

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF NEW )  
MEXICO FOR REVISION OF ITS RETAIL )  
ELECTRIC RATES PURSUANT TO ADVICE )  
NOTICE NO. 513 )

Case No. 15-00261-UT

PUBLIC SERVICE COMPANY OF NEW )  
MEXICO, )

Applicant )  
\_\_\_\_\_ )

**DIRECT TESTIMONY AND EXHIBITS**

**OF**

**SHEILA M. MENDEZ**

**August 27, 2015**

**NMPRC CASE NO. 15-00261-UT**  
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**WITNESS FOR**  
**PUBLIC SERVICE COMPANY OF NEW MEXICO**

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EXHIBIT SMM-1	Résumé of Sheila M. Mendez
EXHIBIT SMM-2	PNMR Corporate Tier Level 1 Capital Projects
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**I. INTRODUCTION AND PURPOSE**

**Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

**A.** My name is Sheila M. Mendez and I am employed by PNMR Services Company (“PNMR Services”), a wholly owned subsidiary of PNM Resources, Inc. (“PNMR”). PNMR Services was formed to house corporate shared services functions for PNMR. I am the Director of Information Technology (“IT”) Program/Portfolio Management & Quality. My business address is 2401 Aztec Rd. NE, Albuquerque, New Mexico 87107. My testimony in this case is submitted on behalf of Public Service Company of New Mexico (“PNM” or “Company”) which is also a subsidiary of PNMR.

**Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS DIRECTOR, IT PROGRAM/PORTFOLIO MANAGEMENT & QUALITY.**

**A.** As the Director of IT Program/Portfolio Management and Quality, I am responsible for the IT Portfolio and Program Management which includes the Program and Project Management Office (“PPMO”), portfolio management, project governance, continuous process improvement, and strategic planning. The PPMO is responsible for tracking and running all IT corporate programs and projects and ensuring the successful delivery of the new assets. We manage the corporate capital budget for all IT projects. In addition I am responsible for IT Quality Assurance which includes IT Service Management (management of incident, problem, release, change, and configuration), quality control and Test

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1 Center of Excellence, process quality and governance, metrics, and audit  
2 compliance. A copy of my resume is attached as PNM Exhibit SMM-1.

3

4 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN UTILITY REGULATION**  
5 **PROCEEDINGS?**

6 **A.** No, I have not.

7

8 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

9 **A.** The purpose of my testimony in this proceeding is to describe the Company's  
10 corporate capital investments for the period from April 1, 2015, through the end  
11 of the Test Period (September 30, 2016)<sup>1</sup>, known as the Capital Investment Period  
12 and including investments cleared through February 2017, known as the Capital  
13 Clearing Period<sup>2</sup>. Specifically, in the sections that follow, I:

- 14 1. Provide an overview of the type of corporate capital expenditures included  
15 in the Company portfolio for these periods;
- 16 2. Describe PNMR's corporate capital governance process for estimating and  
17 budgeting investments, including how priorities are established and how  
18 corporate capital budgets are monitored; and
- 19 3. Identify the Tier 1, Tier 2, and Tier 3 corporate capital investments  
20 required during the Capital Clearing Period and explain and support why

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<sup>1</sup> The "Capital Investment Period" includes linkage data from April 1, 2015, through September 30, 2015, and continues through the Test Period ending September 30, 2016.

<sup>2</sup> The period from April 1, 2015 through February 28, 2017, encompassing the Capital Investment Period and Construction Work in Progress ("CWIP") period (October 1, 2016 through February 28, 2017) is referred to as the "Capital Clearing Period".

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1                   they are required for maintaining and enhancing Company facilities,  
2                   computer systems and hardware, and data and voice network.

3

4   **Q.   PLEASE PROVIDE THE VARIOUS CAPITAL COST LEVELS THAT**  
5   **MAKE UP THE THREE TIERS.**

6   **A.**   The three capital cost tiers for purposes of corporate capital investments are as  
7   follows:

8               1. Tier 1 – projects with \$500,000 or more in clearings for the Linkage, Test,  
9               and CWIP.

10             2. Tier 2 – projects with more than \$100,000 and less than \$500,000 in  
11             clearings for the Linkage, Test, and CWIP.

12             3. Tier 3 – projects with \$100,000 or less in clearings for the Linkage, Test,  
13             and CWIP.

14

15   **Q.   HOW DOES YOUR TESTIMONY RELATE TO THE TESTIMONY**  
16   **PRESENTED BY OTHER COMPANY WITNESSES?**

17   **A.**   My testimony supports the budget estimates for the corporate capital investments  
18   included in the test period revenue requirements discussed by PNM Witness  
19   Monroy. PNM Witness Buchanan addresses the PNMR capital budgeting  
20   process. PNM Witness Peters addresses capital loads and how corporate shared  
21   service costs are allocated to the appropriate subsidiary.

22

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**II. SUMMARY OF KEY CONCLUSIONS**

**Q. WHAT ARE YOUR KEY CONCLUSIONS?**

**A.** Overall, I conclude that:

1. The corporate capital investments of \$49 million during Capital Clearing Period are required to maintain company facilities, equipment, reliable computer systems, and telecommunications network. In addition, these investments provide the business with additional capabilities through the use of modernized technology so the Company can continue to serve customers in the most efficient manner.
2. There is a thorough and robust capital budgeting, prioritization, selection, and trade-off process for corporate capital projects in the portfolio.
3. Only capital investments that benefit the Company's New Mexico retail customers are included in the proposed rate base. Projects that benefit multiple PNMR subsidiaries are allocated a "location code" to ensure that the appropriate allocated costs and depreciation are directed towards the correct subsidiary. Please refer to the testimony of PNM Witness Peters for elaboration on how allocated costs are applied.
4. In the utility industry, technology changes rapidly. During the budget process we have a general understanding of what business capabilities we are trying to achieve. However, due to rapid technology advancements, the solutions are generally not locked in up front but are determined as close to actual implementation as practical to help insure the optimum solution. In addition,

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1           various events can occur during the budget year that may require business  
2           priorities to change and new projects are identified to meet those new business  
3           needs. The identification of new projects may result in adjustments to the  
4           project portfolio and schedules. PNM Witness Buchanan discusses the quarterly  
5           capital reforecast process in his testimony.

6  
7           **III.    OVERVIEW OF CORPORATE CAPITAL EXPENDITURES**

8   **Q.    PLEASE DESCRIBE THE TYPE OF INVESTMENTS INCLUDED IN**  
9   **THE CORPORATE CAPITAL BUDGET?**

10  **A.**   The corporate capital budget includes two types of investments. First are  
11       expenditures related to IT software and hardware assets that require maintaining,  
12       upgrading, and enhancing, in addition to implementing new technology solutions,  
13       known as Technology Projects. The second, known as General Services projects,  
14       are expenditures to maintain, update, and expand company facilities, equipment  
15       and furniture.

16  
17  **Q.    PLEASE ELABORATE ON THE TYPES OF IT INVESTMENTS.**

18  **A.**   Investments in IT in the corporate budget generally benefit the enterprise as a  
19       whole, but they also include some specific technology projects that benefit  
20       individual subsidiaries. These investments can include upgrading and updating  
21       hardware platforms and application and operating systems (also known as life  
22       cycle management), enhancing the data and voice network to support the

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1 business, implementing updated cyber security patches that address security risks  
2 and the North American Electric Reliability Corporation (“NERC”) requirements,  
3 and introducing new tools and systems that provide the business with new  
4 capabilities.

5  
6 **Q. PLEASE DESCRIBE THE TYPES OF GENERAL SERVICE AND**  
7 **FACILITY INVESTMENTS.**

8 **A.** General Service investments in the corporate budget are related to maintaining,  
9 updating and expanding facilities, equipment or furniture for both the holding  
10 company and individual subsidiaries. These investments often address NERC,  
11 safety, regulatory compliance, ergonomic or space capacity issues, and  
12 maintaining building assets and acceptable operating conditions.

13  
14 **IV. CORPORATE CAPITAL GOVERNANCE PROCESS**

15 **Q. ARE THERE COMMITTEES THAT GOVERN THE CORPORATE**  
16 **CAPITAL INVESTMENTS?**

17 **A.** Yes, there two different committees, known as Capital Allocation Teams  
18 (“CAT”s), that govern the capital investments for technology and general  
19 services.

20 1. For technology investments, the IT Capital Allocation Team (“iCAT”):



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- 1 a) consists of voting members who are directors and above in IT and  
2 across the business who are responsible for reviewing and approving  
3 technology capital business cases under \$10 million; and  
4 b) tracks technology capital investments and approves project trade-offs  
5 to achieve objectives for the Company.

6 2. For facilities, equipment and furniture investments, the Facilities Capital  
7 Allocation Team (“fCAT”):

- 8 a) works with key business representatives to identify facility needs,  
9 recommend solutions, coordinate approvals and establish defined  
10 scope, costs and timelines for all deliverables.  
11 b) tracks the progress on investments, reprioritizes projects and approves  
12 project trade-offs to achieve the objectives for the Company; and  
13 c) ensures that solutions meet required ordinances like: zoning, building  
14 code compliance, and Americans with Disabilities Act (“ADA”).  
15

16 **Q. HOW ARE PROPOSED CAPITAL INVESTMENTS IDENTIFIED?**

17 **A.** There are two avenues by which corporate capital investments are identified. The  
18 first is the Annual Operating Plan (“AOP”) cycle and the second is through “pop-  
19 ups” which can occur throughout the year.

- 20 1. Annually, through the AOP cycle, investments that are on the current 5-  
21 year budget portfolio are reviewed to determine if they should remain on  
22 the portfolio. Inquiries also go out to the business units for inclusion of  
23 investments that align with their business strategy plans. “Pop ups” are

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1           new projects that are identified and proposed based on a newly discovered  
2           need or opportunity outside of the AOP process. Pop-ups are documented,  
3           rationalized, and prioritized against the rest of the portfolio.

4  
5   **Q.   HOW DOES ICAT PRIORITIZE INVESTMENTS?**

6   **A.**   iCAT has a prioritization methodology that requires the collection of certain  
7           investment criteria that applies a point system using criticality and weighting,  
8           which produces a total investment score. The IT Directors use these scores as a  
9           guideline when prioritizing and rationalizing the project portfolio during the AOP  
10          cycle and also when considering trade-off projects. However, they can and  
11          sometimes do consider other relevant business criteria in combination with the  
12          total investment score to determine the appropriate priority and formulate a  
13          recommendation to iCAT. iCAT then reviews and approves the AOP project  
14          portfolio and any project trade-offs during the year. If iCAT shifts funds from  
15          one project to another, they ensure the entire portfolio investments do not exceed  
16          the PNMR Board ("Board") approved capital target.

17

18   **Q.   HOW DOES FCAT PRIORITIZE INVESTMENTS?**

19   **A.**   fCAT utilizes the institutional knowledge and the experience of the General Services  
20          manager, building maintenance supervisor, and corporate security supervisor to  
21          prioritize investments based on age of building system, previous complications or  
22          reliability issues, NERC or regulatory compliance, safety concerns, or  
23          unavailability of repair parts for equipment.

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1   **Q.    PLEASE DESCRIBE HOW CAPITAL PROJECTS ARE ESTIMATED.**

2   **A.**    Depending on the type and complexity of the project, estimates for capital  
3           investments are derived based on a combination of current vendor quotes,  
4           research, or using historical data from similar projects and trends.

5           1. For General Service investments, vendor quotes are often used based on  
6           equipment and external labor costs. For example, for the former Aztec Security  
7           Equipment Upgrade, two vendors provided hardware cost replacement  
8           estimates for equipment and labor costs for design, installation and maintenance  
9           with adjustments for IT labor. This same type of estimate could be used for  
10          security equipment outside of Albuquerque as adjusted for location.

11          2. For technology investments, generally when needs are identified they are  
12          classified as a technology blanket, an upgrade to existing systems, or  
13          implementation of a new solution. Technology blankets are estimated based on  
14          the quantity of equipment to be replaced and current run rates for that type of  
15          equipment. Also, the previous year's spend on blankets are used as a guideline  
16          in setting the following year's estimate. Upgrades to existing systems are  
17          generally estimated based on historical upgrades of similar nature. For example  
18          on the Banner Platform Upgrade, actual costs incurred from a previous platform  
19          upgrade were reviewed and used as a data point for the estimating the new  
20          platform upgrade. Current cost estimates were included and allocated across the  
21          materials, labor, and outside services in a similar fashion. For new solutions,  
22          because technology is rapidly changing, the product/solution is generally not  
23          identified up front so a high-level estimate is developed based on initial product

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research. For example, when purchasing a new Identity Management solution, product costs were researched through the internet/research firm (like Forrester) and a vendor quote was received from a known supplier to use as a basis for estimating materials. Labor costs were estimated using one-third costs internal and two-third costs external then adjusted accordingly. General expenses are generally less than five percent of the total project cost.

3. Detailed monthly budgets for each Tier 1, Tier 2, and Tier 3 project are provided in PNM Exhibit SMM-2 through PNM Exhibit SMM-4. Typical cost types and how they relate to the above activities include:

- **110 and 120 Internal labor:** This includes all labor performed by PNMR Services or PNM employees from planning through to asset commissioning. As mentioned above, an assumption is made during the estimating process as to who will perform the work (internal or external). As the project gets closer in time, this assumption is reviewed and revised based on current staff availability.
- **350 Materials and Equipment:** This cost type includes all major materials and equipment which are typically purchased including such things as building materials, furniture, hardware and software.
- **370 Outside Services, 274 Legal, 377 Temporary Labor:** These cost types include all professional services contracted to aid with the implementation of the asset and any legal expenses associated with executing vendor contracts. For General Service projects, services may include appraisal support, engineering, materials testing,

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1 construction and construction monitoring. For technology projects,  
2 contingent workforce and consultants may be contracted to perform  
3 services such as: planning, developing, implementing, testing, and  
4 deploying the technology asset.

- 5 • **610 Expenses – General:** This cost type includes all general expenses  
6 to cover supplies, fees, incremental expenses, training, and employee  
7 expenses such as travel, meals, and lodging related to the project.  
8

9 **Q. PLEASE DESCRIBE HOW PROJECT ESTIMATES ARE UPDATED.**

10 **A.** During the planning phase in the project management lifecycle, business and  
11 functional requirements are mapped, products and contractors are evaluated and  
12 chosen, project and resource plans are outlined, and then original project cost  
13 estimates and clearings are updated with more accurate information. As the  
14 project progresses, actual project costs and clearings are tracked monthly against  
15 the AOP budget and then re-forecasted each fiscal quarter based on any  
16 adjustments to project costs and clearing dates. In a collective effort between the  
17 finance group and IT or General Services, the re-forecasted costs and clearings  
18 are updated in the respective budget system.  
19

20 **Q. HOW ARE CAPITAL INVESTMENTS BUDGETED?**

21 **A.** Corporate capital targets are set annually as described by PNM Witness  
22 Buchanan. Every need for investment is identified and each CAT rationalizes and  
23 prioritizes the investments to determine if it should be included in the portfolio.

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1           Once the CAT approves the investment for inclusion in the portfolio, a location  
2           code is identified ensuring the costs of the project are appropriately allocated to  
3           the subsidiary receiving the benefit from the capital project. This process is  
4           described in detail in the testimony of PNM's Witness Peters. A final capital  
5           investment plan is prepared and submitted to senior management for  
6           consideration and approval.

7  
8   **Q.   HOW ARE ALTERNATIVE SOLUTIONS EVALUATED FOR ICAT**  
9   **INVESTMENTS?**

10  **A.**   For corporate technology projects, the formal project management methodology  
11           from the Project Management Institute is followed, which includes stages of:  
12           Initiation, Planning, Execution, Monitoring and Control, and Closeout.

- 13           1. During the Planning stage, the team documents the business requirements  
14           for the project and the team uses those requirements to determine if the  
15           appropriate path is either to upgrade the technology or seek out a  
16           new/replacement technology;
- 17           2. If it is determined to seek a new or replacement technology, then  
18           functional requirements are drafted, the Company Supply Chain  
19           Procurement Group is engaged during the request for proposal ("RFP")  
20           stage to draft the RFP to send to vendors in the industry; thus allowing the  
21           team to evaluate alternative product solutions and system integrators;
- 22           3. Vendor responses are reviewed and scored, product demonstrations  
23           conducted, market terms and conditions are negotiated with the vendor

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1                   and the team makes the final decision on the solution and/or system  
2                   integrator to pursue.

3

4   **Q.   HOW ARE ALTERNATIVE SOLUTIONS EVALUATED FOR FCAT**  
5   **INVESTMENTS?**

6   **A.**   For General Service projects, often an RFP is issued for product solutions and  
7           contractors to perform the work. Alternative solutions are evaluated using cost,  
8           complexity, resource availability, compliance and time. Where an RFP is not  
9           required, the Company can chose to award the project to an existing vendor or  
10          purchase products from suppliers under a current contract. Both internal and  
11          external subject matter experts are involved in the decision-making process.

12

13   **Q.   HOW DOES THE COMPANY ESTABLISH IN-SERVICE DATES FOR**  
14   **ENTERPRISE CAPITAL PROJECTS?**

15   **A.**   The Company sets in-service dates and estimates budget clearings based on  
16           historical trend data and anticipated project start date and duration. However,  
17           given that technology projects are more fluid and business priorities and resource  
18           availability changes during the year, in-service dates and clearings are adjusted  
19           accordingly. Not all projects necessarily meet the original in-service dates;  
20           however the Company has been successful in reforecasting those original in-  
21           service dates when more data is received through the project life cycle.

22

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1       Where necessary, the General Services team works with internal stakeholders  
2       (Finance, Budget, and Procurement) to adjust schedules as needed for best  
3       completion of the project. The Company may have to redirect manpower and  
4       capital toward other emergent projects which can have an impact on in-service  
5       dates. An in-service date may also be delayed on a project due to unforeseen  
6       circumstances such as weather or vendor delays but the approved capital budget  
7       for the period will not change, where trade-offs occur.

