663,787		209,663,787			
851	Less: Return Adjustments											
852	Interest on Long Term Debt						(78,911,218)		(78,911,218)			
853	Tax/Book Adjustments						(3,545,480)		(3,545,480)			

	A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLC											
2	Base Period Ending March 31, 2015											
3					FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
654							63,925,545	51,752,539	3,449,009	55,201,548	5,556,875	3,168,093
655					409	Renewables	1,138,574	-	1,138,574	1,138,574	-	-
656							192,271,207	155,387,052	11,023,273	186,410,326	16,216,305	9,647,638
657							7,0000%	7,0000%	7,0000%	7,0000%	7,0000%	7,0000%
658							13,458,986	10,877,094	771,629	11,648,723	1,135,141	675,935
659					409	Renewables	(1,006,875)	-	(1,006,875)	(1,006,875)	-	-
660					410	Total Net Pft	2,145,448	1,838,118	-	1,838,118	176,952	130,427
661							14,597,559	12,715,211	(235,246)	12,479,965	1,312,094	805,762
662												
663												
664							209,663,787	169,723,002	11,783,109	181,506,110	17,820,647	10,340,814
665												
666							776,561,995	706,568,027	22,270,443	728,868,470	43,707,744	4,007,442
667												
668												
669							63,925,545	51,752,539	3,449,009	55,201,548	5,556,875	3,168,093
670												
671							14,597,559	12,715,211	(235,246)	12,479,965	1,312,094	805,762
672												
673												
674												
675					411	FERC	(26)	-	-	-	(26)	-
676					454	Trans Pft	(434,934)	(249,378)	-	(249,378)	(156,969)	(28,586)
677					454	Retail	(4,511,687)	(4,511,687)	-	(4,511,687)	-	-
678					451	Retail	(966,781)	(966,781)	-	(966,781)	-	-
679					451	Retail	(1,045,817)	(1,045,817)	-	(1,045,817)	-	-
680					456	Trans Dmd	(105,711)	(63,659)	-	(63,659)	(42,062)	-
681					458	Retail	(421,176)	(421,176)	-	(421,176)	-	-
682					456100	Gen Dmd	(2,255,940)	(2,154,531)	-	(2,154,531)	(101,517)	-
683					456100	Gen Dmd	(720,388)	(688,005)	-	(688,005)	(32,417)	-
684					456100	Gen Dmd	-	-	-	-	-	-
685					456100	Trans Dmd	(2,705,453)	(1,629,224)	-	(1,629,224)	(1,076,229)	-
686					456100	Trans Dmd w/ NTS	(714,279)	(548,760)	-	(548,760)	(165,498)	-
687					456100	Trans Dmd	(285,672)	(172,032)	-	(172,032)	(113,641)	-
688					456100	Retail	(4,378,298)	(4,378,298)	-	(4,378,298)	-	-
689						G&I Pft	-	-	-	-	-	-
690												
691												
692												
693												
694							(18,546,159)	(16,829,366)	-	(16,829,366)	(1,688,350)	(28,586)
695												
696							1,046,202,725	923,949,413	37,267,315	961,216,727	66,709,010	18,293,524
697												
698							0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
699							5,320,705	4,698,957	189,532	4,888,489	339,264	93,036
700												
701							842,300,170	697,752,548	37,456,846	735,209,395	61,688,884	45,418,513
702							209,223,280	230,895,821	-	230,895,821	5,359,391	(27,031,953)
703							1,051,523,430	928,648,370	37,456,846	966,105,216	67,048,274	18,396,560

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3											
704											
705	Weighted Cost of Capital										
706	Long Term Debt					3.09%	3.09%	3.09%	3.09%	3.09%	3.09%
707	Preferred Stock					0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
708	Common Stock					5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
709	Total Weighted Cost of Capital					8.21%	8.21%	8.21%	8.21%	8.21%	8.21%
710											
711	Federal Income Tax Rate					35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
712											
713	Effective State Income Tax Rate					6.54%	6.54%	6.54%	6.54%	6.54%	6.54%
714											
715	I&S Fee Rate					0.506%	0.506%	0.506%	0.506%	0.506%	0.506%
716											
717	Key Allocators										
718											
719	Sales (MWh)				Sales	10,918,098	8,971,569	-	-	656,805	1,289,724
720	Allocator					100.00%	82.17%	0.00%		6.02%	11.81%
721											
722	Wage and Salary Ratios				Ratios	See H-4					
723	Production				Prod W&S	57,664,988	50,632,275	0	0	2,404,956	4,627,757
724	Other Prod O&M				Prod W&S	100.00%	87.80%	0.00%		4.17%	8.03%
725	Transmission				Trans W&S	4,932,554	2,967,622	0	0	1,960,346	4,616
726	Trans O&M				Trans W&S	100.00%	60.16%	0.00%		39.74%	0.09%
727	Distribution				Dist W&S	13,747,976	13,747,976	0	0	0	0
728	Dist O&M				Dist W&S	100.00%	100.00%	0.00%		0.00%	0.00%
729											
730	Total PTD					76,345,548	67,347,874	0	0	4,355,301	4,632,372
731	Allocator					100.00%	86.21%	0.00%		5.72%	6.07%
732											
733	Customer Accounting CA O&M				8.76%	7,735,292	7,735,292	-	-	-	-
734	Cust Service & Information CS&I O&M				0.76%	688,588	688,588	-	-	-	-
735	Sales O&M				4.07%	3,597,120	2,963,608	-	-	213,895	419,618
736	Total PTD&CS				100.00%	88,346,549	78,715,362	-	-	4,579,196	5,051,990
737	Allocator				PTD&CS	100.00%	88.10%	0.00%		5.18%	5.72%
738											
739	Administrative and General					26,778,510	24,101,790	-	-	922,889	1,754,470
740											
741	Total Wages and Salaries					115,125,159	102,817,152	-	-	5,502,086	8,808,460
742	Allocator				Total W&S	100.00%	89.31%	0.00%		4.78%	5.91%
743											
744	Net Plant in Service Ratios										
745											
746	Total Production Plant				Prod Plt	1,358,228,536	1,172,053,933	-	-	55,224,897	131,008,612
747	Allocator					100.00%	86.29%	0.00%		4.07%	9.65%
748											
749	Total Transmission Plant				Trans Plt	404,115,455	231,707,942	-	-	146,847,057	26,560,845
750	Allocator					100.00%	57.34%	0.00%		36.09%	6.57%
751											
752	Total Distribution Plant				Dist Plt	739,002,362	737,583,685	-	-	1,418,678	-
753	Allocator					100.00%	99.81%	0.00%		0.19%	0.00%

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015			FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3											
754											
755			Total General & Intangible Plant			143,296,352	124,457,189	-		15,634,307	3,205,159
756			Allocator			100.00%	86.86%	0.00%		10.91%	2.24%
757											
758			Total Net Plant			2,644,642,706	2,265,802,749	-		218,124,938	160,774,616
759			Allocator			100.00%	85.68%	0.00%		8.25%	6.08%
760											
761			Net Plant In Service Ratios								
762			Without Production Stations & PV Valley Transmission								
763											
764											
765			Production Plant without Excluded			1,358,228,536	1,172,053,933	-		55,224,897	131,008,612
766			Transmission Plant without Excluded			404,115,455	231,707,942	-		145,847,057	26,660,845
767			Distribution Plant			736,002,362	737,583,685	-		1,418,678	-
768			Total Net Plant Without Excluded Plant			2,501,346,354	2,141,345,560	-		202,480,631	157,569,457
769			Allocator			100.00%	85.61%	0.00%		8.10%	6.30%
770											
771			Generation Demand allocator			1,454	1,398	-		66	-
772						100.00%	95.50%	0.00%		4.50%	0.00%
773											
774			Energy allocator			9,330,608	8,981,122	-		449,487	-
775						100.00%	95.18%	0.00%		4.82%	0.00%
776											
777			Generation and Transmission Demand			100.00%	71.86%	0.00%		28.14%	0.00%
778											
779						2,481	1,494	-		987	-
780			Transmission Demand			100.00%	60.22%	0.00%		39.75%	0.00%
781											
782						1,944	1,494	-		451	-
783			Transmission Demand without Network			100.00%	78.83%	0.00%		23.17%	0.00%
784											
785											
786			Other Allocators								
787											
788			Excluded Costs			100.00%	0.00%	0.00%		0.00%	100.00%
789											
790			Direct Assignment to Gallup			100.00%	0.00%	0.00%		100.00%	0.00%
791											
792			Direct Assignment to NEC			100.00%	0.00%	0.00%		100.00%	0.00%
793											
794			Direct Assignment to Aztec			100.00%	0.00%	0.00%		100.00%	0.00%
795											
796			Direct Assignment to Jicarilla			100.00%	0.00%	0.00%		100.00%	0.00%
797											
798			Allocation to FERC Wholesale Customers			100.00%	0.00%	0.00%		100.00%	0.00%
799											
800			Direct Assignment to FERC Transmission			100.00%	0.00%	0.00%		100.00%	0.00%
801											
802			Direct Assignment to Retail			100.00%	100.00%	0.00%		0.00%	0.00%
803											

A	B	C	D	E	F	G	H	I	J	Q	R
1	PNM Exhibit HEM - 3 COS BASE ALLOC										
2	Base Period Ending March 31, 2015										
3				FERC Account	Allocator	Adjusted Base Period PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
804			Allocation to Palo Verde		PV	100.00%	63.46%	0.00%		3.21%	33.33%
805											
806			Direct Assignment to Renewables		Renewables	100.00%	0.00%	100.00%		0.00%	0.00%
807											
808			Renewables O&M		Renewables O&M	100.00%	0.00%	96.63%		0.00%	3.37%
809											
810											

PNM Exhibit HEM-3: Revenue Requirement Studies, Base Period and Test Period

COS Test

Is contained in the following 19 pages.