8  
9       **Q.    WHAT IS A “TRADE OFF” AND HOW DOES THE COMPANY HANDLE**  
10       **“TRADE-OFFS”?**

11       **A.**    A “Trade-off” is when one project is postponed, cancelled, or expenses or scope  
12       is reduced and the capital dollars are shifted to one or more other projects. During  
13       the year the business priorities and resource availability may change requiring the  
14       Company to redirect manpower and capital toward other emergent projects.  
15       Flexibility in the projects is necessary to ensure the management of unforeseen  
16       events and necessary unbudgeted expenses that can arise during the year. A  
17       process is in place for managing mid-year changes or “trade-offs” to ensure the  
18       funding of necessary, but unbudgeted, capital expenditures, while not exceeding  
19       the Board-approved capital target. The process requires documentation to justify  
20       the new expenditure, the identification of a budgeted project expenditure that will  
21       be reduced to accommodate the new expenditure, and proper approvals. As a  
22       result of this process, some projects may be delayed while others are accelerated  
23       but the total amount of capital invested during the budget period will not change.



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1   **Q.    HOW ARE CAPITAL INVESTMENTS TRACKED?**

2   **A.**Both CAT committees have monthly meetings to review the following:

- 3           1. For total and individual investments, the committees track the monthly  
4           and year-to-date (“YTD”) spend and clearings in comparison to the  
5           budgeted projections (also known as variances);  
6           2. At times, the committee has the project manager attend the meetings to  
7           provide a status on high profile or critical projects.

8

9           **III.   CORPORATE CAPITAL INVESTMENTS DURING THE CAPITAL**  
10           **CLEARING PERIOD**

11   **Q.    WHAT TOPICS DO YOU ADDRESS IN THIS SECTION OF YOUR**  
12   **DIRECT TESTIMONY?**

13   **A.**PNMR has undertaken a capital investment program focused on addressing the  
14   key needs of regulatory compliance, safety and security, reliability, operational  
15   efficiency and aging technology and facilities. In this section of my testimony, I  
16   address PNMR’s more significant capital investments for technology and facilities  
17   during the Capital Clearing Period and will summarize the justification for these  
18   investments. Specifically, I address the technology blankets and the Tier 1 individual  
19   corporate capital technology and General Service projects. The Enterprise Asset  
20   Management (“EAM”) program is the largest corporate project on the portfolio  
21   and I will describe it in further detail due to its uniqueness. The Tier 2 and Tier 3  
22   corporate capital projects are summarized in the testimony below and details are listed in  
23   PNM Exhibit SMM-3 and PNM Exhibit SMM-4.

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1   **Q.   WHAT IS THE TOTAL CORPORATE CAPITAL BUDGET THROUGH**  
2   **THE END OF THE TEST PERIOD?**

3   **A.**The Capital Project Clearings below in Table SMM-1 represent the Linkage, Test,  
4   and five months after the Test Period for the corporate capital budget. Note that  
5   the projects only include clearings that will occur during the identified time  
6   periods.

**TABLE SMM-1**

	Linkage and Test			
Business Segment	Tier 1	Tier 2	Tier 3	Total
Corporate	13,803,456	9,254,393	467,512	23,525,361
General Services	2,584,744	542,989	-	3,127,732
Technology Projects	11,218,712	7,067,308	467,512	18,753,533
Technology Blanket	-	1,644,096	-	1,644,096
Grand Totals by Tier	13,803,456	9,254,393	467,512	23,525,361
	CWIP			
Business Segment	Tier 1	Tier 2	Tier 3	Total
Corporate	23,319,844	2,087,713	341,374	25,748,931
General Services	367,833	-	80,427	448,260
Technology Projects	22,952,011	1,376,937	260,947	24,589,895
Technology Blanket	-	710,776	-	710,776
Grand Totals by Tier	23,319,844	2,087,713	341,374	25,748,931
	Linkage and Test + CWIP = Grand Total			
Business Segment	Tier 1	Tier 2	Tier 3	Grand Total
Corporate	37,123,300	11,342,106	808,887	49,274,292
General Services	2,952,577	542,989	80,427	3,575,993
Technology Projects	34,170,723	8,444,245	728,460	43,343,428
Technology Blanket	-	2,354,872	-	2,354,872
Grand Totals by Tier	37,123,300	11,342,106	808,887	49,274,292

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*A. Technology Blankets*

**Q. PLEASE DESCRIBE WHAT IS MEANT BY A “BLANKET” TECHNOLOGY CAPITAL INVESTMENT.**

**A.** Technology Blankets, also known as Computer Platform Refresh (“CPR”), include materials and labor for design and installation for aging infrastructure that needs to be regularly replaced to maintain the reliability of the computer systems and telecommunications network. While technology blankets represent only 4.7% of the total corporate capital investment during the Capital Clearing Period, the need for these investments is pertinent to the upkeep of aging infrastructure thus ensuring we maintain the reliability of the corporate network and technology used by the Company. Each technology blanket generally is open for 12 months each calendar year to accommodate the equipment purchases and installation needed for that year.

**Q. PLEASE DESCRIBE THE TECHNOLOGY BLANKETS TO BE COMPLETED THROUGH THE END OF THE TEST PERIOD AND THE FACTORS DRIVING THE NEED FOR EACH.**

**A.** The following is a summary of the significant technology blankets:

1. Computer Platform Refresh (CPR) PC: The estimated clearings of \$727,987 include materials and installation related to replacing aging employee workstation equipment such as: personal computers (“PC”s), monitors, cables, keyboards, upgrading memory and hard disk space, and

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1           the like. Replacement of PCs is on a four-year cycle; generally,  
2           manufacturers retire platforms every year to two years but include a three  
3           year warranty period on new hardware, which is the manufacturer's  
4           standard. Costs are estimated based on the installation and configuration  
5           of the new hardware and company PC image. A PC image is a company  
6           standard desktop set-up used for all PNM computers that has all the  
7           standard applications and settings. The primary drivers for replacing this  
8           equipment include: a) increase end-user productivity, b) reduction of  
9           downtime and end-user frustration with problematic hardware, c) support  
10          Commercial Off The Shelf applications that require new platforms with  
11          specific requirements to ensure the software runs properly, and d)  
12          prevention of security violations and virus infections.

13          2. Computer Platform Refresh (CPR) Servers/Storage: The estimated  
14          clearing of \$864,300 include the materials and installation related to  
15          replacing aging computer servers. Replacement of servers is on a four- to  
16          five-year cycle. We track end-of-life and end-of-support dates from each  
17          manufacturer that aid in determining when a server is up for replacement.  
18          In addition, if a server has demonstrated an abnormal number of hardware  
19          errors/defects, it too is placed on the list for replacement. The primary  
20          drivers for replacing this equipment include: a) ensuring we have servers  
21          that are still under warranty thus reducing overhead and vendor support, b)  
22          reduction of license costs, c) conformity with new application

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1 requirements, d) mitigation of cyber security threats, and e) to account for  
2 normal organic growth in the business that requires resource adjustments.

- 3 3. Computer Platform Refresh (CPR) Telecom: The estimated clearings of  
4 \$762,585 include materials and installation related to replacing  
5 commodity equipment (such as switches, routers, firewalls, and the like)  
6 and for circuit carrier-grade equipment (such as power supplies, Universal  
7 Power Supplies and batteries) that support voice and data communications  
8 for the Company. Replacement of telecommunication commodity  
9 equipment averages a three- to five-year cycle based on manufacturer end-  
10 of-life/end-of-support dates in the attempt to stay aligned with the vendor.  
11 The carrier-grade equipment has a longer replacement cycle of more than  
12 five years; however equipment can break in between that cycle requiring it  
13 to be replaced immediately to maintain operations. The primary drivers  
14 for replacing this equipment include: a) ensuring PNM maintains a good  
15 service level on voice and data communications between computer  
16 systems and company facilities; b) ensuring high equipment availability;  
17 c) ensuring equipment is under warranty and supported by the vendor; d)  
18 NERC compliance; and e) mitigation of cyber security threats and  
19 compliance with new industry security protocols.

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***B. Specific IT and General Services Projects***

**Q. PLEASE DESCRIBE THE SPECIFIC TIER 1 CORPORATE PROJECTS TO BE COMPLETED THROUGH THE END OF THE CAPITAL CLEARING PERIOD AND THE FACTORS DRIVING THE NEED FOR EACH.**

**A.** Below is a description of the Tier 1 corporate specific projects which represent 23% of all corporate projects and account for 75% of corporate capital cost clearings. Tier 1 projects are those with \$500,000 or more in clearings for the Linkage, Test, and 5 months after Test periods.

1. Enterprise Data Storage Refresh (EDSR) (ID# 96828614); Clearings \$993,649. This project refreshes our Enterprise Data Storage and core SAN switch hardware and software to modern and supported assets. PNMR relies heavily on the ability to store and rapidly retrieve a growing amount of critical business data. The goal of this project is to replace current expiring leased EMC VMAX Tier 1 storage with a top-performing solution that will provide PNMR with a scalable, high performance, energy efficient, reliable, and secure data storage environment at a cost-effective price.

The EMC VMAX equipment PNMR currently leases must be returned by September 30, 2015, due to lease expiration. PNMR seeks to leverage the

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1 latest data storage improvements to provide a high level of performance  
2 through improved technology, including taking advantage of current  
3 significant price/performance improvements as well as energy  
4 savings. The EDSR project will improve upon current IT customer  
5 service levels, while reducing overall costs.

- 6
- 7 2. Enterprise Trading and Risk Management (ETRM) (ID# 94628013);  
8 Clearings \$885,249. The purpose of this project is to complete  
9 implementation efforts which began in 2014 to stand up and customize  
10 required functionality in a new integrated system, Total Risk Management  
11 Tracker ("TRMTracker"). TRMTracker replaces three existing systems,  
12 all of which are no longer supported by their manufacturers, and combines  
13 their previous functionality. The applications replaced include: a)  
14 Zai\*Net -- principal current system managing trade risk, including Monte  
15 Carlo simulation of the overall effect of various trade positions, most  
16 reporting of risk, and risk threshold alerting, and accounting; b) GasMaster  
17 -- principal gas trading application; and c) CCRM -- used to gather and  
18 evaluate credit risk posed by various counterparties.

- 19
- 20 3. PNM.Com Phase III (ID# 92428015); Clearings \$684,062. This project  
21 provides new system enhancements to the PNM.com website as follow-  
22 on, continuing work from what was performed in 2013 and 2014 under  
23 projects 92428013 (PNM.com Facelift) and 92428014 (PNM.com Phase

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1           2). Specific design and delivery of the following functions and features  
2           are included in the scope of this 2015 project: Authorized Agent role,  
3           Landlord Standby management, Letters of Credit and Statements of  
4           Account. These new system enhancements will provide customers a  
5           channel to complete their transactions on-line, in lieu of contacting the  
6           PNM Call Center. This results in increased customer satisfaction and  
7           reductions in cost by reducing inbound customer call volume.

8  
9           4. E-Mail Archive and E-Discovery Tool Upgrade/Refresh (ID# 96829114);  
10          Clearings \$604,547. This project replaces the current Mimosa e-mail  
11          archive tool which has fully depreciated, is at end-of-life, and does not  
12          have the full functionality the Company needs from an archive tool. As a  
13          result, the Infrastructure, Legal and Records Management teams have  
14          requested this current system be replaced with a newer, more fully  
15          functional system that will improve user efficiency, provide added  
16          capabilities for e-discovery and record searches and reduce overall support  
17          costs.

18  
19          5. Disaster Recovery (DR) Relocation (ID# 96829714); Clearings  
20          \$1,774,331. This project continues from 2014 and involves planning and  
21          implementing a location change of the Company's current Disaster  
22          Recovery ("DR") facility located at a Hewlett Packard facility at Colorado  
23          Springs, CO. Rising costs at this facility warrant the need to relocate to a



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1 new lower-cost facility that can provide the same level of service or better.  
2 Having a reliable and nearby off-site DR facility is critical to PNMR's  
3 business continuity plans, by providing a safe, secure and reliable DR  
4 location to house mission and business critical backup systems and data  
5 records, such as Banner (Customer Information Management), PassPort  
6 (Work and Asset Management), PeopleSoft (Enterprise Resource  
7 Program), ArcFM NM/TX (Geographical Information System), and  
8 ServiceSuite (Workforce Field Management) systems and data.

9  
10 6. Production Cost Expansion Planning Software (ID# 94128314); Clearings  
11 \$792,841. This project replaces current Ventyx Strategist and ProMod  
12 applications, which are used for preparing our Integrated Resource Plan  
13 and Fuel and Purchased Power Cost Adjustment Clause which get filed  
14 with the New Mexico Public Regulation Commission ("NMPRC"), with a  
15 new and supported software tool that provides functionality of both  
16 applications--Aurora XMP from EPIS. Ventyx is retiring their ProMod  
17 and Strategist tools so these products will no longer be supported, which  
18 means PNM will no longer receive vendor calculation updates needed by  
19 the business. Without replacement of these products, PNM will be unable  
20 to accurately forecast earnings, cash flows, and costs. In addition, PNM  
21 would not be able to accurately develop future resource requirements to  
22 serve PNM customers or provide the necessary accurate data that NMPRC

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1 requires relating to resource expansion planning and fuel cost forecasting  
2 for regulatory filings.

3  
4 7. EASE Replacement (ID# 94628714); Clearings \$664,202. The current  
5 Energy Accounting Scheduling Expert (“EASE”) system used at NM  
6 Power Operations was internally developed eight years ago and it provides  
7 specific functionality for Power Operations to include scheduling, energy  
8 accounting, ramping, and energy histories. This current EASE system is  
9 residing on an expensive, outdated and unsupported hardware platform.  
10 By implementing this project we will no longer need to continue to pay  
11 high maintenance costs on the current hardware platform, as it will allow  
12 PNM to procure and implement a stable and vendor-supported system.  
13 Standing up this new platform would significantly reduce staff overhead  
14 time needed to maintain the current EASE system.

15  
16 8. NM/TX Voice System Replacement (ID# 96328314); Clearings \$931,645.  
17 The replacement of the New Mexico and Texas voice systems replaces  
18 out-of-date and unsupported Private Branch Exchange (“PBX”) and  
19 telephone key systems with modern Voice over Internet Protocol  
20 (“VOIP”) technology. Many of the PBX and key systems throughout our  
21 service territories in New Mexico and Texas are hardware-oriented  
22 systems fifteen years old and older. These assets have fully depreciated,  
23 and are no longer supported by the product vendors. Migrating to current

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1 VOIP technology will reduce overall support and maintenance costs, and  
2 provide us greater mobility, flexibility, and performance. Costs associated  
3 with Texas are not being allocated to PNM. Only the assets belonging to  
4 PNM are included in this rate case.

5  
6 9. Data Center Network Refresh (ID# 96832514); Clearings \$825,927. This  
7 multi-year project that started in 2014 replaces/upgrades infrastructure  
8 core switches and firewalls in the data center which are ten years old and  
9 at end of life (normal obsolescence is three to five years). Additionally, the  
10 new equipment to be installed will be segmented to enhance overall  
11 network security, and eliminate the risk of having one data center and one  
12 single point of failure, as it is today.

13  
14 10. Oracle BFIS (ID# 94128114); Clearings \$753,968. This project  
15 implements the Oracle BIFS - Business Intelligence Foundation Suite - for  
16 Financials and HR, and integrates directly with our current PeopleSoft  
17 Financials and HR system. The key driver for this project is to standardize  
18 business intelligence and reduce proliferation of one-off reporting  
19 solutions in our environment. Ultimately, reporting using a PeopleSoft-  
20 compatible tool lowers overall support costs for both BTS and the CFO  
21 group.

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1           11. Operations Technology Support DMZ (ID# 94128015); Clearings  
2           \$1,591,289. With the advent of NERC Critical Infrastructure Protocol  
3           ("CIP") CIP V5, qualifying assets have increased requirements for cyber  
4           security capabilities. The DMZ provides a method of connecting various  
5           networks without each network accessing each other directly. A DMZ is a  
6           common component of network architectures seen across many industries  
7           as an additional layer of security. The DMZ utilizes servers, firewalls,  
8           and software that protect the various networks from viruses and other  
9           security threats, as well as hardware and software that authenticates secure  
10          traffic and rejects unauthorized connections. Software in the DMZ will  
11          also monitor assets within the operational networks and provide  
12          notifications of changes for good security practices as well as for NERC  
13          CIP compliance reporting. Failure to comply with NERC CIP  
14          requirements could result in potentially large fines.

15  
16          12. MS SCCM (ID# 96829315); Clearings \$565,347. This project updates  
17          Microsoft System Center Configuration Manager ("SCCM") to the latest  
18          supported 2012 version to be compatible with Microsoft Active Directory  
19          2012 release 2, and implements this software solution on a new hardware  
20          platform consisting of multiple servers which is Microsoft's optimal  
21          recommendation for efficiency and redundancy. Implementation of this  
22          project will ensure our SCCM product is more robust and redundant by  
23          upgrading off of a single server hardware instance, and bringing us up to a

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1 software release that is fully secure and supported. Microsoft SCCM is a  
2 Windows product that enables administrators to manage the deployment  
3 of applications and security products across the enterprise, and is  
4 considered one of our critical, security-related systems.

5  
6 13. Sigma Flow Change Management (ID# 94128515); Clearings \$652,531.

7 This project implements a new change management system that allows us  
8 to meet NERC CIP V5 regulatory requirements. Specifically, a change  
9 management process is required in PNMR utility operations areas to align  
10 with NERC CIP 010-3 R1 and R2. The current Service-Now change  
11 management platform cannot be used for NERC CIP 010-3 due to the  
12 sensitivity of information contained in configuration and change records.  
13 A new system is required to assure that change management processes are  
14 aligned with CIP 010-3, and do not expose data to unauthorized access.  
15 The change management system must also align with PNMR's  
16 Information Protection Program.

17  
18 NERC CIP requirements are very specific regarding the need to keep  
19 sensitive information secured. As the Service Now system is hosted on a  
20 cloud solution by an outside vendor who has administrator-level rights,  
21 this tool has no method for PNMR to ensure the data is kept secure and  
22 that the data is not accessed by non-approved parties.

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1           14. Downtown Security and NERC Equipment Upgrades (ID# 97730514);

2           Clearings \$2,298,205. This project will improve and expand the  
3           Downtown Security Operations Center ("SOC"). The continuous and fast  
4           growing physical security compliance requirements under NERC CIP 006-  
5           6 and NERC CIP 014-1 has mandated new and improved protective  
6           measures for high, medium, and low impact Bulk Electric Cyber Systems.  
7           The current SOC is set up with three separate physical security video  
8           platforms, maintaining video and alarm surveillance for three substations,  
9           two generation plants, the primary and backup control centers, wholesale  
10          power marketing, corporate headquarters, data center, and several New  
11          Mexico operations facilities, maintaining over 200 cameras. The SOC  
12          also maintains the C-Cure 800 Physical Access Control System for all  
13          CIP alarms at all the high, medium, and low CIP areas and other limited  
14          access restricted areas. The SOC also houses building fire system alarm  
15          panels, panic alarms, elevator alarms and other systems. CIP 006 and 014  
16          have brought on physical security hardening efforts which will bring on  
17          several PNM facilities into scope which will require expansion of the  
18          current video platforms. The purchase of a new video wall system will  
19          have updated technology that would incorporate all the video and security  
20          systems into one seamless interface. The current SOC does not have room  
21          to expand which will be needed. Moving to a larger facility will not only  
22          meet the current needs and requirements, it will have the room for future

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1 expansion as well as the ability to meet the requirements of never ending  
2 compliance standard changes.

3  
4 **15. Downtown Building Improvements (ID# 97730515); Clearings \$654,372.**

5 In 2015, this project will fund the downtown Headquarters Building  
6 improvements including repaving the west parking lot, installing a  
7 building communication system on all floors downtown, and completing  
8 the wiring/cabling for the BTS Storage building project that started in  
9 2014. The west parking lot is in disrepair. To maintain safety, there is a  
10 need to replace the asphalt. There is not currently a central  
11 communication system for the Headquarters Building. This project  
12 involves installing monitors on each floor to provide information (e.g.,  
13 evacuation directions, program updates, meeting and conference locations,  
14 etc.) that can be centrally managed on a real-time basis. The balance of  
15 the cabling/wiring for the BTS storage building will be completed by this  
16 project. This will provide the network capability for system/equipment  
17 testing.

18  
19 ***C. Enterprise Asset Management ("EAM")***

20 **Q. PLEASE DESCRIBE THE EAM.**

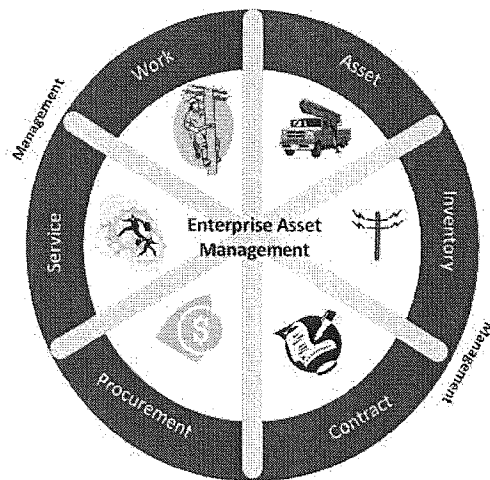
21 **A.** The EAM solution (ID# 96829826) has clearings of \$22,451,136 and provides  
22 optimal lifecycle management of physical assets. It covers subjects including the

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design, construction, commissioning, operations, maintenance and decommissioning/replacement of plant, equipment and facilities.

The EAM is accessed by over 900 enterprise-wide users and directly supports the PNM transmission, distribution, and generation organizations with respect to the six management areas below:

- Asset management - Achieve the control needed to more efficiently track and manage asset and location data throughout the asset lifecycle.
- Work management - Manage both planned and unplanned work activities, from initial request through completion and recording of actuals.
- Service management - Define service offerings, establish service level agreements, more proactively monitor service level delivery and implement escalation procedures.
- Contract management - Gain complete support for purchase, lease, rental, warranty, labor rate, software, master, blanket and user-defined contracts.
- Inventory management - Know the details of asset-related inventory and its usage including what, when, where, how many and how valuable.
- Procurement management - Support all the phases of enterprise-wide procurement such as direct purchasing and inventory replenishment.





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1    **Q.    WHAT IS THE DRIVER BEHIND THE EAM?**

2    **A.**This is a two-year program with the objective of providing the Company with  
3           enhanced capabilities in the Work and Asset Management (“WAM”) end-to-end  
4           process and to realize its full benefits for customers, employees and shareholders.  
5           The Company’s current WAM system is Passport v10 which is used by over 900  
6           users. Not only does PNMR not have a current support agreement with Ventyx,  
7           the vendor, the ability to maintain Passport’s life beyond 2017 is limited. It also  
8           does not have the advanced functionality that is needed to support the  
9           Transmission and Distribution, Generation and Procurement operations; such as a  
10          robust job scheduler, improved process and work flows, and mobile capabilities.  
11          Rather than purchasing stand-alone systems to support advanced capabilities  
12          needed, and given the Company’s current IT environment and future business  
13          needs, management determined that a better solution would be to retire some of  
14          the outdated, functionality deficient and unsupported systems and install a  
15          consistent and comprehensive long-term EAM solution.

16

17   **Q.    WHAT ARE THE BENEFITS OF IMPLEMENTING THE EAM?**

18   **A.**The following benefits are expected from moving forward with the  
19          implementation of a new EAM solution and achieving the objectives of the  
20          program:

- 21               1. Reducing cyber security risk is a Company priority as threats continue to  
22               increase in the industry. PNMR has an opportunity to reduce this risk

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1 through modernizing the technologies and retiring the functionally  
2 deficient and unsupported systems used in WAM business processes;

3 2. Investing in a comprehensive long-term EAM solution provides PNMR  
4 with the technology necessary to address current and future business needs  
5 including the addition of mobile capabilities;

6 3. Achieving standardization in business processes and practices for WAM  
7 across the utility through leveraging the planned EAM technology  
8 replacement;

9 4. Reducing total system support costs by deploying new EAM without  
10 customizations by retiring obsolete systems and consolidating  
11 functionality into EAM products;

12 5. Providing stronger alignment in staffing and processes in operations by  
13 providing an effective decision making structure utilizing new EAM  
14 operating and governance models;

15 6. Using operational data analytics to measure, track and report progress and  
16 track current status of capital projects by incorporating a 'closed-loop'  
17 performance management model.

18  
19 **Q. PLEASE SUMMARIZE THE TIER 2 CORPORATE PROJECTS TO BE**  
20 **COMPLETED THROUGH THE END OF THE CAPITAL CLEARING**  
21 **PERIOD.**

22 **A.** Corporate Tier 2 projects have more than \$100,000 and less than \$500,000 in  
23 clearings for the Linkage, Test, and 5 months after Test periods. Refer to PNM

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1 EXHIBIT SMM-3 for details on each of the individual projects. In summary,  
2 some of the Tier 2 projects include:

- 3 1. General Service projects that improve buildings/facilities and security  
4 equipment in Santa Fe and the Emergency Response Center.
- 5 2. Technology projects in the Microsoft (“MS”) Upgrade Program which  
6 includes upgrading MS products to the latest version like: MS Exchange,  
7 MS Active Directory, MS SharePoint, and MS Lync.
- 8 3. Technology projects in the Lifecycle Management Program that include  
9 modernizing applications, tools, and hardware through upgrading or  
10 replacing the product. Examples of these projects include: a) Replacing  
11 OpenPages (Company SOX control application), b) upgrading the  
12 technology platform for Banner (Company Customer Information System  
13 (“CIS”), and c) upgrading Sales Logix (Company Customer Relationship  
14 Management system supporting customer segments for large customers,  
15 industrial, and small businesses), and transition from Windows 2003.
- 16 4. Technology projects that support the PNM customer experience such as:  
17 a) enhancing Banner CIS with additional capabilities to support the end  
18 customer, b) expanding on features on PNM.com customer website that  
19 provide customers with additional self-service options like setting up their  
20 own “move-in” and “move-out” dates; c) adding functionality in Banner  
21 CIS to support PNM’s Customer Solar Energy program; and d) enhancing  
22 the customer service business intelligence analytics.

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- 1           5. Technology projects that support Energy Trading and Risk Management  
2           ("ETRM") business functions such as: a) implement Deferred Energy  
3           Reporting and Accounting, Transmission Reliability Invoicing, and  
4           Derivative Accounting updates to TRM Tracker and address other  
5           functionality that was deferred during ETRM project Phase 1  
6           (ID#94628013); b) implementing a data management portal for the  
7           Wholesale Power Marketing group; c) implementing a Unit Commitment  
8           software solution that would calculate the least-cost dispatch of available  
9           generation resources to meet the electrical load for the state.
- 10          6. Technology projects that support IT infrastructure and Information  
11          Security such as: a) implementing the next generation enterprise internet  
12          firewalls to protect against emerging, advanced, and persistent Internet-  
13          based security threats; b) Identity Management Phase 2, which implements  
14          enhancements to our access management application to ensure compliance  
15          with NERC CIP V5 and Sarbanes-Oxley ("SOX") regulatory requirements  
16          and standards; c) upgrading the Company's data back-up, storage  
17          hardware and software assets to the latest supported technology standards;  
18          d) implement the INTEL McAfee Endpoint Protection Advanced Suite as  
19          a replacement for the existing end point protection system tool, which is  
20          needed to protect the Company's systems and data, by addressing the on-  
21          going and changing cyber security threats.
- 22

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1   **Q.   PLEASE SUMMARIZE THE TIER 3 CORPORATE PROJECTS TO BE**  
2       **COMPLETED THROUGH THE END OF THE CAPITAL CLEARING**  
3       **PERIOD.**

4   **A.**   Tier 3 projects are investments \$100,000 or less in clearings for the Linkage, Test,  
5       and 5 months after Test periods. Refer to PNM Exhibit SMM-4 for details on  
6       each of the individual Tier 3 projects. In summary, some of the projects include:

- 7           1. General Service projects that enhance the equipment in the graphics  
8           department.
- 9           2. Technology projects that support the Information Security program such  
10          as: a) implement a Host-Based Intrusion Detection System  
11          Implementation to reduce the risk of system compromise and potential  
12          impact to data confidentiality, integrity, and availability, b) Event  
13          Monitoring Tools to enable the Company to analyze, detect, and respond  
14          to unauthorized use or intrusion into corporate systems, c) implement new  
15          governance, risk management and compliance tools to enable more  
16          effective information sharing/reporting to avoid wasteful overlaps and  
17          duplications of tasks by different groups in the Company, d) Information  
18          Security platform upgrade to ensure our operational systems remain  
19          secure, stable, and running optimally.

20

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**IV. CONCLUSIONS**

1

2   **Q.   DO YOU HAVE ANY CONCLUDING OBSERVATIONS?**

3   **A.**   Yes. PNMR supports PNM through managing the corporate capital budget for  
4       technology, facilities, equipment, and furniture. PNMR strives to minimize  
5       customer costs; through its project assessment review process. The corporate  
6       capital investments are prudent and necessary to provide the tools, systems, and  
7       facilities needed to serve customers. PNMR has a rigorous and structured process  
8       for identifying and prioritizing capital investment in advance of its need and for  
9       handling unforeseen events that change the business priorities and when the  
10      technology industry changes rapidly. Therefore, the Capital Investment Period  
11      capital costs are reasonable and necessary.

12

13   **Q.   DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

14   **A.**   Yes.

*GCG#520347*

Resume of Sheila M. Mendez

# PNM Exhibit SMM-1

Is contained in the following 3 pages.

## Sheila Mendez, PMP

A technology and business visionary who is a strategic senior leader in the customer service business of delivering innovative, effective and valued IT solutions and services across the enterprise for 24 years. Enthusiastic, creative, and positive thought leader, with excellent people and communication competencies, who drives solutions to complex problems.

### Qualification Highlights:

- Demonstrated achievement in delivering multi-million dollar projects
- Merger, acquisition, and divestiture experience
- Strategic and tactical planning and execution
- Portfolio management and governance
- Information management policy development
- Relationship management and collaboration
- Certified Project Management Professional
- Lean Six Sigma
- ITIL certified
- Organizational change management
- Effective communicator with all levels in the organization
- IT benchmarking and measuring key performance indicators
- Budget, forecasting, and supplier management
- Software development life cycle
- Global delivery model

### Benchmark and Milestones:

- Led the development of an Enterprise Technology Strategy and formation an Enterprise Technology Steering Committee (ETSC) to govern the future technology (IT and OT) needs for the company.
- Led the one year IT de-integration efforts on a \$320m divestiture of TX competitive businesses with a cross-functional team of 50+ technology and business professionals
- Led the 18 month IT de-integration efforts on a \$620m gas company sale with a matrix team of 100+ technology and business professionals
- Negotiated and deployed an Test Center of Excellence (TCOE) with a global strategic sourcing partner
- Designed and implemented an IT Portfolio and Maturity Model, with an improved capital project portfolio process, resulting in the PNMR Board of Directors increasing investment in technology by 175% over three years.
- Achieved 10% savings in hardware and software contracts through a 10-month contract management initiative

### Professional Experience:

#### PNM Resources Inc.

**IT Director of PPMO & Quality**

**October 2010 – Present**

**IT Director of Account Management**

**April 2006 – October 2010**

- Responsible for the strategic and operational leadership and direction for the departments of: Portfolio and Program Management, Quality Assurance, and Account Management.
  - Portfolio and Program Management includes the Program and Project Management Office, portfolio management, project governance, continuous process improvement, and strategic planning
  - Quality Assurance includes IT Service Management (management of incident, problem, release, change, configuration), quality control and Test Center of Excellence (TCOE), process quality and governance, metrics, and audit compliance
  - Account Management provides consulting and liaison services with each business unit within corporate and company subsidiaries.



- Lead an organization across NM and TX including onshore and offshore managed services partner
- Lead and participate in development of technology, IT and business strategies, and operating plans
- Currently leading a \$35m Enterprise Asset Management program for the enterprise through mid-2017; that has a large implication on modernizing technologies and business processes and organization change management
- Manage over \$32m annual operational budget and \$13m-\$25m annual capital budget
- Negotiate multiple software and services contracts that range in amounts of \$100k-\$4m
- Led the IT de-integration of the two Texas competitive energy subsidiaries resulting in:
  - Transition Services Agreement (TSA)
  - Decommissioned and transferred over 700 hardware assets and 50 applications
- Led the IT de-integration of the gas company resulting in:
  - Zero (0) unplanned disruptions to the electric or gas business
  - Transition Services Agreement (TSA)
  - Decommissioned and transferred over 1500 hardware assets and 70 gas applications
- Participated in evaluation and selection of a strategic outsourced partner to deliver application, infrastructure and data center services, and TCOE
- Team delivers on average of 60+ projects per year with a consistency of meeting 99% of project deliverables within 2% variance in budget and schedule

**PNM Resources Inc.****August 2005 to April 2006****IT Account Manager and Acting Director of IT Account Management**

- Defined department strategic direction and managed department budget
- Managed stakeholder relationships and participated in developing business strategy
- Established account management model, department operating plan, and related account management plans
- Established a prioritization process to evaluate all client requests
- Mapped out technology and applications utilized for business clients such as re-engineering the TX electric outage calls processes and implemented Interactive Voice Response (IVR) technology

**Public Service Company of New Mexico (PNM)****May 1999 to August 2005****IT Manager and Acting Director for Customer Service IT (CSIT)**

- Strategic planning for the Customer and Market Services and the CSIT department
- Managed \$2.6m annual operating budget and \$6m annual capital budget
- Ensured the Customer Information System (CIS) and supported customer service systems were Y2K ready and compliant
- Implemented systems such as: IVR system, CIS data marts, CIS batch scheduler, accounts receivable reconciliation and related upgrades
- Participated on a NM Consortium group that consisted of three NM electric and gas utilities and the CIS vendor, to develop a NM based CIS utilizing the base product
- Proposed Zero Modification Approach (ZMA) for CIS that would result in 10% reduction in cumulative cost per billed account and extend asset life by seven years over traditional approach

**City of Albuquerque****July 1992 – May 1999****Applications Development Coordinator, Senior Systems Analyst, and Systems Analyst**

- IT client relationship liaison for Human Resource, Community Relations, Albuquerque Police Department, Risk Management, and Finance departments. Responsible for solution and service delivery and development of account plans
- Managed and supervised the GEAC Financial Team, who maintained 15 citywide mission critical financial applications
- Proposed, planned, and implemented the city's document management and imaging system
- Led the planning efforts for Y2K system preparation
- Developed process for project initiation, planning, and tracking

**Education and Certifications:**

- B.B.A. in Business Computer Systems, University of New Mexico, 1991
- Project Management Professional (PMP) certification, Project Management Institute (PMI), 2009
- ITIL V3 Foundations Certification, 2010
- ITIL Service Offerings and Agreements Certification, 2011
- Utility Executive Course, University of Idaho, 2012

**Achievements:**

- Leadership Albuquerque Class of 2010, Greater Albuquerque Chamber of Commerce
- NM Technology Council Board of Directors (2013-present)
- UNM Alumni Letterman's Association Board of Directors 2012-Present (2014-2017 Officer)
- Greater Sandoval County Chamber of Commerce (GSCCC) Board of Directors 2011-2015 (former Treasurer)
- 2013 Woman of the Year for Leukemia & Lymphoma Society
- Designed and co-lead a 12-month company leadership program for officer selected high-potential leaders

PNMR Corporate Tier Level 1 Capital Projects

# PNM Exhibit SMM-2

Is contained in the following 77 pages.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

**Electronic Instructions:**

To view detailed costs for each project, click project to highlight then Press "CTRL" and left click on mouse.  
To return back to index from detailed costs, click "CTRL" and "Home"

Thursday, August 06, 2015  
12:00:52 PM

**PNM EXHIBIT SMM-2 PNMR Corporate Tier Level 1 Capital Projects**

	Link/Test	CWIP	Total
<b>Contents</b>			
<b>General Services .....</b>	<b>\$2,584,744</b>	<b>\$367,833</b>	<b>\$2,952,577</b>
Project No:97730514 Downtown Security and NERC Equipment Upgrades .....	\$2,252,937	\$45,268	\$2,298,205
Project No:97730515 Downtown Building Improvements .....	\$331,807	\$322,565	\$654,372
<b>Technology Projects.....</b>	<b>\$11,218,712</b>	<b>\$22,952,011</b>	<b>\$34,170,723</b>
Project No:92428015 PNM.Com Phase III .....	\$684,062	\$0	\$684,062
Project No:94128015 Operations Technology Support DMZ .....	\$1,591,289	\$0	\$1,591,289
Project No:94128114 Oracle BIFS .....	\$753,968	\$0	\$753,968
Project No:94128314 Production Cost Expansion Planning Software .....	\$792,841	\$0	\$792,841
Project No:94128515 Sigma Flow Change Management .....	\$652,531	\$0	\$652,531
Project No:94628013 ETRM .....	\$885,249	\$0	\$885,249
Project No:94628714 EASE Replacement .....	\$664,202	\$0	\$664,202
Project No:96328314 NM/TX Voice System Replacement .....	\$931,645	\$0	\$931,645
Project No:96828614 Enterprise Data Storage Refresh (EDSR) .....	\$993,649	\$0	\$993,649
Project No:96829114 E-Mail Archive and E-Discovery Tool Upgrade/Refresh .....	\$604,547	\$0	\$604,547

PNM EXHIBIT SMM-2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project No:96829315 MS SCCM .....	\$565,347 .....	\$0 .....	\$565,347 .....	59
Project No:96829714 DR Relocation .....	\$1,774,331 .....	\$0 .....	\$1,774,331 .....	64
Project No:96829826 Enterprise Asset Management .....	\$0 .....	\$22,451,136 .....	\$22,451,136 .....	68
Project No:96832514 Data Center Network Refresh .....	\$325,052 .....	\$500,875 .....	\$825,927 .....	73
<b>Totals for Report .....</b>	<b>\$13,803,456.....</b>	<b>\$23,319,844.....</b>	<b>\$37,123,300</b>	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

## General Services

### *Project No: 97730514 Downtown Security and NERC Equipment Upgrades*

Company: 007-PNMR Services Co  
Location: 977-Corp Alloc Downtown Buildings

Project Information  
Construction Start Date 7/1/2015  
Estimated Completion Date 12/31/2015

List Interim In-Service Dates

0

#### Project Need Justification

This project will improve and expand the Downtown security operations center (SOC). The continuous and fast growing physical security compliance requirements under NERC CIP 006-6 and NERC CIP 014-1 has mandated new and improved protective measures for High, Medium, and Low Impact BES Cyber Systems. The current SOC is set up with three separate physical security video platforms, maintaining video and alarm surveillance for three substations, two generation plants, the primary and backup control centers, wholesale power marketing, corporate headquarters, data center, and several New Mexico Operations facilities, maintaining over 200 cameras. The SOC also maintains the C-Cure 800 Physical Access Control System (PACS) for all CIP alarms at all the High, Medium, and Low CIP areas and other limited access restricted areas and will be incorporating any current Kantech PACS systems into the C-Cure 800/9000 PACS, thus turning over all monitoring over to the SOC. The SOC also houses building fire system alarm panels, panic alarms, elevator alarms and other critical security and safety systems. CIP 006 and 014 has brought on physical security hardening efforts which will bring on several PNM and TNMP facilities into scope which will require expansion of the current video platforms. The purchase of a new video wall system will have updated technology that would incorporate all the video and security systems into one seamless interface. The current SOC does not have room to expand and will not be sufficient for anticipated future space needs. Moving to a larger facility will not only meet the current needs and requirements, it will have the room for future expansion as well as the never ending changes of compliance standards.