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3	Rate Base												
4	Rate Base												
5	Net Plant												
6	Net Plant												
7	Net Plant												
8	Net Production Plant												
9	Net Production Plant												
10	Steam Production Net Plant				Gen Dmd	745,490,981		745,490,981	717,354,035	-	717,354,034.55	28,106,948.83	-
11	Steam Production Net Plant				Gen Dmd	365,211,303		365,211,303	351,441,888	-	351,441,888	13,769,415	-
12	Nuclear Production Net Plant - Palo Verde 1 & 2				Gen Dmd	136,915,237		136,915,237	-	-	-	-	-
13	Nuclear Production Net Plant - Palo Verde 3				Excluded	502,126,540		502,126,540	351,441,888	-	351,441,888	13,769,415	136,915,237
14	Total Nuclear Production Net Plant												
15	Other Production Plant - Gas & 40 MW Solar				Gen Dmd	416,680,530		416,680,530	400,970,599	-	400,970,599	15,709,939	-
16	Other Production Plant - Renewable				Renewables	159,232,421		159,232,421	-	159,232,421	-	-	-
17	Other Production Plant - Renewable					575,912,959		575,912,959	400,970,599	-	560,203,020	15,709,939	-
18	Total Other Production Net Plant												
19	Total Other Production Net Plant												
20	Total Net Production Plant												
21	Total Net Production Plant					1,823,530,480		1,823,530,480	1,469,796,522	-	1,823,028,942	37,566,301	135,915,237
22	Net Transmission Plant												
23	Net Transmission Plant												
24	Step-Up Transformers - Excluding PV3				Gen Dmd	7,500,995		7,500,995	7,218,188	-	7,218,188	282,807	-
25	Step-Up Transformers - PV3				Excluded	209,620		209,620	-	-	-	-	209,620
26	Total Transmission Station Equipment - Step-Up Xlmr and Aux												
27	Total Transmission Station Equipment - Step-Up Xlmr and Aux					7,710,616		7,710,616	7,218,188	-	7,218,188	282,807	209,620
28	Transmission System Net Plant - Allocated				Trans Dmd	471,966,036		471,966,036	284,218,489	-	284,218,489	187,746,447	-
29	Transmission System Net Plant - PV 3				Excluded	4,769,673		4,769,673	-	-	-	-	4,769,673
30	Transmission System Net Plant - High Lohesome Mesa				Excluded	20,687,983		20,687,983	-	-	-	-	20,687,983
31	Transmission System Net Plant - Dedicated Retail				Retail	3,544,758		3,544,758	3,544,758	-	3,544,758	-	-
32	Transmission System Net Plant - Dedicated FERC				FERC	133,744		133,744	-	-	-	-	-
33	Total Transmission System Net Plant					501,103,094		501,103,094	287,763,247	-	287,763,247	187,746,447	25,457,656
34	Total Net Transmission Plant												
35	Total Net Transmission Plant					508,813,710		508,813,710	294,981,435	-	294,981,435	188,164,988	25,687,277
36	Net Distribution Plant												
37	Net Distribution Plant												
38	Net Distribution Plant												
39	Distribution Substations Net Plant - Dedicated FERC				FERC	1,319,015		1,319,015	-	-	-	1,319,015	-
40	Distribution Substations Net Plant - PNM				Retail	137,603,605		137,603,605	137,603,605	-	137,603,605	-	-
41	Distribution Substations Net Plant - Renewables				Renewables	1,444,216		1,444,216	-	1,444,216	1,444,216	-	-
42	Total Distribution Substations Net Plant					140,367,037		140,367,037	137,603,605	-	139,048,021	1,319,015	-
43	Primary Distribution System Net Plant - PNM				Retail	331,500,717		331,500,717	331,500,717	-	331,500,717	-	-
44	Primary Distribution System Net Plant - PNM				Renewables	2,446,082		2,446,082	-	2,446,082	2,446,082	-	-
45	Primary Distribution System Net Plant - Renewables					333,946,788		333,946,788	331,500,717	-	333,946,788	-	-
46	Total Primary Distribution Net Plant												
47	Total Primary Distribution Net Plant												

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3													
48													
49	Secondary Distribution System Net Plant - PNM				Retail	195,881,857		195,881,857	195,881,857	-	195,881,857	-	-
50	Secondary Distribution System Net Plant - Renewables				Renewables	783,059		783,059	-	783,059	783,059	-	-
51	Total Secondary Distribution Net Plant					196,664,916		196,664,916	195,881,857	783,059	196,664,916	-	-
52													
53	Services Net Plant - PNM				Retail	53,110,782		53,110,782	53,110,782	-	53,110,782	-	-
54													
55	Meters Net Plant - PNM				Retail	36,752,495		36,752,495	36,752,495	-	36,752,495	-	-
56													
57	Private Lighting - 371				Retail	41,054		41,054	41,054	-	41,054	-	-
58	Street Lighting - 373				Retail	11,222,074		11,222,074	11,222,074	-	11,222,074	-	-
59						11,263,128		11,263,128	11,263,128	-	11,263,128	-	-
60	Total Lighting Net Plant												
61	Total Net Plant Distribution Plant					772,105,157		772,105,157	766,112,785	4,679,357	770,786,142	1,319,015	-
62													
63													
64	Net Plant General & Intangible Plant (303,389,399)												
65													
66	Production General & Intangible Net Plant				Gen Dmd	4,783,688		4,783,688	4,603,331	-	4,603,331	180,357	-
67	PV Unit 3 General & Intangible Net Plant				Excluded	1,425,830		1,425,830	-	-	-	-	1,425,830
68	Renewables General & Intangible Net Plant				Renewables	17,845		17,845	-	17,845	-	-	-
69	Bulk Power Operations				Prod W&S	2,853,570		2,853,570	2,472,463	-	2,472,463	101,936	279,171
70	Energy Management System Facilities				Gen/Trans Dmd	4,015,749		4,015,749	2,895,484	-	2,895,484	1,120,265	-
71	Other Division Offices/Service				Retail	30,289,798		30,289,798	30,289,798	-	30,289,798	-	-
72	Communications - Transmission				Trans Dmd	19,975,278		19,975,278	12,029,112	-	12,029,112	7,946,165	-
73	Production Related (Shared Services)				Prod W&S	23,074,270		23,074,270	19,992,602	-	19,992,602	824,264	2,257,405
74	Transmission Related (Shared Services)				Trans W&S	5,334,366		5,334,366	3,209,012	-	3,209,012	2,119,803	5,551
75	Distribution/Customer Related (Shared Services)				Retail	41,292,456		41,292,456	41,292,456	-	41,292,456	-	-
76	Total Net Plant General & Intangible Plant - PNM					133,042,850		133,042,850	116,784,259	17,845	116,784,259	12,292,790	3,987,956
77													
78	Total Net Plant					3,237,492,196		3,237,492,196	2,647,655,001	163,923,623	2,811,578,623	259,353,104	166,550,470

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3													
79													
80	Accumulated Deferred Income Taxes												
81	Injury & Damages			190	Total W&S	3,266,262		3,266,262	2,899,732	-	2,899,732	150,847	215,883
82	Deferred PV Gain			190	FERC	155,882		155,882		-	155,882	155,882	-
83	Alvarado Square Lease			282	Retail	(1,216,844)		(1,216,844)	(1,216,844)	-	(1,216,844)	-	-
84	Deferred Coal Costs			283	Retail					-	-	-	-
85	Renewable NOL ADIT			190	Renewables					-	-	-	-
86	Palo Verde Construction Credits 1&2			190	Retail	63,992		63,992		-	63,992	-	-
87	Pension Prepaid Tax Qualified			190, 283	Total W&S	(61,373,811)		(61,373,811)	(64,486,627)	-	(64,486,627)	(2,834,446)	(4,082,739)
88	Pension Prepaid Tax NORP			190, 283	Total W&S	2,496,832		2,496,832	2,190,012	-	2,190,012	113,926	192,894
89	Eastern Interconnect Project Prepaid Tax			190	Trans Dmd					-	-	-	-
90	LXP Policy Write-offs			190	Retail	957,131		957,131	957,131	-	957,131	-	-
91	Capitalized Interest			190	Total Net P/L	22,148,898		22,148,898	19,079,659	-	19,079,659	1,869,035	1,200,204
92	Palo Verde Dry Cask Storage PV 1 & 2			190	Gen Dmd					-	-	-	-
93	Palo Verde Dry Cask Storage PV 3			190	Excluded					-	-	-	-
94	Contributions In Aid of Construction			190	Retail	35,099,552		35,099,552		-	35,099,552	-	-
95	Palo Verde Prudence Amortization 1&2			190	Retail					-	-	-	-
96	Coal Mine Decommissioning			190, 283	Retail					-	-	-	-
97	Pollution Control Facilities			281	FERC	(2,821,787)		(2,821,787)	(2,821,787)	-	(2,821,787)	(806,257)	-
98	FERC Customer Depreciation			282	Renewables	(806,257)		(806,257)		-	-	1,306,498	-
99	Renewable ADIT			282	FERC Transmission	1,306,498		1,306,498		-	-	-	-
100	Liberalized Depreciation - Other			282	G&P P/L	(46,731,753)		(46,731,753)		-	(46,731,753)	-	-
101	Liberalized Depreciation - Generation			282	Gen Dmd	5,897,085		5,897,085	5,178,239	-	5,178,239	544,947	175,902
102	Liberalized Depreciation - Distribution			282	Retail	(432,970,609)		(432,970,609)	(416,646,491)	-	(416,646,491)	(16,324,117)	-
103	Liberalized Depreciation - Transmission			282	Trans Dmd	(196,352,472)		(196,352,472)	(196,352,472)	-	(196,352,472)	-	-
104	Palo Verde 3 Liberalized Depreciation			282	Excluded	(95,182,757)		(95,182,757)	(97,319,055)	-	(97,319,055)	(37,863,701)	-
105	Palo Verde Start-Up Amortization			282	FERC	(66,075,347)		(66,075,347)		-	-	-	(66,075,347)
106	Nuclear Fuel Amortization PV 1&2			282	Energy	250,026		250,026		-	-	250,026	-
107	Nuclear Fuel Amortization PV 3			282	Excluded	9,805,917		9,805,917	9,355,418	-	9,355,418	450,050	-
108	Debt AFUDC			282	Total Net P/L	5,205,916		5,205,916	(23,658,933)	-	(23,658,933)	(2,317,619)	5,205,916
109	Pre-1981 Repair Allowance			282	Gen Dmd	(27,464,814)		(27,464,814)	(21,303,749)	-	(21,303,749)	(834,676)	-
110	Palo Verde Licensing Amortization			282	PV	(22,138,422)		(22,138,422)	(3,027,701)	-	(3,027,701)	(145,504)	(1,596,603)
111	Asset Retirement Obligation			190, 282, 283	Gen Dmd	(4,759,809)		(4,759,809)	6,240,888	-	6,240,888	244,517	-
112	Affon Writedown			282	Gen Dmd	6,485,405		6,485,405	7,816,712	-	7,816,712	296,405	-
113	Loss on Recaptured Debt			283	Retail	7,814,712		7,814,712	(3,059,757)	-	(3,059,757)	-	-
114	Book Capitalized Interest			283	Total Net P/L	(3,059,757)		(3,059,757)	(6,423,970)	-	(6,423,970)	(822,289)	(404,099)
115	Prepaid Expenses			283	Gen Dmd	(7,437,359)		(7,437,359)	(3,673,669)	-	(3,673,669)	(143,934)	-
116	Net Operating Loss NOL			190	Total Net P/L	(3,817,603)		(3,817,603)	71,699,871	-	71,699,871	7,023,687	4,510,273
117	Deferred Federal Tax Credits			190	Energy	83,233,632		83,233,632	7,086,463	-	7,086,463	384,147	-
118	PCB Refinancing			190, 283	Retail	8,369,225		8,369,225	(5,939,444)	-	(5,939,444)	-	-
119	LVGS Decommission			190	Retail	(5,939,444)		(5,939,444)	238,546	-	238,546	-	-
120	Deferred NM AETC			190	Renewables	1,468,814		1,468,814		-	1,468,814	-	-
121	Rate Case Expenses			283	Retail	(795,131)		(795,131)	(795,131)	-	(795,131)	-	-
122	TOU			190	Retail					-	-	-	-
123	DOE Refund			190	Retail	1,115,544		1,115,544		-	-	-	-
124	Total Accumulated Deferred Income Taxes					(785,518,605)		(785,518,605)	(827,009,079)	-	(827,009,079)	(48,107,573)	(64,196,177)
125													