The site selected is a PNM owned facility which is currently empty. It was selected due to the size and location (across from Corporate HQ). All vendors for the renovation and security and video install were selected based on current and active contracts and maintenance agreements.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

#### Project Alternatives

An alternative to this project is to renovate and expand the existing SOC. This would increase the size of the SOC, giving some expansion room to the current video platforms and other security systems. A counter effect in doing a renovation would be that it will decrease the temporary office and storage space on the current Headquarters' building first floor. Since anticipated growth will soon outgrow this temporary space, this solution would be temporary and wasteful of the renovation investment. Initially moving SOC to a more favorable location avoids this wasteful spending.

#### Technical Aspects

This project involves the design, construction, purchase of equipment, and installation of the security and building maintenance equipment. This will include cabling, fiber runs, a new expanded video wall with a seamless interface, video and security system head ends, elevator call boxes (alarms), fire control panel, intercom system, 911 communications interface, base station radio with antenna, three workstations with computers, a small break and restroom area with a sink, refrigerator, microwave, table and chairs, badge office with one computer workstation, video and ID and access card making equipment and customer desk. This will also include access control for the SOC entrance, building entrance, waiting area and badge office.

#### Project Estimate Approach

The estimated costs for the SOC project are based on four major cost categories for the new SOC: Design, renovation, materials, and services. The first steps to renovate the area of the new SOC, adding and removing existing walls, rooms etc., as well as the abatement of existing asbestos in the area. Based on contracts with construction contractors, the overall cost is calculated for the project. The second step is to develop a design of the project which enables the development of the other two major cost categories: materials and services. The design of the project provides an estimate for all the security and building maintenance equipment that is required in the SOC. Based on contracts with material vendors, the overall material cost is calculated for the project.

The last is to develop the cost of the required services (labor) for the project. The overall service cost is based upon both contractor estimates and recent work that PNM has performed. The contractors that have provided the estimates have supported a number of PNM projects over the years including projects of similar size and scope. The costs for all of these components were combined to establish the overall project estimate.

50% of the costs are for the video wall/VMS system and the design and setup of phase of the project. 20% is estimated for the abatement of asbestos and 30% is estimated for renovations of the building area being used for the SOC.

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 01

Project	97730514	Year	2015	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type													
	110-Straight Time-General	0		0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0		0	0	150,000	0	250,000	100,000	208,000	208,000	208,000	208,000	1,332,000
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	201	738	1,209	1,625	2,187	2,750	3,315	12,025
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	150,201	250,738	101,209	209,625	210,187	210,750	211,315	1,344,025	
	825-Clearings	0		0	0	0	0	0	0	0	0	-1,344,024	-1,344,024	
	Clr Sum	0		0	0	0	0	0	0	0	0	-1,344,024	-1,344,024	
Proj Net		0		0	0	150,201	250,738	101,209	209,625	210,187	210,750	-1,132,709		1

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	97730514	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	1,332,000	138,671	138,671	170,671	173,671	132,320	45,000	0	0	0	0	0	9,000	0	0	2,288,675
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	12,025	169	492	849	1,205	1,569	53	1,952	133	120	107	108	0	0	0	18,783
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	1,344,025	138,840	139,163	171,520	175,240	134,272	45,053	107	108	9,120	133	0	2,307,458	0	0	2,307,458
825-Clearings	-1,344,024	0	0	0	0	-908,912	0	0	0	0	0	0	-54,521	0	0	-2,307,457
Clr Sum	-1,344,024	0	0	0	0	-908,912	0	0	0	0	0	0	-54,521	0	0	-2,307,457
Proj Net	1	138,840	139,163	171,520	175,240	-774,640	45,053	107	108	9,120	-54,388	0	1	0	0	1

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	7730514	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	2,288,675	0	0	0	0	0	0	0	0	0	0	0	0	0	2,288,675
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	18,783	0	0	0	0	0	0	0	0	0	0	0	0	0	18,783
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	2,307,458	0	0	0	0	0	0	0	0	0	0	0	0	0	2,307,458
	825-Clearings	-2,307,457	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,307,457
	Clr Sum	-2,307,457	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,307,457
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 97730515 Downtown Building Improvements***

Company: 007-PNMR Services Co  
Location: 977-Corp Alloc Downtown Buildings

Project Information  
Construction Start Date 3/1/2015  
Estimated Completion Date 12/31/2015

List Interim In-Service Dates  
0

#### Project Need Justification

In 2015, this project will fund downtown building improvements including repaving the Downtown West parking lot, installing a building communication system on all floors downtown, completing the wiring/cabling for the PNM Business Technology Services (BTS) Storage building project that started in 2014, and renovation of the second floor of PNM's Downtown Annex building. The \$650k budget was established as placeholder for Corporate projects, and projects were prioritized and estimated based on that budget total.

- 1) The Downtown West parking lot is in disrepair and in need of asphalt replacement to maintain safety. Without renovating this lot, there could be vehicle accidents and safety claims.
- 2) There is not currently a central communication system for the Downtown building. This project involves installing monitors on each floor to provide information (e.g., evacuation directions, program updates, meeting and conference locations, etc.) that can be centrally managed on a real-time basis.  
This will provide current, accurate communication for all downtown building occupants.

- 3) The balance of the cabling/wiring for the BTS storage building will be completed from this project. This will provide the network capability for system/equipment testing. The risk of not doing this work would mean the building systems are inoperable.

- 4) This funding will also renovate the second floor of the Annex building which is currently mothballed, and will be used for office space for the General Services' Team (Administration and Security). The space will meet the current downtown space standards and will make better use of the Annex. This will also allow for future expansion of two floors in the Headquarters building where there is currently no more office space. The current situation does not provide efficient use of the Annex space, and does not provide for contingent work space or growth area in the Headquarters' building.  
(Note: this project differs from 97731614, as that project is for "Life Safety Code Upgrades" that are mandated by a local, state or federal agency.)

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

1) Asphalt Replacement – The alternative is to continue the ongoing repair and maintenance of the Downtown West parking lot. This could impact safety for vehicles driving and parking there due to weather conditions and continued pavement deterioration.

2) Downtown Communication System - The alternative is to continue with the current communication medium of posting flyers and e-mail; and not having the ability to communicate important information real-time via a centrally controlled communications system. A central communication system was suggested after PNM personnel visited other facilities with a similar system. PNM's San Juan Generating Station currently has such a system. System needs are being evaluated and then the project will be put out to bid and options will be reviewed. A centralized system is needed for quick, efficient communication to all areas of the building for items such as emergency notification, meeting planning, corporate and safety messages, and building events. Currently, these messages are delayed and not communicated to building occupants effectively.

3) BTS Storage Building - Since this project involves completing the wiring/cabling of the BTS Storage building, the only alternative is to not completely wire/cable the building which makes the building unusable. The installation of new cabling will make for efficient use of the building on a long-term

#### Technical Aspects

1) Asphalt Replacement: Replacing the asphalt in the Downtown West parking lot. This involves removal of the current asphalt, disposal, and replacement with new asphalt.

2) Downtown Communication System: After obtaining bids for a communication system, it is anticipated that this project would include cabling and installation of electronic video monitors on each floor and a central keyboard and control system.

3) BTS Storage Building: Installing CAT6 cabling for network access in the BTS Storage building. Outside contractors will not be removing any materials but installing new cabling for fast, efficient connectivity.

4) Annex Building Second Floor Renovation: The project would include replacement of HVAC, flooring, lighting, plumbing, and security card access. Outside labor includes removal and disposal of current walls, flooring, and windows; limited asbestos remediation; installation of new flooring, lighting, HVAC, restrooms, and furniture.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project Estimate Approach

- 1) Asphalt Replacement: This project is anticipated to be 15% of the total budget. Bids will be reviewed by the Supply Chain Analyst and Building Maintenance Supervisor with a defined scope. This will be 100% completed by outside labor.
- 2) Headquarters' Communication System: This project is estimated to be 20% of the overall budget. It is anticipated that 95% of the project installation would be external contractors, with 5% internal BTS programming support.
- 3) BTS Storage Building: This project is estimated to be 23% of the overall budget. This work will be performed 100% by outside contractors.
- 4) Annex Building Second Floor Renovation: This project is estimated to be 42% of the overall budget. Work will be performed 100% by outside contractors.
- 5) Annex building renovation – This project will utilize current vacant owned real estate which is not being used effectively. The work on the Annex could be postponed but could lead to a space shortage and continued inefficient use of an asset.

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 01

Project	97730515	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	Bal 3/31/15											
	110-Straight Time-General	0		0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0		0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0		0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0		0	0	0	0	0	59,000	0	0	0	329,000
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	381-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	134	349	604	806	887	0	0	0	2,807
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM/D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		20,027	60,134	100,349	90,604	59,806	887	0	0	0	331,807
	825-Clearings	0		0	0	0	0	0	0	-331,807	0	0	-331,807
	Clr Sum	0		0	0	0	0	0	0	-331,807	0	0	-331,807
	Proj Net	0		20,027	60,134	100,349	90,604	59,806	-330,920	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	97730515	Year	2016	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type																	
110-Straight Time-General				0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General				0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental				0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major				0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	329,000		0	25,000	25,000	120,000	115,000	25,000	0	0	0	0	5,000	0	27,700	0	676,700
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services- Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-It Proj Bills to PNMA-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	2,807		0	30	69	268	547	722	767	778	822	848	7,820	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	331,807		0	25,030	5,064	69	25,098	120,268	115,547	25,722	5,767	778	28,522	848	684,520		
825-Clearings	-331,807		0	0	0	0	0	0	0	0	0	0	0	0	0	-352,712	-684,519
Clr Sum	-331,807		0	0	0	0	0	0	0	0	0	0	0	0	0	-352,712	-684,519
Proj Net	0		0	25,030	5,064	69	25,098	120,268	115,547	25,722	5,767	778	28,522	-351,864	1		

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	97730515	Year	2017	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type																	
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	676,700	0	0	0	25,000	0	0	0	0	0	0	0	0	0	0	0	701,700
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	7,820	0	0	0	49	0	0	0	0	0	0	0	0	0	0	0	7,869
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	684,520	0	0	25,049	0	0	0	0	0	0	0	0	0	0	0	0	709,569
825-Cleanings	-684,519	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-684,519
Clr Sum	-684,519	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-684,519
Proj Net	1	0	0	25,049	0	0	0	0	0	0	0	0	0	0	0	0	25,050



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

## Technology Projects

### *Project No: 92428015 PNM.Com Phase III*

Company: 007-PNM Services Co  
Location: 924-Corp Alloc Customer Count

Project Information  
Construction Start Date 2/11/2015  
Estimated Completion Date 8/20/2015

#### List Interim In-Service Dates Project Need Justification

This project provides new system enhancements to PNM.com website as follow-on, continuing work from what was performed in 2013 and 2014 under projects 92428013 (Pnm.com Facelift) and 92428014 (Pnm.com Phase 2). Specific design and delivery of the following functions and features are included the scope of this 2015 project: Authorized Agent role, Landlord Standby management, Letters of Credit and Statements of Account. These new system enhancements will provide customers a channel to complete their transactions on-line, in lieu of initiating calls to PNM Call Center. This results in increased customer satisfaction and reductions in cost by reducing inbound customer call volume.

#### Project Alternatives

One alternative was to do nothing, which would result in limiting our ability to provide more customer-facing features requested by our residential and commercial customers and PNM Customer Service management. Additionally, doing nothing would not lessen the already high call center call volume.

The second alternative was to find and implement an off-the-shelf software solution that could meet all of the needed technical and functional specifications for this project. At review, it was determined that integrating an off the shelf product with our existing systems would exceed the cost of developing these capabilities in-house.

The final alternative was to implement this follow-on design and development work to PNM.com functionality, which builds upon design and development work that was implemented in 2013 and 2014. This was our chosen alternative. Vendor implementation support for this project, as with our subsequent two PNM.com projects is being performed by Cognizant, who is a preferred vendor on multi-year contract with PNM to provide IT application support on our Banner Customer Information System and PNM.com website. Given the history and amount of knowledge that Cognizant has gained over the years on our needs to improve PNM.com functionality and ease of use by our customers, continued Cognizant support to develop and implement these enhancements was the most logical and cost-effective alternative.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

#### Technical Aspects

The project entails Cognizant's design and development of code to implement these new enhancements. Implementation will include all phases of Quality Assurance testing before this system is placed into production.

#### Project Estimate Approach

Project costs include internal labor and outside services/support costs only. Project cost estimates were developed using Cognizant vendor quote for design, implementation and testing outside services/support. Cognizant is a preferred vendor on multi-year contract with PNM to provide IT application support on our Banner Customer Information System and PNM.com website.

Internal labor cost forecasting was completed by the project team based on expected level of efforts to complete the necessary work. Internal resources needed for this project are limited, and consist only of a Project Manager and Senior IT Manager to provide vendor implementation oversight and control, and constitute 2% of the overall project budget. Cognizant outside services/support constitute the remaining 98% of the project budget.

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Cost Year 01				2015											
Project	92428015	Year	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
			110-Straight Time-General	7,289	1,500	1,500	1,500	0	0	0	0	0	0	11,789	
			120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	
			200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	
			350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	
			370-Outside Services	188,253	110,000	112,000	128,000	120,000	0	0	0	0	0	658,253	
			374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
			377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
			391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
			530-Employee Expense	350	0	0	0	0	0	0	0	0	0	350	
			610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	
			805-Land and Land Rights	0	0	0	0	3,438	0	0	0	0	0	3,438	
			807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
			829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
			426-Capitalized Interest	998	687	991	1,321	1,664	0	0	0	0	0	5,660	
			908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
			909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
			913-Payroll Taxes Load	641	132	132	132	0	0	0	0	0	0	1,036	
			914-Pension and Benefits Load	1,252	258	258	258	0	0	0	0	0	0	2,024	
			915-Injuries and Damages Load	155	32	32	32	0	0	0	0	0	0	250	
			916-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
			921-Stores / Purchasing Load	1,261	0	0	0	0	0	0	0	0	0	1,261	
			922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
			925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	
			926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	
			928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
			929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
			937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
			961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
			Cost Sum	200,198	112,608	114,912	131,242	125,102	0	0	0	0	0	684,062	
			825-Cleanings	0	0	0	0	-684,062	0	0	0	0	0	-684,062	
			Clr Sum	0	0	0	0	-684,062	0	0	0	0	0	-684,062	
			Proj Net	200,198	112,608	114,912	131,242	-558,960	0	0	0	0	0	0	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	92428015	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	11,789	0	0	0	0	0	0	0	0	0	0	0	0	11,789
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	668,253	0	0	0	0	0	0	0	0	0	0	0	0	0	668,253
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	350	0	0	0	0	0	0	0	0	0	0	0	0	0	350
	610-Expenses - General	3,438	0	0	0	0	0	0	0	0	0	0	0	0	0	3,438
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	425-Capitalized Interest	5,660	0	0	0	0	0	0	0	0	0	0	0	0	0	5,660
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	1,036	0	0	0	0	0	0	0	0	0	0	0	0	0	1,036
	914-Pension and Benefits Load	2,024	0	0	0	0	0	0	0	0	0	0	0	0	0	2,024
	915-Injuries and Damages Load	250	0	0	0	0	0	0	0	0	0	0	0	0	0	250
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	1,261	0	0	0	0	0	0	0	0	0	0	0	0	0	1,261
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	684,062	0	0	0	0	0	0	0	0	0	0	0	0	0	684,062
	825-Cleanings	-684,062	0	0	0	0	0	0	0	0	0	0	0	0	0	-684,062
	Clr Sum	-684,062	0	0	0	0	0	0	0	0	0	0	0	0	0	-684,062
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	92428015	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	11,789
	110-Straight Time-General	11,789	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	658,253	0	0	0	0	0	0	0	0	0	0	0	0	0	658,253
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	350	0	0	0	0	0	0	0	0	0	0	0	0	0	350
	610-Expenses - General	3,438	0	0	0	0	0	0	0	0	0	0	0	0	0	3,438
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	5,660	0	0	0	0	0	0	0	0	0	0	0	0	0	5,660
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	1,036	0	0	0	0	0	0	0	0	0	0	0	0	0	1,036
	914-Pension and Benefits Load	2,024	0	0	0	0	0	0	0	0	0	0	0	0	0	2,024
	915-Injuries and Damages Load	250	0	0	0	0	0	0	0	0	0	0	0	0	0	250
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	1,261	0	0	0	0	0	0	0	0	0	0	0	0	0	1,261
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	684,062	0	0	0	0	0	0	0	0	0	0	0	0	0	684,062
	825-Clearings	-684,062	0	0	0	0	0	0	0	0	0	0	0	0	0	-684,062
	Clr Sum	-684,062	0	0	0	0	0	0	0	0	0	0	0	0	0	-684,062
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 94128015 Operations Technology Support DMZ***

Company: 007-PNM Services Co  
Location: 941-Corp Alloc-Gen PNM Utility

Project Information  
Construction Start Date 6/1/2015 Estimated Completion Date 12/30/2015

#### List Interim In-Service Dates Project Need Justification

With the advent of NERC CIP V5, qualifying assets have increased requirements for cyber security capabilities. The DMZ provides a method of connecting various networks without each network accessing each other directly. A DMZ is a common component of network architectures seen across many industries as an additional layer of security. The DMZ utilizes servers, firewalls, and software that protect the various networks from viruses and other security threats, as well as hardware and software that authenticates secure traffic and rejects unauthorized connections. Software in the DMZ will also monitor assets within the operational networks and provide notifications of changes for good security practices as well as for NERC CIP compliance reporting. Failure to comply with NERC CIP requirements could result in potentially large fines.

#### Project Alternatives

Connecting unprotected networks to protected networks directly was not an option as an outside influence could then take over the protected network and steal data, or render the protected network useless. The DMZ is the only industry-wide accepted methodology for such a purpose. Tripwire was selected as PNM already has an installation of the base product, the product meets the requirements, and proliferation of existing software is more feasible than an unknown product - especially considering the short time period for this project. The other items for firewalls, servers and software are all industry standard for the application.

#### Technical Aspects

This project includes procurement and implementation of software, hardware and professional services/support. Implementation will include all phases of quality assurance testing before going into production.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed using quotes that were gathered from: 1) Advance Network Management for the Firewall equipment professional services and Cisco Firepower equipment and software, 2) Zones for McAfee antivirus software, and Microsoft server software, 3) Tripwire for professional service to tailor their Enterprise and IP 360 software products as well as the products themselves, 4) Dell for Dell Defender two factor authentication software, and 5) Zones for HP server hardware.

Internal costs of labor were determined by the work team based on the efforts required. Internal labor will consist of oversight support from the Manager, Operations Technology Support, and technical/administrative implementation support from two NERC Compliance administrators and one Energy Management administrator. Total project budget costs consist of 15% for internal labor and 85% for materials/outside services and support provided by Advanced Network Management, Tripwire, Zones, and Dell.

Note that for all enterprise-wide projects that provide benefits for both PNM/R utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

## Cost Year 01

Project	94128015	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	Bal 3/31/15											
	110-Straight Time-General	0		0	0	0	31,333	31,333	31,333	31,333	31,333	31,333	187,998
	120-OverTime-General	0		0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0		0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0		0	0	0	268,000	268,000	268,000	268,000	0	0	1,072,000
	377-Outside Services- Temp Labor	0		0	0	0	0	55,000	55,000	55,000	55,000	55,000	275,000
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	3,501	3,501
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	2,754	2,754	2,754	2,754	2,754	2,754	16,524
	914-Pension and Benefits Load	0		0	0	0	5,380	5,380	5,380	5,380	5,380	5,380	32,280
	915-Injuries and Damages Load	0		0	0	0	664	664	664	664	664	664	3,984
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM/R D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	0	308,131	363,131	363,131	363,131	95,131	98,632	1,591,287
	825-Clearings	0		0	0	0	0	0	0	0	0	-1,591,289	-1,591,289
	Clr Sum	0		0	0	0	0	0	0	0	0	-1,591,289	-1,591,289
	Proj Net	0		0	0	0	308,131	363,131	363,131	363,131	95,131	-1,492,657	-2

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Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	94128015	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	187,998	0	0	0	0	0	0	0	0	0	0	0	0	187,998
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Svcs			1,072,000	0	0	0	0	0	0	0	0	0	0	0	0	1,072,000
374-Outside Svcs Legal			275,000	0	0	0	0	0	0	0	0	0	0	0	0	275,000
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			3,501	0	0	0	0	0	0	0	0	0	0	0	0	3,501
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			16,524	0	0	0	0	0	0	0	0	0	0	0	0	16,524
914-Pension and Benefits Load			32,280	0	0	0	0	0	0	0	0	0	0	0	0	32,280
915-Injuries and Damages Load			3,984	0	0	0	0	0	0	0	0	0	0	0	0	3,984
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debit Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMNR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			1,591,287	0	0	0	0	0	0	0	0	0	0	0	0	1,591,287
825-Clearings			-1,591,289	0	0	0	0	0	0	0	0	0	0	0	0	-1,591,289
Clr Sum			-1,591,289	0	0	0	0	0	0	0	0	0	0	0	0	-1,591,289
Proj Net			-2	0	0	0	0	0	0	0	0	0	0	0	0	-2

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	94128015	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	187,998	0	0	0	0	0	0	0	0	0	0	0	0	187,998
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	1,072,000		0	0	0	0	0	0	0	0	0	0	0	0	1,072,000
	374-Outside Svcs Legal	275,000		0	0	0	0	0	0	0	0	0	0	0	0	275,000
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	391-It Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	3,501		0	0	0	0	0	0	0	0	0	0	0	0	3,501
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	16,524		0	0	0	0	0	0	0	0	0	0	0	0	16,524
	914-Pension and Benefits Load	32,280		0	0	0	0	0	0	0	0	0	0	0	0	32,280
	915-Injuries and Damages Load	3,984		0	0	0	0	0	0	0	0	0	0	0	0	3,984
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,591,287		0	0	0	0	0	0	0	0	0	0	0	0	1,591,287
	825-Clearings	-1,591,289		0	0	0	0	0	0	0	0	0	0	0	0	-1,591,289
	Clr Sum	-1,591,289		0	0	0	0	0	0	0	0	0	0	0	0	-1,591,289
Proj Net		-2		0	0	0	0	0	0	0	0	0	0	0	0	-2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 94128114 Oracle BIFS***

Company: 007-PNMR Services Co  
Location: 941-Corp Alloc-Gen PNMR Utility

Project Information  
Construction Start Date 3/31/2014  
Estimated Completion Date 11/30/2015

List Interim In-Service Dates  
Project Need Justification

This project implements the Oracle BIFS - Business Intelligence Foundation Suite - for Financials and HR, and integrates directly with our current PeopleSoft Financials and HR system. The key driver for this project is to standardize business intelligence and reduce proliferation of one-off reporting solutions in our environment. Ultimately, reporting using a PeopleSoft-compatible tool lowers overall support costs for both BTS and the CFO group.

#### Project Alternatives

Procure and implement the latest Oracle BIFS software within our Oracle PeopleSoft HR/Financial system, or do nothing and continue to operate through a non-standardized, inefficient process.

Another alternative would have been to switch to software. This option was ruled out given that are Financial and HR systems are operated on an Oracle platform (PeopleSoft). Oracle BIFS was the logical choice.

#### Technical Aspects

This project procures and implements the latest Oracle BIFS solution. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, and software. Project cost estimates were developed using Cognizant vendor quote for application development implementation and Quality Assurance system testing outside services/support, and Oracle vendor quote for required software. Cognizant is currently a preferred vendor for PNM, on a multi-year contract to provide IT application/testing support.

Internal labor cost forecasting was completed by the project team based on expected level of efforts to complete the necessary work. Internal labor costs are for a project management, IT management, business analysis and quality assurance support. Total project budget costs consist of 18% for internal labor, and 82% for materials/outside services and support provided by Cognizant and Oracle.

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Cost Year 01		2015	
Project	94128114	Year	2015
	Cost Type	Bal 3/31/15	
	110-Straight Time-General	18,751	
	120-Overtime-General	210	
	200-Fleet Vehicle Maint-Rental	0	
	350-Material Issues-Major	0	
	370-Outside Services	374,407	
	374-Outside Svcs Legal	0	
	377-Outside Services-Temp Labor	0	
	391-It Proj Bills to PNM-Non-Labor	0	
	530-Employee Expense	34	
	610-Expenses - General	38,102	
	805-Land and Land Rights	0	
	807-Non Refundable Contribution	0	
	829-Construction Adjustment	0	
	426-Capitalized Interest	9,438	
	908-Luna AR - Labor	0	
	909-Luna AR - Other	0	
	913-Payroll Taxes Load	1,876	
	914-Pension and Benefits Load	3,671	
	915-Injuries and Damages Load	236	
	918-San Juan AR-Labor	0	
	921-Stores / Purchasing Load	2,193	
	922-Minor Material Load	0	
	925-E and S Loads	0	
	926-A and G Loads	0	
	928-AFUDC Debt Reg	0	
	929-AFUDC - Equity Regular	0	
	937-San Juan AR - Other	0	
	961-Luna A&G PNM/R D&V	0	
	Cost Sum	448,717	
	825-Clearings	0	
	Clr Sum	0	
	Proj Net	448,717	

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	94128114	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	76,251
	110-Straight Time-General	210	0	0	0	0	0	0	0	0	0	0	0	0	0	210
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	624,407	0	0	0	0	0	0	0	0	0	0	0	0	0	624,407
	370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	34	0	0	0	0	0	0	0	0	0	0	0	0	0	34
	610-Expenses - General	59,055	0	0	0	0	0	0	0	0	0	0	0	0	0	59,055
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	21,949	126	123	122	120	120	120	122	123	125	127	128	129	128	23,442
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	6,729	0	0	0	0	0	0	0	0	0	0	0	0	0	6,729
	914-Pension and Benefits Load	13,545	0	0	0	0	0	0	0	0	0	0	0	0	0	13,545
	915-Injuries and Damages Load	1,455	0	0	0	0	0	0	0	0	0	0	0	0	0	1,455
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	2,193	0	0	0	0	0	0	0	0	0	0	0	0	0	2,193
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	805,827	126	123	122	120	120	120	122	123	125	127	128	129	128	807,320
	825-Clearings	-753,968	0	0	0	0	0	0	0	0	0	0	0	0	0	-753,968
	Clr Sum	-753,968	0	0	0	0	0	0	0	0	0	0	0	0	0	-753,968
Proj Net		51,859	126	123	122	120	120	120	122	123	125	127	128	129	128	53,352

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	94128114	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal		0	0	0	0	0	0	0	0	0	0	0	0	76,251
110-Straight Time-General				0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General				0	0	0	0	0	0	0	0	0	0	0	0	210
200-Fleet Vehicle Maint-Rental				0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major				0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services				0	0	0	0	0	0	0	0	0	0	0	0	624,407
374-Outside Svcs Legal				0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense				34	0	0	0	0	0	0	0	0	0	0	0	34
610-Expenses - General				59,055	0	0	0	0	0	0	0	0	0	0	0	59,055
805-Land and Land Rights				0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution				0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment				0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest				23,442	209	0	0	0	0	0	0	0	0	0	0	23,859
908-Luna AR - Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other				0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load				6,729	0	0	0	0	0	0	0	0	0	0	0	6,729
914-Pension and Benefits Load				13,545	0	0	0	0	0	0	0	0	0	0	0	13,545
915-Injuries and Damages Load				1,455	0	0	0	0	0	0	0	0	0	0	0	1,455
918-San Juan AR-Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load				2,193	0	0	0	0	0	0	0	0	0	0	0	2,193
922-Minor Material Load				0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads				0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads				0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg				0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular				0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other				0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V				0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum				807,320	209	0	0	0	0	0	0	0	0	0	0	807,737
825-Clearings				-753,968	0	0	0	0	0	0	0	0	0	0	0	-753,968
Clr Sum				-753,968	0	0	0	0	0	0	0	0	0	0	0	-753,968
Proj Net				53,352	209	0	0	0	0	0	0	0	0	0	0	53,769

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 94128314 Production Cost Expansion Planning Software***

Company: 007-PNM Services Co  
Location: 941-Corp Alloc-Gen PNM Utility

Project Information  
Construction Start Date 10/1/2014  
Estimated Completion Date 7/15/2015

List Interim In-Service Dates  
0

#### Project Need Justification

This project replaces current Ventyx Strategist and ProMod applications, which are used for filing our Integrated Resource Plan (IRP) and Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) with the New Mexico Public Regulation Commission (NMPRC), with a new and supported software tool that provides functionality of both applications--Aurora XMP from EPIS. Ventyx is retiring their ProMod and Strategist tools so these products will no longer be supported, which means PNM will no longer receive vendor calculation updates needed by the business. Without replacement of these products, PNM will be unable to accurately forecast earnings, cash flows, and costs. In addition, PNM would not be able to accurately develop future resource requirements to serve PNM customers or provide the necessary accurate data that NMPRC requires relating to resource expansion planning and fuel cost forecasting for regulatory filings.

#### Project Alternatives

The project team assessed other products that provided the capabilities/functionality. These products included Ventyx System Optimizer, which was determined to have had limited functionality and Energy Exemplar PLEXOS, which was very expensive. The selected EPIS Aurora XMP tool had the required functionality the team was looking for, and was priced reasonably.

#### Technical Aspects

This project includes procurement and implementation of software, hardware and professional services/support. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed using Cognizant vendor quote for Quality Assurance system testing outside services/support, Zones quote for required hardware, and EPIS quote for required software. Cognizant is currently a preferred vendor for PNM, on a multi-year contract to provide IT application/testing support.

Internal labor cost forecasting was completed by the project team based on expected level of efforts to complete the necessary work. Internal labor is for project management support only. Total project budget costs consist of 3% for internal labor, and 97% for materials/outside services and support provided by Cognizant, Zones, and EPIS.

Cost Year 01		2015													
Project	94128314	Year	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
			110-Straight Time-General	10,445	2,500	2,500	2,500	0	0	0	0	0	0	17,945	
			120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	
			200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	
			350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	
			370-Outside Services	1,023	1,000	1,000	1,000	0	0	0	0	0	0	4,023	
			374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
			377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
			391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
			530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
			610-Expenses - General	730,964	9,402	0	0	0	0	0	0	0	0	740,366	
			805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
			807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
			829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
			426-Capitalized Interest	14,010	2,068	2,097	2,114	0	0	0	0	0	0	20,288	
			908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
			909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
			913-Payroll Taxes Load	920	220	220	220	0	0	0	0	0	0	1,579	
			914-Pension and Benefits Load	1,869	429	429	429	0	0	0	0	0	0	3,157	
			915-Injuries and Damages Load	191	53	53	53	0	0	0	0	0	0	350	
			918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
			921-Stores / Purchasing Load	5,133	0	0	0	0	0	0	0	0	0	5,133	
			922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
			925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	
			926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	
			928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
			929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
			937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
			961-Luna A&G PNMIR D&V	0	0	0	0	0	0	0	0	0	0	0	
			Cost Sum	764,555	15,672	6,299	6,316	0	0	0	0	0	0	792,841	
			825-Clearings	0	0	0	-792,841	0	0	0	0	0	0	-792,841	
			Clr Sum	0	0	0	-792,841	0	0	0	0	0	0	-792,841	
			Proj Net	764,555	15,672	6,299	-786,525	0	0	0	0	0	0	0	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	94128314	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	17,945	0	0	0	0	0	0	0	0	0	0	0	0	17,945
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		4,023	0	0	0	0	0	0	0	0	0	0	0	0	4,023
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		740,366	0	0	0	0	0	0	0	0	0	0	0	0	740,366
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		20,288	0	0	0	0	0	0	0	0	0	0	0	0	20,288
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		1,579	0	0	0	0	0	0	0	0	0	0	0	0	1,579
	914-Pension and Benefits Load		3,157	0	0	0	0	0	0	0	0	0	0	0	0	3,157
	915-Injuries and Damages Load		350	0	0	0	0	0	0	0	0	0	0	0	0	350
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		5,133	0	0	0	0	0	0	0	0	0	0	0	0	5,133
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		792,841	0	0	0	0	0	0	0	0	0	0	0	0	792,841
	825-Clearings		-792,841	0	0	0	0	0	0	0	0	0	0	0	0	-792,841
	Clr Sum		-792,841	0	0	0	0	0	0	0	0	0	0	0	0	-792,841
	Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	94128314	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	17,945	0	0	0	0	0	0	0	0	0	0	0	0	17,945
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	4,023	0	0	0	0	0	0	0	0	0	0	0	0	0	4,023
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNMR-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	740,366	0	0	0	0	0	0	0	0	0	0	0	0	0	740,366
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	20,288	0	0	0	0	0	0	0	0	0	0	0	0	0	20,288
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	1,579	0	0	0	0	0	0	0	0	0	0	0	0	0	1,579
	914-Pension and Benefits Load	3,157	0	0	0	0	0	0	0	0	0	0	0	0	0	3,157
	915-Injuries and Damages Load	350	0	0	0	0	0	0	0	0	0	0	0	0	0	350
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	5,133	0	0	0	0	0	0	0	0	0	0	0	0	0	5,133
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	792,841	0	0	0	0	0	0	0	0	0	0	0	0	0	792,841
	825-Cleanings	-792,841	0	0	0	0	0	0	0	0	0	0	0	0	0	-792,841
	Clr Sum	-792,841	0	0	0	0	0	0	0	0	0	0	0	0	0	-792,841
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project No: 94128515 Sigma Flow Change Management

Company: 007-PNMR Services Co

Location: 941-Corp Alloc-Gen PNMR Utility

Project Information

Construction Start Date 6/12/2015

Estimated Completion Date 11/30/2015

List Interim In-Service Dates

Project Need Justification

This project implements a new change management system that allows PNM to meet NERC CIP v5 regulatory requirements. Specifically, a change management process is required in PNMR utility operations areas to align with NERC CIP 010-3 R1 and R2. The current Service-Now (SNOW) change management platform cannot be used for NERC CIP 010-3 due to the sensitivity of information contained in configuration and change records. A new system is required to assure that change management processes are aligned with CIP 010-3, and do not expose data to unauthorized access. The change management system must also align with PNMR's Information Protection Program.