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3													
120	Regulatory Assets & Liabilities												
121													
122	Coal Mine Decommissioning Surface			182	Retail	7,082,419		7,082,419	7,082,419	-	7,082,419	-	-
123	PV 1&2 Prudence Audit			254	Retail	0		0	0	-	0	-	-
130	PV 1&2 Combustion Engineering			254	Retail	(159,893)		(159,893)	(159,893)	-	(159,893)	-	-
131	Pain Verde DOE Spent Fuel Refund				Retail	(2,815,612)		(2,815,612)	(2,815,612)	-	(2,815,612)	-	-
132	Deferred Coal Costs			182	Retail	0		0	0	-	0	-	-
133	Reg Asset LVGS Decommission				Retail	132,385		132,385	132,385	-	132,385	-	-
134	Reg Liab LVGS Decommission				Retail	(728,530)		(728,530)	(728,530)	-	(728,530)	-	-
135	PCB Refinancing Hedge				Retail	14,961,322		14,961,322	14,961,322	-	14,961,322	-	-
136	Reg Liab Renewables Fed Grant			182	Renewables	(19,128,988)		(19,128,988)	-	-	(19,128,988)	-	-
137	Reg Liab Renewables St Credit				Renewables	(3,700,171)		(3,700,171)	-	-	(3,700,171)	-	-
138	Alvarado Square Lease				Retail	3,067,989		3,067,989	3,067,989	-	3,067,989	-	-
139	TOU Regulatory Asset				Retail	-		-	-	-	-	-	-
140	ARO Liability				Gen Dmd	(1,423,647)		(1,423,647)	(1,369,971)	-	(1,369,971)	(53,675)	-
141													
142													
143	Total Regulatory Assets & Liabilities					(2,692,869)		(2,692,869)	20,189,939	(22,828,159)	(2,639,221)	(53,675)	-
144	Other Rate Base Items												
145													
146	Customer Deposits			235	Retail	(12,760,808)		(12,760,808)	(12,760,808)	-	(12,760,808)	-	-
147	RWIP-Production			108	Gen Dmd	-		-	-	-	-	-	-
148	RWIP-Transmission			108	Trans Dmd	-		-	-	-	-	-	-
149	RWIP-Distribution			108	Retail	-		-	-	-	-	-	-
150	RWIP-PV 3			108	Excluded	-		-	-	-	-	-	-
151	ARO Liability - Production			230	Gen Dmd	(13,787,125)		(13,787,125)	(13,267,315)	-	(13,267,315)	(519,810)	-
152	ARO Liability - Transmission			230	Trans Dmd	-		-	-	-	-	-	-
153	ARO Liability - Distribution			230	Retail	(1,192,455)		(1,192,455)	-	-	(1,192,455)	-	-
154	ARO Liability - PV 3			230	Excluded	-		-	-	-	-	-	-
155	Injuries and Damages PNM			228	Total W&S	(8,238,280)		(8,238,280)	(7,313,059)	-	(7,313,059)	(380,471)	(544,004)
156	NOBP - Expense in Excess of Funding				Total W&S	(6,222,834)		(6,222,834)	(5,524,526)	-	(5,524,526)	(287,391)	(410,917)
157	PV 1&2 Dry Cask Storage				Gen Dmd	-		-	-	-	-	-	-
158	PV 3 Dry Cask Storage				Excluded	-		-	-	-	-	-	-
159	PV 1&2 Excess Gain Amortization			253	FERC	(390,856)		(390,856)	-	-	-	(390,856)	-
160	NMTC Renewable Credit Solar			253	Renewables	-		-	-	-	-	-	-
161	High Lonsome Mesa -			253	Excluded	(12,204,511)		(12,204,511)	-	-	-	-	(12,204,511)
162	Unamortized Gain on EIP			253	Trans Dmd	-		-	-	-	-	-	-
163	GWIP - Production			107	Gen Dmd	18,123,058		18,123,058	17,439,771	-	17,439,771	683,286	-
164	GWIP - Transmission			107	Trans Dmd	19,171,459		19,171,459	11,545,052	-	11,545,052	7,626,406	-
165	GWIP - Distribution			107	Retail	7,848,588		7,848,588	7,848,588	-	7,848,588	-	-
166	GWIP - PV 3			107	Excluded	7,177,794		7,177,794	-	-	-	-	-
167	GWIP - Renewables			107	Renewables	-		-	-	-	-	-	7,177,794
168	GWIP - Production Related			107	Prod Pfc	82,592		82,592	72,940	-	72,940	2,658	6,795
169	GWIP - Corporate Production			107	Prod W&S	6,737,068		6,737,068	5,837,304	-	5,837,304	240,663	659,102
170	GWIP - Corporate Transmission			107	Trans W&S	1,424,980		1,424,980	857,230	-	857,230	566,287	1,483
171	GWIP - Corporate Distribution			107	Retail	11,285,877		11,285,877	11,285,877	-	11,285,877	-	-
172	Pueblos Transmission Rights-of-Way			186	Trans Dmd	64,016,991		64,016,991	38,551,032	-	38,551,032	25,465,959	-
173	Pueblos Distribution Rights-of-Way			186	Retail	3,835,651		3,835,651	3,835,651	-	3,835,651	-	-
174	EIP Acquisition Adjustment			114	Trans Dmd	5,420,209		5,420,209	3,264,050	-	3,264,050	2,156,159	-
175	PV 1&2 Acquisition Adjustment			114	Gen Dmd	2,936,851		2,936,851	2,826,124	-	2,826,124	110,727	-
176	Prepaid Pension Asset				Total W&S	155,244,434		155,244,434	137,823,372	-	137,823,372	7,169,702	10,251,360
177	Unamortized Loss on Reacquired Debt			189	Retail	7,718,715		7,718,715	7,718,715	-	7,718,715	-	-
178	Rate Case Expense			186	Retail	2,017,054		2,017,054	2,017,054	-	2,017,054	-	-
179	PV 2 Lease Acquisition Adjustment				Gen Dmd	60,049,993		60,049,993	57,765,952	-	57,765,952	2,284,041	-
180	Total Other Rate Base Items					318,264,455		318,264,455	269,619,514	-	269,619,514	44,707,540	4,937,101
181													

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3	Working Capital												
163	Fuel Stock												
165	Production Fuel Stock			151	Energy	16,134,145		16,134,145	17,302,622		17,302,622	832,557	-
166	PV 1&2 Nuclear Fuel (120.1 - .5)			120	Energy	60,119,204		60,119,204	57,362,496		57,362,496	2,759,471	-
167	PV 3 Nuclear Fuel (120.1 - .5)			120	Excluded	22,192,735		22,192,735	-		-	-	-
168	Total Fuel Stock					100,446,083		100,446,083	74,665,119		74,665,119	3,591,829	22,192,735
169													
190	Materials & Supplies												
191	Production			154	Gen Dmd	29,740,716		29,740,716	27,657,118		27,657,118	1,083,600	-
192	Transmission			154	Trans Plt	919,666		919,666	553,339		533,339	340,210	-
193	Distribution			154	Retail	5,916,405		5,916,405	5,916,405		5,916,405	-	48,407
194	Palo Verde Unit 3			154	Excluded	5,732,673		5,732,673	-		-	-	5,732,673
195	Total Materials & Supplies					41,309,753		41,309,753	34,106,862		34,106,862	1,423,610	5,779,091
196													
197	Prepayments												
198	Production			165	Gen Dmd	33,309,993		33,309,993	32,054,120		32,054,120	1,255,873	-
199	Transmission			165	Trans Plt	7,834,269		7,834,269	4,541,866		4,541,866	2,897,200	395,202
200	Distribution			165	Retail	2,917,869		2,917,869	2,917,869		2,917,869	-	-
201	Renewables			165	Renewables	29,577		29,577	-	23,577	23,577	-	-
202	Palo Verde Unit 3			165	Excluded	1,193,913		1,193,913	-	-	-	-	1,193,913
203	Total Prepayments					45,279,621		45,279,621	39,513,560	23,577	39,537,433	4,153,074	1,599,115
204													
205	Total Cash Working Capital (See Rule 530 schedule E-1)					345,571		345,571	345,571		345,571	-	-
206													
207	Total Working Capital					187,381,029		187,381,029	148,631,408	23,577	148,654,985	9,168,712	29,590,931
208													
209	Total Rate Base Adjustments & Working Capital					(282,669,017)		(282,669,017)	(189,567,916)	(68,070,522)	(257,638,440)	4,715,004	(29,639,145)
210													
211	Total Net Original Cost Rate Base					2,954,926,161		2,954,926,161	2,459,087,082	95,853,101	2,555,940,183	284,078,108	135,912,525
212													
213	Operations and Maintenance Expense												
214													
215	Production Fuel related expenses												
216													
217	Production - Base Fuel Related												
218	Steam Generation			501	Gen Dmd	181,045,742		181,045,742	172,735,743		172,735,743	8,310,000	-
219	Steam Fuel Handling and Disposal			501	Trans Plt	13,077,163		13,077,163	12,476,921		12,476,921	600,242	-
220	Nuclear			518	Energy	26,276,668		26,276,668	16,714,588		16,714,588	904,066	8,739,013
221	Nuclear Disposal			518	Energy	999,611		999,611	635,652		635,652	30,588	333,170
222	Gas Generation			547	Renewables	31,427,632		31,427,632	29,985,294		29,985,294	1,442,537	-
223	Renewables - Owned			547	Renewables	14,595,336		14,595,336	-		-	-	-
224	Wind (NMMWEC)			555	Renewables - PPA	8,047,714		8,047,714	2,986,322		2,986,322	2,202,980	3,758,402
225	Renewables - PPA			555	Renewables	390,000		390,000	343,476		343,476	16,524	-
226	Purchased Power Energy			555	Renewables	276,730,065		276,730,065	250,473,532		250,473,532	13,406,947	12,849,596
227	Spinning reserves			555	Renewables	(32,665,372)		(32,665,372)	(29,416,379)		(29,416,379)	(1,602,925)	(1,648,063)
228	Total Fuel Costs (before OSS)					(96,713,041)		(96,713,041)	-		-	-	(35,713,041)
229													
230	Off-system Sales			447	Off-system Sales	914,071		914,071	914,071		914,071	-	-
231	Off-system Sales - PV 3			447	Off-system Sales	(4,387,606)		(4,387,606)	(4,315,461)		(4,315,461)	(72,145)	-
232	Off-system Sales Credit			447	Off-system Sales	(72,651,948)		(72,651,948)	(32,817,769)		(32,817,769)	(1,675,071)	(38,359,109)
233	Other Revenue Credits to Fuel Clause					203,878,117		203,878,117	217,655,764		217,655,764	11,731,876	(25,509,623)
234	Load Side from Transmission Customers			456.1	Physical Sales of Gas (under FAC hedge plan)								
235	Physical Sales of Gas (under FAC hedge plan)												
236	Total Other Fuel												
237													
238	Total Fuel (net OSS)												
239													
240	Production - Non Fuel Items												