NERC CIP requirements are very specific regarding the need to keep sensitive information secured. As SNOW is hosted on a cloud solution by an outside vendor who has administrator-level rights, this tool has no method for PNMR to ensure the data is kept secure and that the data is not accessed by non-approved parties.

Project Alternatives

The project team and key stakeholders looked at various solutions to replace our current change management platform, Service-Now, and another off-the-shelf product, Change gear. Additionally, the team assessed the alternative to develop an in-house system to meet our needs. Sigma Flow was the chosen tool, given the fact that it has robust change management capabilities, and our NERC CIP Regulatory Team sees Sigma Flow as a tool that will be used not only for change management but other regulatory purposes (e.g., to meet current and future NERC CIP requirements).

The evaluation of SigmaFlow showed several specific advantages over the other solutions examined:

1. There is a strong and growing relationship between SigmaFlow and Tripwire (our chosen system monitoring tool) that will allow for better management of devices and changes to those devices
2. The solution was built specifically to support NERC CIP change management and includes functionality that directly supports NERC requirements
3. The tool offers what we believe will be a good long term solution to be the asset management system of record tool for CIP assets and while not in scope for the current project is seen as part of a best practice solution
4. Our customer reference calls with other electric utility customers using the tool for NERC change management gave us the confidence that the vendor not only understands the functionality needed but also works closely with their customers to ensure project success.

Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

#### Technical Aspects

The project entails procurement and implementation of hardware, software and professional services. Implementation will include all phases of Quality Assurance testing before this system is placed into production.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed using vendor quotes for Sigma Flow for software implementation and configuration outside services/support, a hardware quote from Zones, and software quotes from Microsoft and Sigma Flow.

Internal labor cost forecasting was completed by the project team based on the expected level of effort to complete the necessary work. Internal labor costs are for IT Quality Assurance Manager, IT Quality Assurance Architect, NERC CIP Compliance Analysts and a Quality Assurance Support representative. Total project budget costs consist of 25% for internal labor, and 75% for materials/outside services and support from Zones, Microsoft, and Tripwire.

Cost Year 01		2015	
Project	94128515	Year	Bal 3/31/15
	Cost Type		
	110-Straight Time-General	0	
	120-Overtime-General	0	
	200-Fleet Vehicle Maint-Rental	0	
	350-Material Issues-Major	0	
	370-Outside Services	0	
	374-Outside Svcs Legal	0	
	377-Outside Services-Temp Labor	0	
	391-Jt Proj Bills to PNM-Non-Labor	0	
	530-Employee Expense	0	
	610-Expenses - General	0	
	805-Land and Land Rights	0	
	807-Non Refundable Contribution	0	
	829-Construction Adjustment	0	
	426-Capitalized Interest	0	
	908-Luna AR - Labor	0	
	909-Luna AR - Other	0	
	913-Payroll Taxes Load	0	
	914-Pension and Benefits Load	0	
	915-Injuries and Damages Load	0	
	916-San Juan AR-Labor	0	
	921-Stores / Purchasing Load	0	
	922-Minor Material Load	0	
	925-E and S Loads	0	
	926-A and G Loads	0	
	928-AFUDC Debt Reg	0	
	929-AFUDC - Equity Regular	0	
	937-San Juan AR - Other	0	
	961-Luna A&G PNM&R D&V	0	
	Cost Sum	0	
	825-Cleanings	0	
	Clr Sum	0	
	Proj Net	0	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	94128515	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	BegBal	126,000	0	0	0	0	0	0	0	0	0	0	0	0	126,000
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		50,000	0	0	0	0	0	0	0	0	0	0	0	0	50,000
	370-Outside Services		425,000	0	0	0	0	0	0	0	0	0	0	0	0	425,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		8,243	0	0	0	0	0	0	0	0	0	0	0	0	8,243
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		5,571	0	0	0	0	0	0	0	0	0	0	0	0	5,571
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		11,074	0	0	0	0	0	0	0	0	0	0	0	0	11,074
	914-Pension and Benefits Load		21,636	0	0	0	0	0	0	0	0	0	0	0	0	21,636
	915-Injuries and Damages Load		2,673	0	0	0	0	0	0	0	0	0	0	0	0	2,673
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		2,335	0	0	0	0	0	0	0	0	0	0	0	0	2,335
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM R D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		652,533	0	0	0	0	0	0	0	0	0	0	0	0	652,533
	825-Cleanings		-652,531	0	0	0	0	0	0	0	0	0	0	0	0	-652,531
	Clr Sum		-652,531	0	0	0	0	0	0	0	0	0	0	0	0	-652,531
Proj Net		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	94128515	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	126,000	0	0	0	0	0	0	0	0	0	0	0	0	126,000
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		50,000	0	0	0	0	0	0	0	0	0	0	0	0	50,000
	370-Outside Services		425,000	0	0	0	0	0	0	0	0	0	0	0	0	425,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		8,243	0	0	0	0	0	0	0	0	0	0	0	0	8,243
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		5,571	0	0	0	0	0	0	0	0	0	0	0	0	5,571
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		11,074	0	0	0	0	0	0	0	0	0	0	0	0	11,074
	914-Pension and Benefits Load		21,636	0	0	0	0	0	0	0	0	0	0	0	0	21,636
	915-Injuries and Damages Load		2,673	0	0	0	0	0	0	0	0	0	0	0	0	2,673
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		2,335	0	0	0	0	0	0	0	0	0	0	0	0	2,335
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		652,533	0	0	0	0	0	0	0	0	0	0	0	0	652,533
	825-Cleanings		-652,531	0	0	0	0	0	0	0	0	0	0	0	0	-652,531
	Clr Sum		-652,531	0	0	0	0	0	0	0	0	0	0	0	0	-652,531
Proj Net		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 94628013 ETRM***

Company: 007-PNMR Services Co  
Location: 946-Corp Alloc 100pct Bulk Power

Project Information	
Construction Start Date	9/9/2013
<u>Estimated Completion Date</u>	7/30/2015

List Interim In-Service Dates  
12/31/2014; 07/30/2015

#### Project Need Justification

The purpose of this project is to complete implementation efforts which began in 2014 (continuation project) to stand up and customize required functionality in a new integrated system, Total Risk Management Tracker ("TRMTracker"). TRMTracker replaces three existing systems, all of which are no longer supported by their manufacturer.

The previous systems and functionality include:

- Zai\*Net: principal current system that manages trade risk, including Monte Carlo simulations of the overall effect of various trade positions, most reporting of risk, and risk threshold alerting, and accounting

- GasMaster: principal gas trading application

- CCRM: used to gather and evaluate credit risk posed by various counterparties

#### Project Alternatives

Pioneer Solutions' TRMTracker was chosen after a Request For Proposal that evaluated similar solutions from SunGard and OATI (Open Access Technology Int.) for submitted and reviewed. Pioneer Solutions was chosen due to it being less expensive and more responsive to PNM's requirements. Required outside services included thorough analysis of near and longer term needs/requirements, assessment of historical data and recommendations for dealing with same, development of required customizations, overall implementation, and support.

#### Technical Aspects

Procurement and implementation of TRM Tracker software product. Implementation will include all phases of Quality Assurance testing before this system is placed in production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Deployment of this system also allowed us to streamline business processes for four offices: Wholesale Power Marketing, Risk Management, Energy Analysis and Utility Accounting.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, and software. Project cost estimates were developed using vendor quotes for outside services/support and software from Pioneer Solutions, vendor quote for outside services support from Cognizant and Infosys (Note: both of these vendors are on multi-year contract with PNM for IT application and infrastructure support). Internal labor cost forecasting was completed by the project team based on the expected level of effort to complete the necessary work.

From a cost summary perspective, Internal Labor accounts for 26% of total project budget (project management, data archiving, report modification, testing management; approx. 3 FTE), External labor accounts for 49% of total project budget (project management, coding, customization, test management, implementation), and 15% of total project budget accounts for required software licensing.

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015												
Project	94628013	Year	Bal 3/31/15	Cost Type	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
				110-Straight Time-General	10,000	10,000	10,000	10,000	0	0	0	0	0	385,919
				120-OverTime-General	0	0	0	0	0	0	0	0	0	0
				200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0
			151	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	151
			796,164	370-Outside Services	50,000	30,000	31,000	31,000	0	0	0	0	0	938,164
			0	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0
			3,355	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	3,355
			0	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0
			50,226	530-Employee Expense	0	0	0	0	0	0	0	0	0	50,226
			359,013	610-Expenses - General	0	0	4,500	2,375	0	0	0	0	0	365,888
			0	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0
			0	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0
			0	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0
			38,440	426-Capitalized Interest	1,898	2,045	2,172	2,305	0	0	0	0	0	46,860
			0	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0
			0	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0
			29,987	913-Payroll Taxes Load	879	879	879	879	0	0	0	0	0	33,503
			69,045	914-Pension and Benefits Load	1,717	1,717	1,717	1,717	0	0	0	0	0	75,913
			3,489	915-Injuries and Damages Load	212	212	212	212	0	0	0	0	0	4,337
			0	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0
			7,485	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	7,485
			0	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0
			0	925-E and S Loads	0	0	0	0	0	0	0	0	0	0
			0	926-A and G Loads	0	0	0	0	0	0	0	0	0	0
			0	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0
			0	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0
			0	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0
			0	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0
			1,703,274	Cost Sum	64,706	44,853	50,480	48,488	0	0	0	0	0	1,911,801
			-1,026,552	825-Clearings	0	0	0	-885,249	0	0	0	0	0	-1,911,801
			-1,026,552	Clr Sum	0	0	0	-885,249	0	0	0	0	0	-1,911,801
			676,722	Proj Net	64,706	44,853	50,480	-836,761	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	94628013	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	385,919	0	0	0	0	0	0	0	0	0	0	0	0	385,919
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			151	0	0	0	0	0	0	0	0	0	0	0	0	151
370-Outside Services			938,164	0	0	0	0	0	0	0	0	0	0	0	0	938,164
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			3,355	0	0	0	0	0	0	0	0	0	0	0	0	3,355
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			50,226	0	0	0	0	0	0	0	0	0	0	0	0	50,226
610-Expenses - General			365,888	0	0	0	0	0	0	0	0	0	0	0	0	365,888
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			46,860	0	0	0	0	0	0	0	0	0	0	0	0	46,860
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			33,503	0	0	0	0	0	0	0	0	0	0	0	0	33,503
914-Pension and Benefits Load			75,913	0	0	0	0	0	0	0	0	0	0	0	0	75,913
915-Injuries and Damages Load			4,337	0	0	0	0	0	0	0	0	0	0	0	0	4,337
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			7,485	0	0	0	0	0	0	0	0	0	0	0	0	7,485
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			1,911,801	0	0	0	0	0	0	0	0	0	0	0	0	1,911,801
825-Clearings			-1,911,801	0	0	0	0	0	0	0	0	0	0	0	0	-1,911,801
Ctr Sum			-1,911,801	0	0	0	0	0	0	0	0	0	0	0	0	-1,911,801
Proj Net			0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	94628013	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	385,919
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	151	0	0	0	0	0	0	0	0	0	0	0	0	0	151
	370-Outside Services	938,164	0	0	0	0	0	0	0	0	0	0	0	0	0	938,164
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	3,355	0	0	0	0	0	0	0	0	0	0	0	0	0	3,355
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	50,226	0	0	0	0	0	0	0	0	0	0	0	0	0	50,226
	610-Expenses - General	365,888	0	0	0	0	0	0	0	0	0	0	0	0	0	365,888
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	46,860	0	0	0	0	0	0	0	0	0	0	0	0	0	46,860
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	33,503	0	0	0	0	0	0	0	0	0	0	0	0	0	33,503
	914-Pension and Benefits Load	75,913	0	0	0	0	0	0	0	0	0	0	0	0	0	75,913
	915-Injuries and Damages Load	4,337	0	0	0	0	0	0	0	0	0	0	0	0	0	4,337
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	7,485	0	0	0	0	0	0	0	0	0	0	0	0	0	7,485
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,911,801	0	0	0	0	0	0	0	0	0	0	0	0	0	1,911,801
	825-Clearings	-1,911,801	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,911,801
	Clr Sum	-1,911,801	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,911,801
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 94628714 EASE Replacement***

Company: 007-PNMR Services Co  
Location: 946-Corp Alloc 100pct Bulk Power

Project Information  
Construction Start Date 5/13/2015  
Estimated Completion Date 12/30/2015

List Interim In-Service Dates

0

#### Project Need Justification

The current Energy Accounting Scheduling Expert (EASE) system used at NM Power Operations was internally developed eight years ago and it provides specific functionality for Power Operations to include scheduling, energy accounting, ramping, and energy histories. This current EASE system is residing on an expensive, outdated and unsupported hardware platform. By implementing this project we will no longer need to continue to pay high maintenance costs on the current hardware platform, as it will allow us to get a stable and vendor supported system procured and implemented. Standing up this new platform would significantly reduce staff overhead time needed to maintain the current EASE system.

#### Project Alternatives

The first project alternative is to replace the EASE software and hardware entirely and implement a new off-the-shelf software solution with new hardware platform. After many months of intensive research, it was determined that there is not a viable software solution on the market that meets the current needs of our Power Operations group. As such, this alternative isn't viable.

The second project alternative is to remain on the current EASE platform and do nothing. Given that the current hardware platform is no longer vendor supported, there is an inherent risk with this option that we would have system outages, hardware failures, cyber security incidents and potential loss of critical data. Given the importance that this system has to Power Operations and the actual transmission of power across our electric grid, we don't see that this alternative is in the best interest of PNM or our commercial and residential customers.

The third option is to replace and upgrade the current EASE hardware platform to new, lower cost vendor supported products and migrate the current EASE system over to this new platform. This is our recommended alternative, given it meets the needs of our business partners in Power Operations, and reduces PNM overall support costs which was a key driver for this project.

#### Technical Aspects

The technical objectives of this project include: Procure/Obtain new servers and IBM AIX software for version 7.1; Put EASE Production, QA and backup systems onto new Servers with IBM AIX 7.1; Install Oracle 12c Prerequisites for Single Instance (using implement new system; Upgrade all 3rd party software (related to

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

EASE) to current support levels; Ensure backups are setup for new system; Test Interfaces to/from the EASE system.

All phases of Quality Assurance testing will be performed before this system is placed into production.

Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed using vendor quotes from Tripwire for software and hardware implementation, Cognizant for Quality Assurance testing outside services/support, Zones (preferred hardware/software vendor for PNM) for hardware and operating system, and Oracle for software.

Internal labor cost forecasting was completed by the project team based on expected level of efforts to complete the necessary work. Internal resources needed for this project include IT management, IT developers and IT system administrators. Total project budget costs consist of 17% for internal labor, and 83% for materials/outside services and support provided by Cognizant, Tripwire, Zones, and Oracle.

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Cost Year 01		2015													
Project	94628714	Year	Bal 3/31/15	Cost Type	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
			0	110-Straight Time-General	0	0	0	0	15,000	20,000	20,000	20,000	15,000	90,000	
			0	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	
			0	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	
			0	350-Material Issues-Major	0	0	0	50,000	10,000	200,000	45,000	0	0	305,000	
			0	370-Outside Services	0	0	0	0	50,000	50,000	50,000	50,000	20,000	220,000	
			0	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	
			0	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	
			0	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	
			0	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	
			0	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	
			0	805-Land and Land Rights	0	0	0	0	0	0	0	0	4,075	4,075	
			0	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	
			0	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	
			0	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	
			0	908-Luna AR - Labor	0	0	0	70	247	737	1,285	1,554	1,718	5,611	
			0	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	
			0	913-Payroll Taxes Load	0	0	0	0	1,319	1,758	1,758	1,758	1,319	7,912	
			0	914-Pension and Benefits Load	0	0	0	0	2,576	3,434	3,434	3,434	2,576	15,454	
			0	915-Injuries and Damages Load	0	0	0	0	318	424	424	424	318	1,908	
			0	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	
			0	921-Stores / Purchasing Load	0	0	0	2,335	467	9,340	2,102	0	0	14,244	
			0	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	
			0	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	
			0	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	
			0	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	
			0	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	
			0	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	
			0	961-Luna A&G PNMIR D&V	0	0	0	0	0	0	0	0	0	0	
			0	Cost Sum	0	0	0	52,405	79,927	285,693	124,003	77,170	45,006	664,204	
			0	825-Clearings	0	0	0	0	0	0	0	0	-664,202	-664,202	
			0	Clr Sum	0	0	0	0	0	0	0	0	-664,202	-664,202	
Proj Net			0		0	0	0	52,405	79,927	285,693	124,003	77,170	-619,196	2	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	94628714	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General		BegBal	90,000	0	0	0	0	0	0	0	0	0	0	0	0	90,000
120-Overtime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			305,000	0	0	0	0	0	0	0	0	0	0	0	0	305,000
370-Outside Services			220,000	0	0	0	0	0	0	0	0	0	0	0	0	220,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-It Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			4,075	0	0	0	0	0	0	0	0	0	0	0	0	4,075
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			5,611	0	0	0	0	0	0	0	0	0	0	0	0	5,611
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			7,912	0	0	0	0	0	0	0	0	0	0	0	0	7,912
914-Pension and Benefits Load			15,454	0	0	0	0	0	0	0	0	0	0	0	0	15,454
915-Injuries and Damages Load			1,908	0	0	0	0	0	0	0	0	0	0	0	0	1,908
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			14,244	0	0	0	0	0	0	0	0	0	0	0	0	14,244
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			664,204	0	0	0	0	0	0	0	0	0	0	0	0	664,204
825-Clearings			-664,202	0	0	0	0	0	0	0	0	0	0	0	0	-664,202
Clr Sum			-664,202	0	0	0	0	0	0	0	0	0	0	0	0	-664,202
Proj Net			2	0	0	0	0	0	0	0	0	0	0	0	0	2

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	94628714	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	90,000	0	0	0	0	0	0	0	0	0	0	0	0	90,000
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			305,000	0	0	0	0	0	0	0	0	0	0	0	0	305,000
370-Outside Services			220,000	0	0	0	0	0	0	0	0	0	0	0	0	220,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			4,075	0	0	0	0	0	0	0	0	0	0	0	0	4,075
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			5,611	0	0	0	0	0	0	0	0	0	0	0	0	5,611
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			7,912	0	0	0	0	0	0	0	0	0	0	0	0	7,912
914-Pension and Benefits Load			15,454	0	0	0	0	0	0	0	0	0	0	0	0	15,454
915-Injuries and Damages Load			1,908	0	0	0	0	0	0	0	0	0	0	0	0	1,908
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			14,244	0	0	0	0	0	0	0	0	0	0	0	0	14,244
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			664,204	0	0	0	0	0	0	0	0	0	0	0	0	664,204
825-Cleanings			-664,202	0	0	0	0	0	0	0	0	0	0	0	0	-664,202
Clr Sum			-664,202	0	0	0	0	0	0	0	0	0	0	0	0	-664,202
Proj Net			2	0	0	0	0	0	0	0	0	0	0	0	0	2



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96328314 NM/TX Voice System Replacement***

Company: 007-PNM Services Co  
Location: 963-Corp Alloc-IT-Telecomm

Project Information  
Construction Start Date 1/1/2015  
Estimated Completion Date 12/15/2017

List Interim In-Service Dates  
12/2015; 12/2016; 10/2017

#### Project Need Justification

New Mexico and Texas voice system replacements are being performed to replace old, out-of-date, unsupported Private Branch Exchange (PBX) and telephone key systems with modern Voice of Internet Protocol (VOIP) technology. Many of the PBX and key systems throughout our service territories in NM and TX are hardware-oriented systems 15 years old and older. These assets have fully depreciated, and are no longer supported by the product vendors. Migrating to current VOIP technology will reduce overall support and maintenance costs, and provide us greater mobility, flexibility, and performance.