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC				Test Period (with manual adjustments)	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3				Account	Allocator	PNM	Other Manual Adjustments	PNM					
241	Coal Fuel Handling			501	Energy	-		-	-	-	-	-	-
242	Nuclear Fuel Handling			518	Energy	-		-	-	-	-	-	-
243	Gas Plants Fuel Transportation			547	Energy	12,353,694		12,353,694	11,787,227	-	11,787,227	567,035	-
244	Gas PPA - Rio Bravo - Demand			555	Gen Dmd	-		-	-	-	-	-	-
245	Gas PPA - Valencia - Demand			555	Gen Dmd	19,127,831		19,127,831	18,406,662	-	18,406,662	721,169	-
246	Purchase Power for Economy Service Customer			555	Gen Dmd	-		-	-	-	-	-	-
247	Economy Purchase Power Demand				Retail	-		-	-	-	-	-	-
248	Deferred Energy				Excluded	-		-	-	-	-	-	-
249	REC Purchases and Renewable Energy Amortization			555	Renewables	21,642,890		21,642,890	-	21,642,890	21,642,890	-	-
250	Gas Swaps - Non Fuel Clause Settlements and Excess Gas Physical Purchases												
251	Gas Swaps - Settlements - City of Aztec				FERC	-		-	-	-	-	-	-
252	Coal Mine Decommissioning - Allowed			501.15	Retail	7,552,295		7,552,295	7,552,295	-	7,552,295	-	-
253	Coal Mine Decommissioning - Disallowed			501.15	Excluded	1,094,627		1,094,627	-	-	-	-	1,094,627
254	Coal Mine Decommissioning - FERC			501.15	FERC	107,238		107,238	-	-	-	107,238	-
255	Hedra - FERC				FERC	-		-	-	-	-	-	-
256	Spinning Reserves				Gen Dmd	-		-	-	-	-	-	-
257	Broker Fees				Gen Dmd	180,000		180,000	173,214	-	173,214	6,786	-
258	Total Non Fuel Items					62,055,574		62,055,574	37,919,397	21,642,890	59,562,287	1,402,228	1,094,627
259								265,636,680	255,575,161	21,642,890	277,218,051	13,134,104	(24,414,896)
260													
261	Total Fuel Related Expense					285,636,680							

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3													
262	QAM												
263	Steam Production												
264	Oper-Sup & Eng-Prod			500	Gen Dmd	4,825,098		4,825,098	4,843,179	-	4,843,179	181,919	-
265	Oper-Steam Expense-Major			502	Gen Dmd	10,925,157		10,925,157	10,915,251	-	10,915,251	411,907	-
266	Oper-Electric Exp-Major			505	Gen Dmd	4,730,244		4,730,244	4,559,600	-	4,559,600	178,644	-
267	Oper-Misc Steam Power Exp			506	Gen Dmd	4,608,116		4,608,116	4,435,340	-	4,435,340	172,776	-
268	Oper-Rents-Steam Power			507	Gen Dmd	165,171		165,171	159,944	-	159,944	6,227	-
269	Maint-Sup & Eng-Steam			510	Energy	3,594,609		3,594,609	3,429,782	-	3,429,782	164,827	-
270	Maint-Sup & Eng-Steam - Renewables			511	Renewables	-		-	-	-	-	-	-
271	Maint-Structures-Steam			512	Gen Dmd	5,112,997		5,112,997	4,920,223	-	4,920,223	192,773	-
272	Maint-Boller Plant			513	Energy	22,285,201		22,285,201	21,263,336	-	21,263,336	1,021,865	-
273	Maint-Electric Plant			514	Energy	3,053,874		3,053,874	2,913,842	-	2,913,842	140,032	-
274	Maint-Gen & Elec Plant				Gen Dmd	3,965,406		3,965,406	3,815,900	-	3,815,900	149,506	-
275	Nuclear Production												
276	Oper-Sup & Eng-Nuclear			517	Gen Dmd	6,241,578		6,241,578	6,009,254	-	6,009,254	232,324	-
277	Oper-Coolants and Water			519	Gen Dmd	2,943,029		2,943,029	2,832,069	-	2,832,069	110,960	-
278	Oper-Steam Expense-Nuclear			520	Gen Dmd	2,454,481		2,454,481	2,361,941	-	2,361,941	92,540	-
279	Oper-Electric Exp			523	Gen Dmd	1,945,761		1,945,761	1,875,306	-	1,875,306	70,454	-
280	Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit			524	Gen Dmd	8,229,210		8,229,210	7,916,948	-	7,916,948	312,262	-
281	Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit			524	Retail	(1,873,433)		(1,873,433)	(1,873,433)	-	(1,873,433)	-	-
282	Oper-Rents-Nuclear, excluding PV 1&2 CE Credit and Excess Gain Amortizat			525	Gen Dmd	21,695,009		21,695,009	20,877,051	-	20,877,051	817,958	-
283	Oper-Rents-Nuclear - PV 1&2 CE Credit			525	Retail	(536,758)		(536,758)	(536,758)	-	(536,758)	-	-
284	Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization			525	FERC	(234,206)		(234,206)	-	-	-	(234,206)	-
285	Maint-Sup & Eng-Nuclear			528	Energy	1,949,966		1,949,966	1,765,138	-	1,765,138	84,828	-
286	Maint-Structures-Major			529	Gen Dmd	533,436		533,436	513,324	-	513,324	20,112	-
287	Maint-Reactor Plant			530	Energy	3,391,233		3,391,233	3,235,732	-	3,235,732	155,501	-
288	Maint-Elec Plant			531	Energy	4,107,970		4,107,970	3,919,603	-	3,919,603	188,367	-
289	Maint-Misc Nuclear Plant			532	Gen Dmd	760,257		760,257	731,593	-	731,593	28,664	-
290	Palo Verde 3 - Nuclear Production, FERC 517 519-532			517 519-532	Excluded	14,325,765		14,325,765	-	-	-	-	14,325,765

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocater	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3													
291	Other Production												
292	Oper-Sup & Eng-Other			548	Energy	4,555,055		4,555,055	4,345,188	-	4,345,188	209,877	-
293	Oper-Sup & Eng-Other - Renewables			548	Renewables	-		-	-	-	-	-	-
294	Oper-Sup & Eng-Other - Exp-Other			549	Energy	-		-	-	-	-	-	-
295	Oper-OTH Pwr Gen Exp-Other - Renewables			549	Renewables	50,089		50,089	-	50,089	-	-	-
296	Maint - Structures			552	Gen Dmd	787,150		787,150	757,472	-	757,472	28,678	-
297	Maint-Gen & Elec Plant			553	Energy	7,603,142		7,603,142	7,254,508	-	7,254,508	348,634	-
298	Maint-Gen & Elec Plant - Renewables			553	Renewables	653,659		653,659	653,659	-	653,659	-	-
299	Maint-Gen & Elec Plant			555	Gen Dmd	3,871,845		3,871,845	3,533,407	-	3,533,407	138,438	-
300	Maint-Gen & Elec Plant - Renewables			556	Renewables	-		-	-	-	-	-	-
301	Total Production O&M					146,432,131		146,432,131	128,171,739	703,748	128,875,487	5,233,200	14,325,765
302													
303	Transmission O&M (560-574, excluding 565)												
304	Oper-Sup & Eng-ETrans			560	Trans Dmd	2,034,829		2,034,829	1,225,374	-	1,225,374	809,455	-
305	Oper-Load Dispatch-ETrans			561	Trans Dmd	847,857		847,857	510,580	-	510,580	337,278	-
306	Oper-Station Exp-ETrans			562	Trans Dmd	502,929		502,929	302,884	-	302,884	200,045	-
307	Oper-Overhead Lines-ETrans			563	Trans Dmd	207,961		207,961	125,234	-	125,234	82,727	-
308	Oper-Underground Lines-ETrans			564	Trans Dmd	-		-	-	-	-	-	-
309	Oper-Misc Transmission-E			566	Trans Dmd	2,410,349		2,410,349	1,451,512	-	1,451,512	958,837	-
310	Oper-Rents-Transmission-E			567	Trans Dmd	10,355,652		10,355,652	6,236,174	-	6,236,174	4,119,478	-
311	Maint Sup & Eng-ETrans			568	Trans Dmd	8,982		8,982	5,397	-	5,397	3,585	-
312	Maint-Structures-ETrans			569	Trans Dmd	94		94	57	-	57	37	-
313	Maint-Sta Equip-ETrans			570	Trans Dmd	2,853,350		2,853,350	1,715,287	-	1,715,287	1,138,063	-
314	Maint-Overhead Lines-ETrans			571	Trans Dmd	257,917		257,917	155,318	-	155,318	102,599	-
315	Maint-Under Lines-ETrans			572	Trans Dmd	-		-	-	-	-	-	-
316	Maint-Misc Trans PI-Mat-E			573	Trans Dmd	-		-	-	-	-	-	-
317	Maint-Trans Plant-NonMat-E			574	Trans Dmd	6,547		6,547	3,943	-	3,943	2,605	-
318	H.L.V. - Transmission O&M			560-564,566-574	Excluded	20,300		20,300	-	-	-	-	20,300
319	Total Transmission O&M, excluding FERC 565					19,508,748		19,508,748	11,734,739	-	11,734,739	7,751,709	20,300
320													
321	Transmission O&M by Others (565)												
322	Owned Generation Wheeling			565	Gen Dmd	8,800,313		8,800,313	8,489,518	-	8,489,518	331,795	-
323	PV 3 Wheeling			565	Excluded	403,682		403,682	-	-	-	-	403,682
324	Retail Wheeling			565	Retail	1,927,289		1,927,289	1,927,289	-	1,927,289	-	-
325	FERC Wholesale Customer Wheeling			565	FERC	2,527,134		2,527,134	-	-	-	2,527,134	-
326	WAPA Exchange			565	Gen Dmd	2,892,072		2,892,072	2,870,264	-	2,870,264	112,809	-
327	Transmission by Others			565	Gen Dmd	3,974,077		3,974,077	3,824,244	-	3,824,244	149,833	-
328	Total Transmission by Others, FERC 565					20,824,567		20,824,567	17,099,315	-	17,099,315	3,121,570	403,682
329													
330	Total Transmission O&M					40,131,315		40,131,315	28,834,054	-	28,834,054	10,873,279	423,982
331													