#### Project Alternatives

Alternative one is to do nothing and continue to use and maintain this antiquated hardware, and stand a significant risk of hardware failures, system disruptions, customer dissatisfaction and costly maintenance to keep unsupported equipment on-line.

Alternative two, which is our recommended alternative, is to replace old, unsupported telephone assets in NM and TX with new supported equipment. Our assessment and determination of which equipment assets should be replaced and when was facilitated by two telecommunication companies: TRC and Advanced Network Management (ANM).

#### Technical Aspects

Procure and implement new hardware and software telephony solutions throughout NM and TX service territories. Implementation will include all phases of Quality Assurance testing before these assets are placed into production.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed using vendor quotes from ANM for outside services/support, and Cisco hardware and software quote from Zones (Zones is PNM's preferred vendor). Internal labor cost forecasting was completed by the project team based on expected level of efforts to complete the necessary work.

Internal resources needed for this project include telecommunications management and telecommunications technicians. Total project budget costs consist of 8% for internal labor, and 92% for materials/outside services and support provided by ANM and Zones.

Project costs needed to upgrade TX assets will be allocated using location 963, and will not be part of the New Mexico Rate Case filing.

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

[illegible]

[illegible]

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	96328314	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	60,696	0	0	2,000	0	0	0	0	0	0	0	0	0	0	62,696
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		300,725	0	0	0	0	0	0	0	0	0	0	0	0	0	300,725
370-Outside Services		629,585	0	0	0	0	0	0	0	0	0	0	0	0	0	629,585
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		16,880	0	0	0	0	0	0	0	0	0	0	0	0	0	16,880
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		1,795	0	0	0	0	0	0	0	0	0	0	0	0	0	1,795
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		16,582	0	5	0	0	0	0	0	0	0	0	0	0	0	16,587
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		5,347	0	176	0	0	0	0	0	0	0	0	0	0	0	5,523
914-Pension and Benefits Load		10,846	0	343	0	0	0	0	0	0	0	0	0	0	0	11,189
915-Injuries and Damages Load		1,116	0	42	0	0	0	0	0	0	0	0	0	0	0	1,158
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		14,941	0	0	0	0	0	0	0	0	0	0	0	0	0	14,941
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		1,058,513	0	0	2,566	0	0	0	0	0	0	0	0	0	0	1,061,079
825-Clearings		-1,058,513	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,058,513
Clr Sum		-1,058,513	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,058,513
Proj Net		0	0	0	2,566	0	0	0	0	0	0	0	0	0	0	2,566

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96828614 Enterprise Data Storage Refresh (EDSR)***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 11/7/2014  
Estimated Completion Date 9/30/2015

List Interim In-Service Dates  
0

#### Project Need Justification

The Enterprise Data Storage Refresh project replaces current older, leased top-tier, high performance storage hardware and software with state-of-the-art purchased equipment. Although PNM has used EMC VMAX solutions for a number of years, due diligence performed by the project team determined that a competing platform, NetApp's CDOT systems, is significantly lower cost while meeting all minimum performance requirements and providing significant improvements in some key areas. Purchase of this equipment allows PNM to exit our current, relatively expensive lease arrangement with EMC. A key deliverable for the project is creation of a compatible, isolated, and safe storage test environment, a critical need that is missing in PNM's current infrastructure. Additionally, working in concert with the DR Relocation project that is reducing remote disaster recovery facilities hosting costs, selection of NetApp CDOT equipment and software for that environment provides a seamless, fully automated platform, minimizing risks and time required to switch primary computing to a remote location in the event of a major incapacitation of the Albuquerque data center. Finally, the project also replaces and upgrades a key component in our storage infrastructure: the aging high performance network components known as core SAN (Storage Area Network) switches.

#### Project Alternatives

Storage systems are among the most expensive items in PNM's computing environment and therefore require very careful consideration of options and providers. The project team investigated two principal questions in forming its decisions:

- Lease vs. purchase
- Vendor suitability

Although previous lease terms allowed PNM to acquire required top-tier equipment for somewhat less than purchase costs, over the long run, leasing is a more expensive option because it can't be amortized or otherwise leveraged and equipment typically has to be replaced sooner.

In an effort to minimize risks associated with a major storage platform change, the project team requested and thoroughly reviewed RFPs from two leading vendors with whom we have current relationships: EMC and NetApp. Although EMC had a nominal advantage in that it is our current top-tier storage vendor, NetApp currently provides our next-tier storage and our support teams are equally familiar with and confident in their capabilities and support. A number of factors ultimately led the team to choose NetApp as PNM's new provider for top-tier storage systems because:

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

1. Although performance characteristics were substantially similar between the two vendor's appropriate options that met our requirements, NetApp's final bid was significantly less expensive than EMC's.
2. NetApp and its local reseller partner, cStor, were significantly more specific and responsive to the project team's requirements and questions.
3. NetApp offers a greater degree of integration and desirable features in its associated monitoring, administrative, and management software tools.
4. PNM has had greater confidence in NetApp's local support reseller than it does with EMC's local team, which hasn't had a great deal of experience with the equipment under consideration.

The core SAN switch equipment, also refreshed as part of this project, is a key component in the high-performance storage architecture. Currently, Brocade is recognized as the most reliable, high performing manufacturer. Core SAN switches are essentially a commodity and were procured as such through accepted resellers.

#### Technical Aspects

The project entails procurement and implementation of hardware, software and professional services. Implementation includes extensive planning, configuration, and testing of all hardware and software customizations as well testing of each of the dozens of application systems as they are migrated from the current VMAX to the new CDOT storage equipment. The project team has been working closely with all the application systems teams as well as a critical major application upgrade project team (Banner) and the DR Relocation project team.

#### Project Estimate Approach

The project costs include internal labor, outside services/support, hardware, and software. Project cost estimates were developed using vendor quotes for relevant equipment and support from key, known vendors EMC and NetApp, through their respective resellers, ANM and cStor. Additional required labor quotes for anticipated work were provided by key infrastructure support provider, Infosys, who is on multi-year with PNM to provide infrastructure/data center support.

Internal labor cost forecasting was completed by the project team based on the expected level of effort to complete the necessary work.

Internal labor costs are for Project Management and PNM Infrastructure team members and constitute 3% of the overall project budget. The remaining 97% of project costs relate to material/outside services and support provided by cStor, NetApp, and Infosys for implementation support.

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	96828614	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	21,700	5,000	5,000	5,000	5,000	5,000	0	0	0	0	46,700
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	100,000	0	0	0	0	0	0	0	0	100,000
		370-Outside Services	777,053	150,000	25,000	25,000	25,000	24,000	0	0	0	0	1,026,053
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	1,804	0	0	0	0	0	0	0	0	0	1,804
		610-Expenses - General	684,874	0	0	0	0	10,382	0	0	0	0	695,256
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Reimbursable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	5,067	1,920	2,317	2,408	2,498	2,502	0	0	0	0	16,813
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	1,910	440	440	440	440	440	0	0	0	0	4,108
		914-Pension and Benefits Load	3,823	859	859	859	859	859	0	0	0	0	8,116
		915-Injuries and Damages Load	421	106	106	106	106	106	0	0	0	0	951
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	6,054	4,670	0	0	0	0	0	0	0	0	10,724
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	1,502,705	262,994	33,721	33,812	33,902	43,389	0	0	0	0	1,910,524
		825-Clearings	-916,874	0	0	0	0	-993,649	0	0	0	0	-1,910,523
		Clr Sum	-916,874	0	0	0	0	-993,649	0	0	0	0	-1,910,523
		Proj Net	585,831	262,994	33,721	33,812	33,902	-950,260	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	96828614	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	46,700	0	0	0	0	0	0	0	0	0	0	0	0	46,700
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	370-Outside Services	1,026,053	0	0	0	0	0	0	0	0	0	0	0	0	0	1,026,053
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	1,804	0	0	0	0	0	0	0	0	0	0	0	0	0	1,804
	610-Expenses - General	695,256	0	0	0	0	0	0	0	0	0	0	0	0	0	695,256
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	16,813	0	0	0	0	0	0	0	0	0	0	0	0	0	16,813
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	4,108	0	0	0	0	0	0	0	0	0	0	0	0	0	4,108
	914-Pension and Benefits Load	8,116	0	0	0	0	0	0	0	0	0	0	0	0	0	8,116
	915-Injuries and Damages Load	951	0	0	0	0	0	0	0	0	0	0	0	0	0	951
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	10,724	0	0	0	0	0	0	0	0	0	0	0	0	0	10,724
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,910,524	0	0	0	0	0	0	0	0	0	0	0	0	0	1,910,524
	825-Clearings	-1,910,523	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,910,523
	Clr Sum	-1,910,523	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,910,523
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	0	1



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	96828614	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	46,700
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	370-Outside Services	1,026,053	0	0	0	0	0	0	0	0	0	0	0	0	0	1,026,053
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-It Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	1,804	0	0	0	0	0	0	0	0	0	0	0	0	0	1,804
	610-Expenses - General	695,256	0	0	0	0	0	0	0	0	0	0	0	0	0	695,256
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	16,813	0	0	0	0	0	0	0	0	0	0	0	0	0	16,813
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	4,108	0	0	0	0	0	0	0	0	0	0	0	0	0	4,108
	914-Pension and Benefits Load	8,116	0	0	0	0	0	0	0	0	0	0	0	0	0	8,116
	915-Injuries and Damages Load	951	0	0	0	0	0	0	0	0	0	0	0	0	0	951
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	10,724	0	0	0	0	0	0	0	0	0	0	0	0	0	10,724
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,910,524	0	0	0	0	0	0	0	0	0	0	0	0	0	1,910,524
	825-Clearings	-1,910,523	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,910,523
	Clr Sum	-1,910,523	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,910,523
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	0	1

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96829114 E-Mail Archive and E-Discovery Tool Upgrade/Refresh***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/27/2015  
Estimated Completion Date 4/15/2016

List Interim In-Service Dates  
0

#### Project Need Justification

This project replaces the current Mimosa e-mail archive tool which has fully depreciated, is at end of life, and does not have the full functionality we need from an archive tool. As a result, the Infrastructure, Legal and Records Management teams have requested this current system be replaced with a newer, more fully functional system that will improve user efficiency, provide added capabilities for e-discovery and record searches and reduce overall support costs.

#### Project Alternatives

The first alternative assessed was to keep the current Mimosa system in place and simply replace the operating system to get us off on Microsoft Server 2003 which is at end of life, and move us to Microsoft Server versions 2008 or 2012. Given feedback received from our Legal and Records Management team, this was not a viable alternative since the current Mimosa tool is lacking some important functionality that these groups need for e-discovery and record retention requirements.

The second alternative assessed was to replace the current Mimosa e-mail archive tool with a new, supported system that meets all key business requirements. This is the alternative we have chosen since one of our current, in-use systems, Microsoft Exchange, has email archive functionality built into the product. Implementation would simply involve building out our current Microsoft Exchange instance to perform email archiving processing. This alternative also aligns with our current IT governance rule for using available current systems before we buy new products off-the-shelf.

#### Technical Aspects

Procure hardware and software to implement email archive capabilities within current Microsoft Exchange platform. Implementation will include all phases of Quality Assurance testing before placing this system into production.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed on the premise that we would use a current in-house tool, Microsoft Exchange, to provide new/improved e-mail archive functionality, rather than buying an off-the-shelf tool on the market. Expected vendors we will be relying on to plan and implement this project include Zones for hardware and software, Cognizant for Quality Assurance testing support and Infosys for hardware/software implementation and configuration support. Cognizant and Infosys are on multi-year contract with PNM to provide IT application development, testing, and infrastructure outside services and support. Zones is PNM's preferred vendor for hardware/software.

Internal labor cost estimates were developed taking into account the need to engage project support staff from various business areas to include IT, Records Management, and Legal to implement this project. Total project budget estimates consist of 32% for internal labor, and 68% for materials/outside services and support provided by Cognizant, Infosys and Zones.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year											
Project	96829114	Bal 3/31/15	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General	0		0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	90,000
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0		0	0	0	35,000	35,000	35,000	35,000	35,000	35,000	210,000
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	20,000	6,559	26,559
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	73	218	364	510	684	867	2,716
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	1,319	1,319	1,319	1,319	1,319	1,319	7,914
	914-Pension and Benefits Load	0		0	0	0	2,576	2,576	2,576	2,576	2,576	2,576	15,456
	915-Injuries and Damages Load	0		0	0	0	318	318	318	318	318	318	1,908
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	0	54,285	54,431	54,577	54,723	74,897	61,639	354,552
	825-Clearings	0		0	0	0	0	0	0	0	0	-354,547	-354,547
	Clr Sum	0		0	0	0	0	0	0	0	0	-354,547	-354,547
Proj Net		0		0	0	0	54,285	54,431	54,577	54,723	74,897	-292,908	5

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	96829114	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	90,000	15,000	15,000	15,000	15,000	0	0	0	0	0	0	0	0	150,000
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services			210,000	35,000	35,000	45,000	45,000	0	0	0	0	0	0	0	0	370,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			26,569	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			0	0	0	0	12,078	0	0	0	0	0	0	0	0	38,637
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			2,716	66	193	329	487	0	0	0	0	0	0	0	0	3,791
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			7,914	1,319	1,319	1,319	1,319	0	0	0	0	0	0	0	0	13,190
914-Pension and Benefits Load			15,456	2,576	2,576	2,576	2,576	0	0	0	0	0	0	0	0	25,760
915-Injuries and Damages Load			1,908	318	318	318	318	0	0	0	0	0	0	0	0	3,180
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			354,552	54,279	54,406	64,542	76,778	0	0	0	0	0	0	0	0	604,557
825-Clearings			-354,547	0	0	0	-250,000	0	0	0	0	0	0	0	0	-604,547
Clr Sum			-354,547	0	0	0	-250,000	0	0	0	0	0	0	0	0	-604,547
Proj Net			5	54,279	54,406	64,542	-173,222	0	0	0	0	0	0	0	0	10

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	96829114	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	150,000	0	0	0	0	0	0	0	0	0	0	0	0	150,000
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	370,000	0	0	0	0	0	0	0	0	0	0	0	0	0	370,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	38,637	0	0	0	0	0	0	0	0	0	0	0	0	0	38,637
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	3,791	0	0	0	0	0	0	0	0	0	0	0	0	0	3,791
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	13,190	0	0	0	0	0	0	0	0	0	0	0	0	0	13,190
	914-Pension and Benefits Load	25,760	0	0	0	0	0	0	0	0	0	0	0	0	0	25,760
	915-Injuries and Damages Load	3,180	0	0	0	0	0	0	0	0	0	0	0	0	0	3,180
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	604,557	0	0	0	0	0	0	0	0	0	0	0	0	0	604,557
	825-Clearings	-604,547	0	0	0	0	0	0	0	0	0	0	0	0	0	-604,547
	Clr Sum	-604,547	0	0	0	0	0	0	0	0	0	0	0	0	0	-604,547
Proj Net		10	0	0	0	0	0	0	0	0	0	0	0	0	0	10

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829315 MS SCCM***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/29/2015  
Estimated Completion Date 12/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project updates Microsoft System Center Configuration Manager (MS SCCM) to the latest supported 2012 version to be compatible with Microsoft Active Directory (MS AD) 2012 release 2, and implements this software solution on a new hardware platform of multiple servers which is Microsoft's optimal recommendation for efficiency and redundancy.

Microsoft SCCM is a Windows product that enables administrators to manage the deployment of applications and security products across the Enterprise. Microsoft Active Directory is used for authenticating/authorizing users to access IT systems, and assigning and authorizing security policies. Both of these are considered critical, security-related systems.

Implementation of this project will ensure our SCCM product is more robust and redundant by upgrading off a single server hardware instance, and bringing us up to a software release that is fully secure and supported.

Project Alternatives

Microsoft SCCM is the only tool for policy configuration & patching on a Microsoft Active Directory domain. We could continue to use our current single server instance and old software version, but that alternative would introduce significant risks by not enabling us to be in full compliance with security patching and end point configuration needs. A complete update to this application and hardware therefore is required in order for this system to be fully secure.

SecureState is the vendor that we have selected to assist with this SCCM upgrade, since they know our environment very well, having performed security vulnerability assessments on our network for several years.

Technical Aspects

Software and hardware procurement and implementation. Implementation will include all phases of Quality Assurance testing before the system is placed into production. The installation needs to be implemented on new servers and data migration completed. The old infrastructure will be decommissioned following completion.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project Estimate Approach

Expected vendors we will be relying on to plan and implement this project include Zones for hardware and software, Cognizant for Quality Assurance testing support, Infosys for hardware/software implementation and configuration, and SecureState for configurations needed between MS SCCM and MS AD. Cognizant and Infosys are on multi-year contract with PNM to provide IT application development, testing, and infrastructure outside services and support. Zones is PNM's preferred vendor for hardware/software.