PNM Exhibit HEM - 3 COS TEST
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1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016												
3													
385	Administrative & General Expense												
386													
387	Production - Admin and General Salaries			920	Gen Dmd	(2,575,707)		(2,575,707)	(2,476,596)	-	(2,476,596)	(97,111)	-
388	Transmission - Admin and General Salaries			920	Trans W&S	424,243		424,243	255,213	-	255,213	168,588	441
389	Distribution - Admin and General Salaries			920	Retail	2,124,588		2,124,588	2,124,588	-	2,124,588	-	-
390	Production - AG Office Supplies Exp			921	Gen Dmd	(592,519)		(592,519)	(641,309)	-	(641,309)	(21,206)	-
391	Transmission - AG Office Supplies Exp			921	Trans W&S	1,452,994		1,452,994	874,083	-	874,083	577,400	1,512
392	Distribution - AG Office Supplies Exp			921	Retail	248,178		248,178	248,178	-	248,178	-	-
393	AG Charged to CWIP - Production			922	Gen Dmd	(1,714,870)		(1,714,870)	(1,650,215)	-	(1,650,215)	(64,655)	-
394	AG Charged to CWIP - Transmission			922	Trans W&S	(3,937,644)		(3,937,644)	(2,365,781)	-	(2,365,781)	(1,564,765)	(4,089)
395	AG Charged to CWIP - Distribution			922	Retail	(2,014,022)		(2,014,022)	(2,014,022)	-	(2,014,022)	-	-
396	Production Related - Shared Services			929	Gen Dmd	22,729,802		22,729,802	21,872,826	-	21,872,826	856,976	-
397	Transmission Related - Shared Services			929	Trans W&S	6,355,208		6,355,208	3,823,124	-	3,823,124	2,532,471	9,814
398	Distribution/Customer Related - Shared Services			929	Retail	35,999,606		35,999,606	35,999,606	-	35,999,606	-	-
399	Production - Outside Services			923	Gen Dmd	(253,051)		(253,051)	(243,510)	-	(243,510)	(9,541)	-
400	Transmission - Outside Services			923	Trans W&S	1,164,773		1,164,773	700,696	-	700,696	462,865	1,212
401	Distribution - Outside Services			923	Retail	139,772		139,772	139,772	-	139,772	-	-
402	Production - Property Insurance			924	Prod Plt	1,455,999		1,455,999	1,285,841	-	1,285,841	50,379	119,779
403	Transmission - Property Insurance			924	Trans Plt	189,416		189,416	109,813	-	109,813	70,048	9,555
404	Not Used				Not Used	-		-	-	-	-	-	-
405	Distribution - Property Insurance			924	Retail	353,460		353,460	353,460	-	353,460	-	-
406	Production - Injuries or Damages-Safety			925	Gen Dmd	1,244,010		1,244,010	1,197,108	-	1,197,108	46,902	-
407	Transmission - Injuries or Damages-Safety			925	Trans W&S	59,513		59,513	35,200	-	35,200	23,252	61
408	Distribution - Injuries or Damages-Safety			925	Retail	1,190,531		1,190,531	1,190,531	-	1,190,531	-	-
409	Production - Empl Pension and Benefits			926	Gen Dmd	7,450,055		7,450,055	7,169,169	-	7,169,169	280,886	-
410	Transmission - Empl Pension and Benefits			926	Trans W&S	(805,929)		(805,929)	(484,826)	-	(484,826)	(320,285)	(639)
411	Distribution - Empl Pension and Benefits			926	Retail	6,484,159		6,484,159	6,484,159	-	6,484,159	-	-
412	Production - Regulatory Commission Exp			928	Gen Dmd	1,339,759		1,339,759	1,289,247	-	1,289,247	50,512	-
413	Transmission - Regulatory Commission Exp			928	Trans W&S	103,987		103,987	62,556	-	62,556	41,323	108
414	Distribution - Regulatory Commission Exp			928	Retail	459,165		459,165	459,165	-	459,165	-	-
415	Direct Assigned - FERC Generation			928	NEC	413,693		413,693	-	-	-	413,693	-
416	Production - Misc AG Expenses			928	FERC Transmission	-		-	-	-	-	-	-
417	Transmission - Misc AG Expenses			930	Gen Dmd	7,813,371		7,813,371	7,516,787	-	7,516,787	294,584	-
418	Distribution - Misc AG Expenses			930	Trans W&S	(3,864)		(3,864)	(2,325)	-	(2,325)	(1,536)	(4)
419	Production - Rents-Cust			931	Retail	428,631		428,631	428,631	-	428,631	-	-
420	Transmission - Rents-Cust			931	Gen Dmd	-		-	-	-	-	-	-
421	Distribution - Rents-Cust			931	Trans W&S	17,684		17,684	10,638	-	10,638	7,027	18
422	Production - Rents-Cust			931	Retail	-		-	-	-	-	-	-
423	Transmission - Gas Admin & General Maintenance			932	Gen Dmd	0		0	0	-	0	0	-
424	Distribution - Gas Admin & General Maintenance			932	Trans W&S	(99)		(99)	(23)	-	(23)	(15)	(0)
425	Production - Gas Admin & General Maintenance			932	Retail	17,474		17,474	17,474	-	17,474	-	-
426	Transmission - Maint of General Plant			935	Gen Dmd	(41,959)		(41,959)	(40,377)	-	(40,377)	(1,582)	-
427	Distribution - Maint of General Plant			935	Trans W&S	608,194		608,194	364,670	-	364,670	240,893	631
428	Production - Maint of General Plant			935	Retail	192,441		192,441	192,441	-	192,441	-	-
429	Renewables - AG (920-935)			920-935	Renewables	214,024		214,024	214,024	-	214,024	-	-
430	PV3 - AG (920 - 935)			920-935	Excluded	5,375,015		5,375,015	-	-	-	-	5,375,015
431	Total Administrative & General Expenses					94,137,245		94,137,245	84,383,090	-	84,597,114	4,030,124	5,510,007

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC				Test Period (with manual adjustments)	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3				Account	Allocator	PNM	Other Manual Adjustments	PNM					
432						385,662,397		385,662,397	320,028,176	22,261,593	342,289,768	21,729,357	21,946,150
433													
434													
435	Depreciation and Amortization Expense												
436													
437	Production Depreciation												
438	Steam Production Plant												
439	Nuclear Production Plant - Palo Verde 1 & 2				Gen Dmd	27,535,894		27,535,894	26,487,720	-	26,487,720	1,038,175	-
440	Nuclear Production Plant - Palo Verde 3				Gen Dmd	12,732,321		12,732,321	12,252,280	-	12,252,280	480,042	-
441	Other Production Plant - Gas & 40 MW Solar				Excluded	4,760,552		4,760,552	-	-	-	-	4,760,552
442	Other Production Plant - Renewable				Gen Dmd	13,602,976		13,602,976	13,090,108	-	13,090,108	512,868	-
443	Total Production Depreciation Expense				Renewables	6,399,574		6,399,574	-	6,399,574	6,399,574	-	-
444						65,031,317		65,031,317	51,840,107	9,399,574	58,239,681	2,031,084	4,760,552
445	Transmission Depreciation												
446	Step-Up Transformers - Excluding PV3				Gen Dmd	410,255		410,255	394,787	-	394,787	15,468	-
447	Step-Up Transformers - PV3				Excluded	12,560		12,560	-	-	-	-	12,560
448	Transmission System Plant - Allocated				Trans Dmd	18,329,028		18,329,028	11,037,741	-	11,037,741	7,291,287	-
449	Transmission System Plant - PV 3				Excluded	224,463		224,463	-	-	-	-	224,463
450	Transmission System Plant - High Lonsome Mesa				Excluded	632,125		632,125	-	-	-	-	632,125
451	Transmission System Net Plant - Dedicated Retail				Retail	349,768		349,768	349,768	-	349,768	-	-
452	Transmission System Plant - Dedicated FERC				FERC	26,943		26,943	-	-	-	26,943	-
453	Total Transmission Depreciation					19,985,141		19,985,141	11,782,295	-	11,782,295	7,333,698	869,148
454													
455	Distribution Depreciation												
456	Distribution Substations Net Plant - Dedicated FERC				FERC	69,866		69,866	-	-	-	69,866	-
457	Distribution Substations Net Plant - PNM				Retail	5,462,913		5,462,913	5,462,913	-	5,462,913	-	-
458	Distribution Substations Net Plant - Renewables				Renewables	297,391		297,391	-	297,391	297,391	-	-
459	Primary Distribution System Net Plant - PNM				Retail	14,977,111		14,977,111	14,977,111	-	14,977,111	-	-
460	Primary Distribution System Net Plant - Renewables				Renewables	70,092		70,092	-	70,092	70,092	-	-
461	Secondary Distribution System Net Plant - PNM				Retail	9,100,608		9,100,608	9,100,608	-	9,100,608	-	-
462	Secondary Distribution System Net Plant - Renewables				Renewables	21,639		21,639	-	21,639	21,639	-	-
463	Services Net Plant - PNM				Retail	3,772,048		3,772,048	3,772,048	-	3,772,048	-	-
464	Meters Net Plant - PNM				Retail	2,451,704		2,451,704	2,451,704	-	2,451,704	-	-
465	Private Lighting - 371				Retail	183,516		183,516	183,516	-	183,516	-	-
466	Street Lighting - 373				Retail	993,863		993,863	653,663	-	653,663	-	-
467	Total Distribution Depreciation					37,090,752		37,090,752	36,631,764	389,123	37,020,886	69,866	-
468													

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3	General Depreciation												
469	Production General & Intangible Net Plant				Gen Dmd	640,559		640,559	616,408	-	616,408	24,151	-
470	PV Unit 3 General & Intangible Net Plant				Excluded	162,252		162,252	-	-	-	-	162,252
471	Renewables General & Intangible Net Plant				Renewables	1,537		1,537	-	1,537	-	-	-
472	Bulk Power Operations				Prod W&S	340,783		340,783	285,270	-	285,270	12,174	-
473	Energy Management System Facilities				Gen/Trans Dmd	765,211		765,211	550,300	-	550,300	212,911	-
474	Other Division Offices/Customer Service				Retail	4,077,289		4,077,289	4,077,289	-	4,077,289	-	-
475	Communications - Transmission				Trans Dmd	5,418,423		5,418,423	3,262,974	-	3,262,974	2,155,449	-
476	Production Related (Shared Services)				Prod W&S	6,160,281		6,160,281	5,337,531	-	5,337,531	220,058	-
477	Transmission Related (Shared Services)				Trans W&S	1,669,117		1,669,117	943,839	-	943,839	623,545	-
478	Distribution/Customer Related (Shared Services)				Retail	11,548,052		11,548,052	11,548,052	-	11,548,052	-	-
479	Total General Depreciation					30,891,482		30,891,482	29,631,762	1,537	29,633,299	3,248,287	799,695
480													
481													
482	Total Depreciation Expense					152,788,693		152,788,693	126,685,928	6,790,234	133,676,162	12,662,935	6,429,595
483	General Taxes												
484	Property Taxes												
485	Production Property Taxes												
486	Steam Production Plant				Gen Dmd	6,167,131		6,167,131	5,934,614	-	5,934,614	232,517	-
487	Nuclear Production Plant - Palo Verde 1 & 2				Gen Dmd	1,170,345		1,170,345	1,126,220	-	1,126,220	44,125	-
488	Nuclear Production Plant - Palo Verde 3				Excluded	1,897,850		1,897,850	-	-	-	-	1,897,850
489	Other Production Plant - Gas & 40 MW Solar				Gen Dmd	4,151,520		4,151,520	3,994,997	-	3,994,997	156,523	-
490	Other Production Plant - Renewable				Renewables	1,822,668		1,822,668	1,822,668	-	1,822,668	-	-
491	Total Production Property Taxes					14,995,514		14,995,514	11,055,831	1,822,668	12,878,499	433,185	1,687,650
492													
493	Transmission Property Taxes												
494	Step-Up Transformers - Excluding PV3				Gen Dmd	61,860		61,860	59,528	-	59,528	2,332	-
495	Step-Up Transformers - PV3				Excluded	2,790		2,790	-	-	-	-	2,790
496	Transmission System Plant - Allocated				Trans Dmd	4,314,315		4,314,315	2,598,061	-	2,598,061	1,716,255	-
497	Transmission System Plant - PV3				Excluded	60,495		60,495	-	-	-	-	60,495
498	Transmission System Plant - High Lonesome Mesa				Excluded	238,337		238,337	-	-	-	-	238,337
499	Transmission System Plant - Dedicated Retail				Retail	42,500		42,500	42,500	-	42,500	-	-
500	Transmission System Plant - Dedicated FERC				FERC	1,744		1,744	-	-	-	1,744	-
501	Total Transmission Property Taxes					4,722,042		4,722,042	2,706,108	-	2,706,108	1,720,311	301,622
502													
503	Distribution Property Taxes												
504	Distribution Substations Net Plant - Dedicated FERC				FERC	15,271		15,271	-	-	-	15,271	-
505	Distribution Substations Net Plant - PNM				Retail	1,507,605		1,507,605	1,507,605	-	1,507,605	-	-
506	Distribution Substations Net Plant - Renewables				Renewables	19,185		19,185	-	19,185	-	-	-
507	Primary Distribution System Net Plant - PNM				Retail	3,592,697		3,592,697	3,592,697	-	3,592,697	-	-
508	Primary Distribution System Net Plant - Renewables				Renewables	26,139		26,139	-	26,139	-	-	-
509	Secondary Distribution System Net Plant - PNM				Retail	2,133,304		2,133,304	2,133,304	-	2,133,304	-	-
510	Secondary Distribution System Net Plant - Renewables				Renewables	8,322		8,322	-	8,322	-	-	-
511	Services Net Plant - PNM				Retail	574,022		574,022	574,022	-	574,022	-	-
512	Services Net Plant - Renewables				Retail	420,438		420,438	-	-	420,438	-	-
513	Meters Net Plant - PNM				Retail	2,786		2,786	2,786	-	2,786	-	-
514	Private Lighting - 373				Retail	126,279		126,279	126,279	-	126,279	-	-
515	Street Lighting - 373				Retail	8,426,029		8,426,029	8,357,112	53,646	8,410,758	15,271	-
516	Total Distribution Property Taxes												
517													
518													

	A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST													
2	Test Period Ending September 30, 2016				FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3														
519	General Property Taxes													
520	Production General & Intangible Net Plant					Gen Dmd Excluded	32,480		32,480	50,492	-	50,492	1,978	-
521	PV Unit 3 General & Intangible Net Plant					Renewables	16,183		16,183	-	-	-	-	16,183
522	Renewables General & Intangible Net Plant					Prod W&S	214		214	-	214	214	-	-
523	Bulk Power Operations					Gen/Trans Dmd	31,405		31,405	27,211	-	27,211	1,122	-
524	Energy Management System Facilities					Other Division Offices/Customer Service	51,524		51,524	37,150	-	37,150	14,374	-
525	Communications - Transmission					Retail	340,103		340,103	340,103	-	340,103	107,394	-
526	Production Related (Shared Services)					Trans Dmd	268,970		268,970	182,578	-	182,578	28,302	-
527	Transmission Related (Shared Services)					Prod W&S	239,281		239,281	250,655	-	250,655	10,334	-
528	Distribution Customer Related (Shared Services)					Trans W&S	66,920		66,920	40,257	-	40,257	26,593	-
529	Total General Property Taxes					Retail	477,537		477,537	477,537	-	477,537	161,794	-
530							1,595,806		1,595,806	1,386,971	214	1,386,185	2,330,541	2,037,099
531														
532														
533														
534	Total Property Taxes						29,743,190	-	29,743,190	23,456,022	1,878,528	25,375,550	3,231,319	3,026,889
535	Payroll Taxes													
536	Production Related					Prod W&S	3,407,882		3,407,882	2,952,745	-	2,952,745	121,737	333,400
537	Transmission Related					Trans W&S	790,315		790,315	475,432	-	475,432	314,050	822
538	Distribution Related					Dist W&S	2,463,656		2,463,656	2,463,656	-	2,463,656	435,797	334,223
539	Total Payroll Taxes						6,661,854		6,661,854	5,691,834	-	5,691,834		
540														
541	Other Taxes													
542	Misc Taxes - Production Related					Gen Dmd	3,869		3,869	3,723	-	3,723	146	-
543	Misc Taxes - Renewable					Renewables	165,528		165,528	-	165,528	165,528	-	-
544	Misc Taxes - Transmission Related					Trans Dmd	888		888	523	-	523	345	-
545	Misc Taxes - Distribution Related					Retail	14,026		14,026	14,026	-	14,026	-	-
546	Regulatory Commission Fees (I&S) PNM													
547	Joint Projects Four Corners					Gen Dmd	358,282		358,282	344,774	-	344,774	13,508	-
548	Joint Projects PNGS					PV	1,829,723		1,829,723	1,163,862	-	1,163,862	55,933	600,908
549	Joint Projects Transmission					Trans Dmd	772		772	465	-	465	307	-
550	Native American Taxes - Production					Gen Dmd	1,589,446		1,589,446	1,529,520	-	1,529,520	59,826	-
551	Native American Taxes - Transmission					Trans Pit	905,117		905,117	524,796	-	524,796	334,722	45,659
552	Native American Taxes - Distribution					Dist Pit	53,483		53,483	53,401	-	53,401	92	-
553	Total Other Taxes						4,921,125		4,921,125	3,635,050	165,528	3,800,578	464,980	655,587
554														
555	Total General Taxes						41,326,170	-	41,326,170	33,025,908	2,042,057	35,067,963	3,231,319	3,026,889
556														

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC		Test Period	Other Manual	Test Period (with	PNM Retail	Renewables	PNM Combined	Total FERC	Excluded
3				Account	Allocator	PNM	Adjustments	PNM	Jurisdiction		Jurisdiction	Jurisdiction	
557	Other Allowable Expenses												
558													
559	Interest on Customer Deposits			431	Retail	246,735		246,735	246,735	-	246,735	-	-
560	Amort Loss on Readquired Debt			407.3	Retail	1,235,545		1,235,545	1,235,545	-	1,235,545	-	-
561	Amort Renewable Energy Credits			555	Renewables	2,912,110		2,912,110	-	2,912,110	-	-	-
562	Carrying charges on renewables			419.0	Renewables	113,386		113,386	-	113,386	-	-	-
563	Amort Retail rate case exp			408.2	Retail	2,017,054		2,017,054	2,017,054	-	2,017,054	-	-
564	PV DOE Settlement from 10,00086-UT			407	Retail	-		-	-	-	-	-	-
565	Renewable Grant Amortization			407	Renewables	(1,156,932)		(1,156,932)	-	(1,156,932)	-	-	-
566	Accretion ARO - Production Related			403/411	Gen Dmd	6,815,935		6,815,935	6,815,935	-	6,815,935	259,211	-
567	Accretion ARO - PV 3			403/411	Excluded	2,732,173		2,732,173	-	-	-	-	2,732,173
568	Accretion ARO - Distribution Related			403/411	Retail	98,868		98,868	98,868	-	98,868	-	-
569	Amort PV 2 Lease Acquisition Adjustment				Gen Dmd	2,024,157		2,024,157	1,947,841	-	1,947,841	76,316	-
570	Amort EIP Acquisition Adjustment				Trans Dmd	585,959		585,959	352,870	-	352,870	233,088	-
571	Amort PV 1&2 Acquisition Adjustment				Gen Dmd	355,110		355,110	351,344	-	351,344	13,766	-
572	Amortization of Alvarado Square Lease Regulatory Asset				Retail	766,997		766,997	766,997	-	766,997	-	-
573	Amortization TOU Regulatory Asset				Retail	125,000		125,000	125,000	-	125,000	-	-
574	Amortization of LVGS Regulatory Liability				Retail	(728,530)		(728,530)	(728,530)	-	(728,530)	-	-
575	Amortization of LVGS Regulatory Asset				Retail	132,385		132,385	132,385	-	132,385	-	-
576													
577													
578													
579													
580													
581													
582													
583	Total Other Allowable Expenses					18,347,172		18,347,172	13,764,045	1,858,564	15,032,609	582,391	2,732,173
584													
585													
586	Total Operating Expenses					802,202,548		802,202,548	710,759,818	32,862,447	743,722,266	49,957,887	8,525,284
587	(Excl Income & Revenue Related Taxes)												
588													

	A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST													
2	Test Period Ending September 30, 2016													
3														
589	Total Net Original Cost Rate Base				FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
590	Weighted Cost of Capital						2,954,926,181	-	2,954,926,181	2,450,087,082	95,853,101	2,553,940,183	264,078,108	138,912,325
591	Return on Rate Base						8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%	8.17%
592							241,417,469	-	241,417,469	200,825,715	7,831,198	208,656,913	21,575,181	11,185,737
593	Federal Income Tax													
594	Return Adjustments													
595	Interest on Long Term Debt					MDC	(66,874,630)	-	(66,874,630)	(72,267,760)	(2,818,081)	(75,085,841)	(7,763,696)	(4,026,222)
596														
597	Tax/Book Adjustments													
598														
599	Non-deductible Meals						438,983		438,983	378,135	-	378,135	37,042	23,787
600	Eastern Interconnected Project					Total Net P/L								
601	Palo Verde 1 & 2 Gain Amort Flow Through					Trans Dmd								
602	Palo Verde 1 & 2 Prudence Audit Flow Through					FERC	(157,959)		(157,959)	-	-	-	(157,959)	-
603	AFUDC Equity Flow Through					Retail								
604	AFUDC Equity Flow Through - Renewables					Gen Dmd	(3,074,128)		(3,074,128)	(2,958,225)	-	(2,958,225)	(115,903)	-
605	Federal Grant Amortization - Renewables					Renewables								
606	Federal Grant Basis Adj - Renewables					Renewables	(1,113,431)		(1,113,431)	-	(1,113,431)	(1,113,431)	-	-
607	Gain/Loss Flow Through					Renewables	556,716		556,716	-	556,716	556,716	-	-
608	ACRS Flow Through					Retail								
609	San Juan ACRS Flow Through					Retail	2,208,708		2,208,708	2,208,708	-	2,208,708	-	-
610	Four Corners SO2 Reversal Flow Through					Retail	342,346		342,346	342,346	-	342,346	-	-
611	SL/GI Depreciation					Retail	536,269		536,269	536,269	-	536,269	-	-
612	Amortization of EIP Prepaid Tax Reversal					Retail	(76,810)		(76,810)	(76,810)	-	(76,810)	-	-
613	Total Tax/Book Adjustments					Trans Dmd	(339,323)		(339,323)	430,422	(556,715)	(126,293)	(236,817)	23,787
614														
615	Total Return Adjustments						(87,214,153)		(87,214,153)	(71,837,339)	(3,374,796)	(75,212,134)	(8,000,713)	(4,001,436)
616														
617	Net Taxable Equity Return						154,203,316		154,203,316	126,988,377	4,456,402	133,444,779	13,574,469	7,184,301
618														

	A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST													
2	Test Period Ending September 30, 2016				FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3														
610	Federal Tax Adjustments													
620														
621	Net Provision For Deferred Income Tax				410	Total W&S	(24,446)		(24,446)	(21,703)	-	(21,703)	(1,129)	(1,614)
622	Excess Payroll Tax Reversal													
623														
624	ARAM Deferred Tax Reversal				410	Total Net Ptl	(201,732)		(201,732)	(179,777)	-	(179,777)	(17,023)	(10,931)
625														
626	Total Provision For Deferred Income Tax						(226,178)		(226,178)	(195,480)	-	(195,480)	(18,152)	(12,548)
627	Investment Tax Credits													
628	Palo Verde 1&2 Production ITC Amortization				411.4	Gen Dmnd	(117,243)		(117,243)	(112,823)	-	(112,823)	(4,420)	-
629	Generation ITC Amortization				411.4	Gen Dmnd	(185,797)		(185,797)	(181,679)	-	(181,679)	(7,118)	-
630	Renewables ITC Amortization				411.4	Renewables	(10,639)		(10,639)	-	(10,639)	-	-	-
631	PV Valley Transmission ITC Amortization				411.4	Trans Dmnd	-		-	-	-	-	-	-
632	Research and Development & Other Credits				410	PV	-		-	-	-	-	-	-
633	All Other ITC Amortization				411.4	Total Net Ptl	(153,208)		(153,208)	(131,978)	-	(131,978)	(12,928)	(8,302)
634							(468,888)		(468,888)	(426,479)	-	(426,479)	(24,497)	(8,302)
635	Total Investment Tax Credit Amortization & Other Credits													
636														
637	Total Federal Tax Adjustments						(695,054)		(695,054)	(621,959)	-	(621,959)	(42,819)	(20,646)
638	Adjusted Equity Return													
639	Federal Tax Factor (0.35/(1-0.35))						153,507,252		153,507,252	128,388,417	4,445,764	132,812,182	13,531,849	7,183,453
640	Federal Income Tax						53,8462%		53,8462%	53,8462%	53,8462%	53,8462%	53,8462%	53,8462%
641	Add:						82,657,822		82,657,822	69,120,438	2,393,875	71,514,313	7,245,767	3,857,247
642	Total Provision For Deferred Income Tax						(226,178)		(226,178)	(195,480)	-	(195,480)	(18,152)	(12,548)
643	EIP Amortization													
644	Total Investment Tax Credit Amortization & Other Credits						(468,888)		(468,888)	(426,479)	-	(426,479)	(24,497)	(8,302)
645														
646	Net Allowable Federal Income Tax						81,961,758		81,961,758	68,498,479	2,393,237	70,881,716	7,245,767	3,538,400
647														
648	State Income Tax													
649														
650	Return on Rate Base						241,417,469		241,417,469	200,825,715	7,831,198	208,656,913	21,575,181	11,185,737
651	Less: Return Adjustments													
652	Interest on Long Term Debt						(86,874,830)		(86,874,830)	(72,287,760)	(2,818,091)	(75,085,841)	(7,763,898)	(4,075,222)
653	Tax/Book Adjustments						(339,323)		(339,323)	430,422	(595,715)	(126,293)	(235,877)	23,787
654	Add: Net Allowable F I T						81,961,758		81,961,758	68,498,479	2,393,237	70,881,716	7,245,767	3,858,400
655	22 MW, Battery project and PV Farm PTC				409	Renewables	(175,800)		(175,800)	-	-	(175,800)	-	-
656	State Taxable Income						235,995,274		235,995,274	197,496,855	8,663,839	204,160,695	20,818,236	11,020,701
657	State Tax Factor						6.6750%		6.6750%	6.6750%	6.6750%	6.6750%	6.6750%	6.6750%
658	State Income Tax						15,752,284		15,752,284	13,182,248	444,811	13,627,059	1,389,617	735,632
659	Add: 22 MW, Battery project and PV Farm PTC				409	Renewables	(1,248,525)		(1,248,525)	-	-	(1,248,525)	-	-
660	New Mexico NOL Valuation Allowance				410	Total Net Ptl	1,072,725		1,072,725	924,074	-	924,074	90,522	58,128
661	Add:						15,576,464		15,576,464	14,106,322	(803,714)	13,302,608	1,480,139	793,761
662	Net Allowable State Income Tax													
663														
664	Return on Rate Base						241,417,469		241,417,469	200,825,715	7,831,198	208,656,913	21,575,181	11,185,737
665														
666	Total Operating Expenses						802,202,548		802,202,548	710,759,818	32,962,447	743,722,266	46,857,887	8,525,284
667	(Excluding Income & Rev Related Taxes)													
668														
669	Net Allowable Federal Income Tax						81,961,758		81,961,758	68,498,479	2,393,237	70,881,716	7,245,767	3,838,400
670														
671	Net Allowable State Income Tax						15,576,464		15,576,464	14,106,322	(803,714)	13,302,608	1,480,139	793,761
672														
673														

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3													
674	Revenue Credits:												
675	Sale of SO2 Credits			411	FERC	(26)		(26)				(26)	
676	Rent For Electric Property Transmission			454	Trans P/L	(441,458)		(441,458)	(255,932)		(255,932)	(183,359)	(22,269)
677	Rent For Electric Property - Distribution			454	Retail	(4,579,962)		(4,579,962)	(4,579,962)		(4,579,962)		
678	Late Payment Charges			451	Retail	(961,283)		(961,283)	(961,283)		(961,283)		
679	Misc Service Charge Revenue			451	Retail	(1,557,169)		(1,557,169)	(1,557,169)		(1,557,169)		
680	Other Retail Revenue - Transmission			456	Trans Dmd	(107,296)		(107,296)	(64,614)		(64,614)	(42,982)	
681	Other Retail Revenue - Distribution			456	Retail	(427,493)		(427,493)	(427,493)		(427,493)	(86,331)	
682	Generation Ancillary Services Credit, Sch 2-5			456100	Gen Dmd	(2,289,779)		(2,289,779)	(2,203,448)		(2,203,448)	(703,920)	
683	Real Power Losses (Financial)			456100	Gen Dmd	(731,193)		(731,193)	(703,920)		(703,920)	(27,868)	
684	Transmission redispatch contract revenues			456100	Gen Dmd	-		-	-		-	-	
685	Ancillary Services-Sch 1 and Non-Firm			458100	Trans Dmd	(2,746,034)		(2,746,034)	(1,693,862)		(1,693,862)	(1,092,372)	
686	Short Term Firm Transmission			458100	Trans Dmd	(724,993)		(724,993)	(557,012)		(557,012)	(187,981)	
687	Ancillary Services-Sch 1 ST P/T and Other			458100	Trans Dmd	(289,958)		(289,958)	(174,612)		(174,612)	(115,345)	
688	Economy Service Customer Revenue Credits				Retail	(4,443,972)		(4,443,972)	(4,443,972)		(4,443,972)		
689	Co T Revenue				G&P/L	(112,238)		(112,238)	(98,519)		(98,519)	(10,372)	(3,348)
690													
691													
692													
693													
694	Total Revenue Credits					(19,432,252)		(19,432,252)	(17,700,702)		(17,700,702)	(1,705,934)	(25,617)
695													
696	Total Revenue Requirements Before Revenue Tax					1,121,726,007		1,121,726,007	976,489,532	42,373,169	1,018,862,801	78,551,042	24,315,964
697	Revenue Tax Factor (I&S Fee) (1.00506)												
698	Revenue Tax					0.508573%		0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
699						5,704,796		5,704,796	4,966,163	215,498	5,181,661	399,489	123,662
700													
701	NON-FUEL REVENUE REQUIREMENT					923,552,686		923,552,686	763,800,031	42,588,687	806,388,698	57,218,655	49,948,750
702	FUEL REVENUE REQUIREMENT					203,878,117		203,878,117	217,655,784		217,655,784	11,731,878	(25,509,523)
703	TOTAL REVENUE REQUIREMENT					1,127,430,803		1,127,430,803	981,455,795	42,588,687	1,024,044,482	78,950,531	24,439,226
704													
705	Weighted Cost of Capital												
706	Long Term Debt					2.94%		2.94%	2.94%		2.94%	2.94%	2.94%
707	Preferred Stock					0.02%		0.02%	0.02%		0.02%	0.02%	0.02%
708	Common Stock					5.21%		5.21%	5.21%		5.21%	5.21%	5.21%
709	Total Weighted Cost of Capital					8.17%		8.17%	8.17%		8.17%	8.17%	8.17%
710													
711	Federal Income Tax Rate					35.00%		35.00%	35.00%		35.00%	35.00%	35.00%
712													
713	Effective State Income Tax Rate					6.26%		6.26%	6.26%		6.26%	6.26%	6.26%
714													
715	I&S Fee Rate					0.506%		0.506%	0.506%		0.506%	0.506%	0.506%
716													

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3	717 Key Allocators												
718													
719	Sales (MWh)												
720	Allocator				Sales			11,113,759	9,430,840	-		468,980	1,212,950
721								100.00%	84.86%	0.00%		4.23%	10.91%
722	Wage and Salary Ratios							See H-4					
723	Production		Other Prod O&M		Ratios			57,664,988	49,695,579	0		2,059,921	5,641,487
724					65.27%			100.0000%	85.64%	0.00%		3.57%	9.79%
725	Transmission		Trans O&M		Prod W&S			4,932,584	2,987,311	0		1,960,140	5,133
726					5.68%			100.00%	60.16%	0.00%		39.74%	0.10%
727	Distribution		Dist O&M		Trans W&S			13,747,978	13,747,978	0		0	0
728					15.58%			100.0000%	100.00%	0.00%		0.00%	0.00%
729					Dist W&S			76,345,548	66,678,868	0		4,020,081	5,646,821
730	Total PTD				86.41%			100.0000%	87.34%	0.00%		5.27%	7.40%
731	Allocator												
732								7,735,292	7,735,292	-		-	-
733	Customer Accounting		CA O&M		8.76%			666,588	666,588	-		-	-
734	Cust Service & Information		CS&I O&M		0.76%			3,597,120	3,058,622	-		150,377	388,121
735	Sales O&M				4.07%			88,345,548	78,141,360	-		4,170,438	6,034,741
736	Total PTD/CAS				100.00%			100.0000%	88.45%	0.00%		4.72%	8.93%
737	Allocator				PTD/CAS								
738								26,778,810	24,064,791	-		1,448,423	1,567,398
739	Administrative and General												
740								115,125,159	102,209,180	-		5,318,881	7,802,137
741	Total Wages and Salaries							100.00%	86.78%	0.00%		4.62%	6.60%
742	Allocator				Total W&S								
743													
744	Net Plant In Service Ratios												
745													
746	Total Production Plant							1,684,298,059	1,489,796,522	-		57,586,301	138,915,237
747	Allocator				Prod Pft			100.00%	89.31%	0.00%		3.46%	8.23%
748													
749	Total Transmission Plant							508,813,710	294,991,435	-		198,164,998	25,667,277
750	Allocator				Trans Pft			100.00%	57.97%	0.00%		36.98%	5.04%
751													
752	Total Distribution Plant							767,431,801	768,112,788	-		1,319,015	-
753	Allocator				Dist Pft			100.00%	99.89%	0.00%		0.17%	0.00%
754													
755	Total General & Intangible Plant							133,025,005	116,764,269	-		12,292,730	3,967,956
756	Allocator				G&I Pft			100.00%	87.78%	0.00%		9.24%	2.88%
757													
758	Total Net Plant							3,073,568,576	2,647,655,001	-		259,363,104	166,550,470
759	Allocator				Total Net Pft			100.00%	86.14%	0.00%		8.44%	5.42%
760													

A	B	C	D	E	F	G	H	I	J	K	L	S	T
1	PNM Exhibit HEM - 3 COS TEST												
2	Test Period Ending September 30, 2016			FERC Account	Allocator	Test Period PNM	Other Manual Adjustments	Test Period (with manual adjustments) PNM	PNM Retail Jurisdiction	Renewables	PNM Combined Retail Jurisdiction	Total FERC Jurisdiction	Excluded
3													
761	Net Plant In Service Ratios												
762	Without Production Stations & PV Valley Transmission												
763													
764													
765	Production Plant without Excluded							1,654,295,059	1,489,795,522	-		57,555,301	136,915,237
766	Transmission Plant without Excluded							586,813,710	294,991,435	-		188,164,988	25,687,277
767	Distribution Plant							767,431,801	766,112,766	-		1,319,015	-
768	Total Net Plant Without Excluded Plant							2,940,543,570	2,550,899,742	-		247,070,314	182,592,514
769	Allocator							100.00%	86.07%	0.00%		8.40%	5.53%
770													
771	Generation Demand allocator							1,542	1,484	-		58	-
772								100.00%	96.23%	0.00%		3.77%	0.00%
773													
774	Energy allocator							9,263,304	8,838,542	-		424,763	-
775								100.00%	95.41%	0.00%		4.59%	0.00%
776													
777	Generation and Transmission Demand							100.00%	72.10%	0.00%		27.90%	0.00%
778													
779													
780	Transmission Demand							2,481	1,484	-		987	-
781								100.00%	60.22%	0.00%		39.78%	0.00%
782													
783	Transmission Demand without Network							1,944	1,484	-		451	-
784								100.00%	76.83%	0.00%		23.17%	0.00%
785													
786	Other Allocators												
787													
788	Excluded Costs							100.00%	0.00%	0.00%		0.00%	100.00%
789													
790	Direct Assignment to Gallup							100.00%	0.00%	0.00%		100.00%	0.00%
791													
792	Direct Assignment to NEC							100.00%	0.00%	0.00%		100.00%	0.00%
793													
794	Direct Assignment to Aztec							100.00%	0.00%	0.00%		100.00%	0.00%
795													
796	Direct Assignment to Jicarilla							100.00%	0.00%	0.00%		100.00%	0.00%
797													
798	Allocation to FERC Wholesale Customers							100.00%	0.00%	0.00%		100.00%	0.00%
799													
800	Direct Assignment to FERC Transmission							100.00%	0.00%	0.00%		100.00%	0.00%
801													
802	Direct Assignment to Retail							100.00%	100.00%	0.00%		0.00%	0.00%
803													
804	Allocation to Palo Verde							100.00%	69.61%	0.00%		3.05%	33.33%
805													
806	Direct Assignment to Renewables							100.00%	0.00%	100.00%		0.00%	0.00%
807													
808	Renewables O&M							100.00%	0.00%	96.63%		0.00%	3.37%
809													
810													
811													
812													
813													

PNM Exhibit HEM-3: Revenue Requirement Studies, Base Period and Test Period

Schedule A-5 Base

Is contained in the following 1 page.

A	B	C	D	E	F
1	Public Service Company of New Mexico				
2	Schedule A-5				
3	Summary of Total Capitalization and the Weighted Average Cost of Capital				
4	Base Period Ending 3/31/2015				
5					
6	Line No.	Capital Component	Total Capitalization Base Period	Percentage of Total Capitalization	Capital Component Cost
7					Weighted Average Cost
8					
9	1	Long Term Debt	1,215,870	48.58%	6.35%
10					3.09%
11	2	Preferred Stock	11,529	0.46%	4.62%
12					0.02%
13	3	Common Equity	1,275,371	50.96%	10.00%
14					5.10%
15	4	Total	2,502,770	100.00%	8.21%
16					
17					
18					Tax gross up
19					3.09%
20					debt
21					preferred
22					common'
23					Total
24					11.57%
25	Note: Please refer to Rule 530, G-Series Schedules for supporting calculations and inputs into the				
26	Weighted Average Cost of Capital calculations.				
27	This schedule is sponsored by PNM Witness Monroy				

PNM Exhibit HEM-3: Revenue Requirement Studies, Base Period and Test Period

Schedule A-5 Test

Is contained in the following 1 page.

A	B	C	D	E	F
1	Public Service Company of New Mexico				
2	Schedule A-5				
3	Summary of Total Capitalization and the Weighted Average Cost of Capital				
4	Test Period Ending 9/30/2016				
5					
6	Line No.	Capital Component	Total Capitalization Test Period	Percentage of Total Capitalization	Capital Component Cost
7					Weighted Average Cost
8					
9	1	Long Term Debt	1,465,870	50.00%	5.87%
10					
11	2	Preferred Stock	11,529	0.39%	4.62%
12					
13	3	Common Equity	1,454,340	49.61%	10.50%
14					
15	4	Total	2,931,739	100.00%	
16					
17					
18					Tax gross up
19					debt 2.94%
20					preferred 0.03%
21					common' 8.55%
22					Total 11.52%
23					
24					
25	Note: Please refer to Rule 530, G-Series Schedules for supporting calculations and inputs into the				
26	Weighted Average Cost of Capital calculations.				
27	This schedule is sponsored by PNM Witness Monroy				

PNM Exhibit HEM-3: Revenue Requirement Studies, Base Period and Test Period

Table HEM-1

Is contained in the following 1 page.

	A	B	C	D	E	F	G	H
1	Table HEM-1							
2								
3								
4	Line No.	Description						
5	1	Non-Fuel Revenue						
6	2	Base Fuel Revenue						
7	3	Total Revenues at existing rates						
8	4							
9	5							
10	6							
11	7	Revenue Requirement Requested						
12	8	Non-Fuel Revenue Requirement						
13	9	Fuel Revenue Requirement						
14	10	Total Test Period Revenues per Revenue Requirement						
15	11	Deficiency						
16	12	Non-Fuel Deficiency - As Requested						
17	13	Fuel Deficiency - As Requested						
18	14	Rate Deficiency - As Requested						
19	15							
20	16	Rate Deficiency Percent Increase (Line 14 divided by Line 3)						
21								
22								
23	Note: Please refer to the testimony of PNM Witness Monroy for discussion of rate deficiency.							
24	Please refer to the testimony of PNM Witness Chan for total revenues and existing rates.							

PNM Exhibit HEM-3: Revenue Requirement Studies, Base Period and Test Period

WP COS Change Log

Is contained in the following 1 page.

PNM EXHIBIT HEM-3 WP COS-CHANGE LOG
PAGE 1 OF 1

	A	B	C	D
1	PNM Exhibit HEM-3 - Test Period Change Log			
2				
3	As Filed		PNM Retail	
4			Jurisdiction	
5	NON-FUEL REVENUE REQUIREMENT		763,800,031	
6	FUEL REVENUE REQUIREMENT		217,655,764	
7	TOTAL REVENUE REQUIREMENT		981,455,795	
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				981,455,795
19			Test Period Check Figure	-