Internal labor cost forecasting was completed based on the expected level of effort to complete the necessary work. Internal labor costs will be for project management, IT Security management, and IT Security administration. Total project budget estimates consist of 23% for internal labor, and 77% for materials/outside services and support provided by Cognizant, Infosys, SecureState and Zones.

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96829315	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General	0	0	0	0	0	15,000	15,000	15,000	15,000	20,000	20,000	100,000
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	0	0	60,000	60,000	75,000	75,000	75,000	75,000	420,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	13,055	13,055
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	106	319	552	806	1,069	1,359	4,211
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	1,319	1,319	1,319	1,319	1,758	1,758	8,792
	914-Pension and Benefits Load	0	0	0	0	0	2,576	2,576	2,576	2,576	3,434	3,434	17,172
	915-Injuries and Damages Load	0	0	0	0	0	318	318	318	318	424	424	2,120
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	79,318	79,532	94,765	95,019	101,685	115,030	565,349
	825-Clearings	0	0	0	0	0	0	0	0	0	0	-565,347	-565,347
	Clr Sum	0	0	0	0	0	0	0	0	0	0	-565,347	-565,347
Proj Net		0	0	0	0	0	79,318	79,532	94,765	95,019	101,685	-450,317	2

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	96829315	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	100,000	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	420,000	0	0	0	0	0	0	0	0	0	0	0	0	0	420,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	13,055	0	0	0	0	0	0	0	0	0	0	0	0	0	13,055
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	4,211	0	0	0	0	0	0	0	0	0	0	0	0	0	4,211
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	8,792	0	0	0	0	0	0	0	0	0	0	0	0	0	8,792
	914-Pension and Benefits Load	17,172	0	0	0	0	0	0	0	0	0	0	0	0	0	17,172
	915-Injuries and Damages Load	2,120	0	0	0	0	0	0	0	0	0	0	0	0	0	2,120
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Mirror Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	565,349	0	0	0	0	0	0	0	0	0	0	0	0	0	565,349
	825-Clearings	-565,347	0	0	0	0	0	0	0	0	0	0	0	0	0	-565,347
	Clr Sum	-565,347	0	0	0	0	0	0	0	0	0	0	0	0	0	-565,347
Proj Net		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	96829315	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	420,000	0	0	0	0	0	0	0	0	0	0	0	0	0	420,000
	374-Outside Svcs. Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	13,055	0	0	0	0	0	0	0	0	0	0	0	0	0	13,055
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	4,211	0	0	0	0	0	0	0	0	0	0	0	0	0	4,211
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	8,792	0	0	0	0	0	0	0	0	0	0	0	0	0	8,792
	914-Pension and Benefits Load	17,172	0	0	0	0	0	0	0	0	0	0	0	0	0	17,172
	915-Injuries and Damages Load	2,120	0	0	0	0	0	0	0	0	0	0	0	0	0	2,120
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	565,349	0	0	0	0	0	0	0	0	0	0	0	0	0	565,349
	825-Clearings	-565,347	0	0	0	0	0	0	0	0	0	0	0	0	0	-565,347
	Clr Sum	-565,347	0	0	0	0	0	0	0	0	0	0	0	0	0	-565,347
Proj Net		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96829714 DR Relocation***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/9/2014      Estimated Completion Date 09/30/2015

#### List Interim In-Service Dates

#### Project Need Justification

This continuation project from 2014 involves planning and implementing a location change of the company's current Disaster Recovery (DR) facility located at a Hewlett Packard facility at Colorado Springs, CO. Rising costs at this facility warrant the need to relocate to a new lower-cost facility that can provide the same level of service or better. Having a reliable and nearby off-site DR facility is critical to PNM's business continuity plans, by providing a safe, secure and reliable DR location to house mission and business critical backup systems and data records, such as Banner, PassPort, PeopleSoft, PeopleSoft, and ServiceSuite systems and data.

#### Project Alternatives

Implementation of this project required a hosted "real estate lease only" option for PNM's DR environment, to allow PNM to manage infrastructure exclusively and remotely. Many available DR vendors did not provide this real estate lease only option, but instead required that their staffs fully support and maintain the DR operations for us. The search was narrowed to two vendors that offered the required real estate only lease option: Verizon and Terremark. After issuance and review of the Request for Proposals by these two vendors, Verizon was selected as preferred vendor as they best met the requirements at a very reasonable cost.

#### Technical Aspects

Implementation of this project involves establishing a multi-year lease at the new Verizon DR facility, moving DR data circuits from the old HP DR location to new Verizon HP facility, and building out the required DR servers and storage assets at the new DR location. Going forward after project go-live, PNM internal labor and outside service provider Infosys will be responsible for the support and administration of this DR facility. Verizon's only support requirement will be to ensure the facility remains secure, open for access and on-line.

#### Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed using vendor quotes from Verizon from DR facility set-up and access, Infosys for hardware and software implementation and configuration, and Zones for hardware and software. Infosys is currently on multi-year contract with PNM to provide daily data center and infrastructure support, and Zones is PNM's preferred hardware and software vendor.

Internal labor cost forecasting was completed by the project team based on the expected level of effort to complete the required work. Internal resources supporting this project include project management, IT management and Telecommunications management. Total project budget estimates consist of 4% for internal labor, and 96% for materials/outside services and support provided by Infosys, Verizon and Zones.

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96829714	Year	BAL 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type													
110-Straight Time-General		34,880	0	5,000	5,000	5,000	5,000	2,500	0	0	0	0	57,380
120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		162,335	39,465	0	50,000	0	0	0	0	0	0	0	89,465
370-Outside Services		0	42,000	0	22,010	30,000	30,000	30,000	0	0	0	0	286,345
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		1,284,562	0	1,580	0	0	0	0	0	0	0	0	1,286,142
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		16,398	4,187	4,329	108	266	360	0	0	0	0	0	25,648
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		3,075	440	440	440	440	440	220	0	0	0	0	5,053
914-Pension and Benefits Load		6,417	859	859	859	859	859	429	0	0	0	0	10,280
915-Injuries and Damages Load		568	106	106	106	106	106	53	0	0	0	0	1,045
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		8,796	1,843	0	2,335	0	0	0	0	0	0	0	12,974
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		1,517,031	93,899	12,313	80,857	36,670	33,562	0	0	0	0	0	1,774,332
825-Clearings		0	0	-1,623,243	0	0	0	-151,088	0	0	0	0	-1,774,331
Clr Sum		0	0	-1,623,243	0	0	0	-151,088	0	0	0	0	-1,774,331
Proj Net		1,517,031	93,899	-1,610,930	80,857	36,670	-117,526	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	96829714	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	57,380
	110-Straight Time-General	57,380	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	89,465	0	0	0	0	0	0	0	0	0	0	0	0	0	89,465
	370-Outside Services	286,345	0	0	0	0	0	0	0	0	0	0	0	0	0	286,345
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	1,286,142	0	0	0	0	0	0	0	0	0	0	0	0	0	1,286,142
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	25,648	0	0	0	0	0	0	0	0	0	0	0	0	0	25,648
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	5,053	0	0	0	0	0	0	0	0	0	0	0	0	0	5,053
	914-Pension and Benefits Load	10,280	0	0	0	0	0	0	0	0	0	0	0	0	0	10,280
	915-Injuries and Damages Load	1,045	0	0	0	0	0	0	0	0	0	0	0	0	0	1,045
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	12,974	0	0	0	0	0	0	0	0	0	0	0	0	0	12,974
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,774,332	0	0	0	0	0	0	0	0	0	0	0	0	0	1,774,332
	825-Cleanings	-1,774,331	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,774,331
	Clr Sum	-1,774,331	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,774,331
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	96829714	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	57,380	0	0	0	0	0	0	0	0	0	0	0	0	57,380
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	89,465	0	0	0	0	0	0	0	0	0	0	0	0	0	89,465
	350-Material Issues-Major	286,345	0	0	0	0	0	0	0	0	0	0	0	0	0	286,345
	370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	1,286,142	0	0	0	0	0	0	0	0	0	0	0	0	0	1,286,142
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	25,648	0	0	0	0	0	0	0	0	0	0	0	0	0	25,648
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	5,053	0	0	0	0	0	0	0	0	0	0	0	0	0	5,053
	914-Pension and Benefits Load	10,280	0	0	0	0	0	0	0	0	0	0	0	0	0	10,280
	915-Injuries and Damages Load	1,045	0	0	0	0	0	0	0	0	0	0	0	0	0	1,045
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	12,974	0	0	0	0	0	0	0	0	0	0	0	0	0	12,974
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,774,332	0	0	0	0	0	0	0	0	0	0	0	0	0	1,774,332
	825-Clearings	-1,774,331	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,774,331
	Clr Sum	-1,774,331	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,774,331
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	0	1

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96829826 Enterprise Asset Management***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

#### ***Project Information***

Construction Start Date 11/17/2014 Estimated Completion Date 12/15/2017

List Interim In-Service Dates  
12/30/2016; 03/30/2017; 05/31/2017; 09/30/2017

#### Project Need Justification

The objective of this program is to provide the Company with enhanced capabilities in the Work and Asset Management (WAM) end-to-end process and realize its full benefits for customers, employees and shareholders. The Company's current WAM system is Passport v10 which is used by over 900 users in the company. Not only does PNMR not have a current support agreement with the Ventyx, the vendor and the ability to maintain Passport's life beyond 2017 is limited; it also does not have the advanced functionality that is needed to support the T&D, Generation and Supply Chain operations. This needed functionality includes a robust job scheduler, improved process and work flows, and mobile capabilities. Rather than purchasing stand-alone systems to support these needed advanced capabilities and given our current information technology environment and future business needs, management determined that a better solution would be to retire some of the outdated, functionality deficient and unsupported systems and install a comprehensive long-term EAM solution.

An EAM solution provides optimal lifecycle management of the physical assets of an organization. It covers multiple processes including the design, construction, commissioning, operations, maintenance and decommissioning/replacement of plant, equipment and facilities.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

##### EAM Solution:

A Request for Proposal (RFP) was issued to five product vendors to evaluate their EAM solution(s). The PNMR team evaluated the responses and participated in product demonstrations and narrowed the product selection down to Maximo for Utilities and Ventyx Asset Suite products. The PNMR team ultimately selected Maximo as it most closely addressed PNMR's requirements to provide PNMR with a robust product that not only meets the needs of the business today but also in the future.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

#### EAM Solution Integrator (SI):

A second RFP was issued to five solution integrators. The PNM team evaluated the RFP responses and on-site presentations. The top two vendors selected were IBM and PwC and each was asked to participate in a 2-day joint solution design (JSD) session with the PNM team. After careful consideration, the PNM team determined that PwC outperformed IBM during the JSDs by demonstrating their team's expertise and knowledge in Maximo and provided a solid roadmap and process for the 2 year implementation. In addition, favorable market terms were negotiated in parallel and although PwC was not the lowest cost alternative they were selected as PNM's solution integrator as they clearly demonstrated they were the most qualified to lead PNM down this 2-year journey towards a successful implementation.

#### Technical Aspects

Over a period of 2 years, the project will replace the Passport v10 system with a comprehensive long-term EAM solution (Maximo). The project will retire outdated, functionality deficient and unsupported systems and consolidate relevant WAM ancillary systems that integrate with Maximo. The system will be used by ~900 users across the enterprise.

#### Project Estimate Approach

An extensive Request for Proposal (RFP) was performed for the Software, Solution Integrator, and the Consultants used for upfront planning. The Solution Integrator provided detailed recommendations for PNM internal staffing (~25 FTEs for the project duration). This information was used to define the PNM internal labor costs. Software costs were derived from the negotiations/contract with IBM for the Maximo product. Hardware costs were estimated based on previous system implementations of similar size and scope.

PNM internal labor will perform the following functions/roles: Program and Project Management, Developers, IT Infrastructure (Network, Security, Servers, and Database Administrators), Business process owners, Business subject matter experts, Application Interface Developers, and Testers. The Solution Integrator will perform the following functions/personnel: Management of the Solution Integrator team, Process Analysts, Maximo Developers, Report Developers, Data Analysts, and Functional Analysts.

Total project budget estimates consist of 35% for internal labor, and 65% for materials/outside services and support.



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	96829826	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	1,451	111,600	62,092	95,000	95,000	95,000	95,000	95,000	95,000	55,000	800,143
		120-OverTime-General	0	0	0	75,000	96,000	96,000	96,000	96,000	96,000	70,000	625,000
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	919,729	0	0	0	374,500	0	0	0	16,934	1,311,163
		370-Outside Services	1,190,005	0	0	0	0	0	0	0	0	0	1,190,005
		374-Outside Svcs Legal	5,909	0	0	0	0	0	0	0	0	0	5,909
		377-Outside Services-Temp Labor	0	0	193,564	400,000	500,000	600,000	500,000	600,000	532,251	320,702	3,646,517
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	94,624	903	95,527
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	5,491	4,721	6,581	7,793	9,640	12,321	15,010	17,180	19,526	21,416	119,679
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	128	9,810	5,458	14,943	16,789	16,789	16,789	16,789	16,789	10,988	125,271
		914-Pension and Benefits Load	249	19,162	10,661	29,189	32,795	32,795	32,795	32,795	32,795	21,463	244,699
		915-Injuries and Damages Load	31	2,366	1,316	3,604	4,049	4,049	4,049	4,049	4,049	2,550	30,212
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	5,037	42,951	0	0	0	17,489	0	0	0	791	66,269
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNM/D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	1,208,301	1,110,338	279,673	625,529	754,273	1,248,943	759,643	861,813	891,034	520,847	8,260,393
		825-Cleanings	0	0	0	0	0	0	0	0	0	0	0
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0
Proj Net			1,208,301	1,110,338	279,673	625,529	754,273	1,248,943	759,643	861,813	891,034	520,847	8,260,393

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	96829826	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
BegBal				800,143	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	150,000	4,580,143
110-Straight Time-General				144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	100,000	2,309,000
120-OverTime-General				0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental				0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major				1,311,163	695,500	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	55,965	2,062,628
370-Outside Services				1,190,005	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	500,000	10,699,005
374-Outside Svcs Legal				5,909	0	0	0	0	0	0	0	0	0	0	0	5,909
377-Outside Services- Temp Labor				3,646,517	0	0	0	0	0	0	0	0	0	0	0	3,646,517
391-Jt Proj Bills to PNM-Non-Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense				0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General				95,527	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights				0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution				0	0	0	0	0	0	300,000	0	0	350,000	0	20,897	766,424
829-Construction Adjustment				0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest				119,679	25,515	29,434	32,353	35,485	39,415	43,651	48,090	52,079	56,296	60,918	63,161	627,927
908-Luna AR - Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other				0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load				125,271	41,665	41,665	41,665	41,665	41,665	41,665	41,665	41,665	41,665	41,665	21,975	605,561
914-Pension and Benefits Load				244,699	81,386	81,386	81,386	81,386	81,386	81,386	81,386	81,386	81,386	81,386	42,925	1,182,870
915-Injuries and Damages Load				30,212	10,049	10,049	10,049	10,049	10,049	10,049	10,049	10,049	10,049	10,049	5,300	146,051
918-San Juan AR-Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load				66,269	32,480	0	0	0	0	0	0	0	0	0	2,614	101,363
922-Minor Material Load				0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads				0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads				0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg				0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular				0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other				0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V				0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	8,260,393	1,447,951	2,179,595	1,455,534	1,461,585	1,465,515	1,474,190	1,478,179	1,482,396	1,487,018	962,837	26,733,397				
825-Clearings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-26,733,385	-26,733,385
Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-26,733,385	-26,733,385
Proj Net	8,260,393	1,447,951	2,179,595	1,455,534	1,461,585	1,465,515	1,474,190	1,478,179	1,482,396	1,487,018	-25,770,548	12				

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	96829826	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	4,580,143	235,000	180,000	0	0	0	0	0	0	0	0	0	0	0	4,995,143
110-Straight Time-General	2,309,000	155,000	0	0	0	0	0	0	0	0	0	0	0	0	0	2,619,000
120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	2,062,628	83,460	83,460	0	0	0	0	0	0	0	0	0	0	0	0	2,062,628
350-Material Issues-Major	10,699,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,699,005
370-Outside Services	5,909	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,909
374-Outside Svcs Legal	3,646,517	720,907	461,334	0	0	0	0	0	0	0	0	0	0	0	0	4,828,758
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	766,424	26,750	32,100	0	0	0	0	0	0	0	0	0	0	0	0	825,274
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	627,927	2,595	7,161	0	0	0	0	0	0	0	0	0	0	0	0	637,683
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	605,561	34,281	29,447	0	0	0	0	0	0	0	0	0	0	0	0	669,289
914-Pension and Benefits Load	1,182,870	66,963	57,520	0	0	0	0	0	0	0	0	0	0	0	0	1,307,353
915-Injuries and Damages Load	146,051	8,268	7,102	0	0	0	0	0	0	0	0	0	0	0	0	161,421
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	101,363	0	0	0	0	0	0	0	0	0	0	0	0	0	0	101,363
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	26,733,397	1,333,224	1,013,124	0	0	0	0	0	0	0	0	0	0	0	0	29,079,745
825-Clearings	-26,733,385	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-26,733,385
Clr Sum	-26,733,385	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-26,733,385
Proj Net	12	1,333,224	1,013,124	0	0	0	0	0	0	0	0	0	0	0	0	2,346,360

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

## ***Project No: 96832514 Data Center Network Refresh***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 4/2/2014  
Estimated Completion Date 6/30/2017

List Interim In-Service Dates  
12/2015; 12/2016; 06/2017

### Project Need Justification

This multi-year project that started in 2014 replaces/upgrades infrastructure core switches and firewalls in the data center which are 10 years old and at end of life (normal obsolescence is 3-5 years). Additionally, the new equipment to be installed will be segmented to enhance overall network security, and eliminate the risk of having one data center and one single point of failure, as it is today.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

### Project Alternatives

The first alternative is to proceed with replacing the infrastructure core switches, segmenting the network and replacing the aging firewalls.

The second alternative is to do nothing, and continue to use unsegmented end of life core switches, and assume the inherent risk that these hardware devices will fail, and system outages will occur. All PNMR networks and systems ultimately tie to these core switches so when switch outages occur, systems such as our telecommunications network, Customer Service Call Center systems, PNM.com, PowerPlan financial management system, and others, will be impacted. Given the risks and potential impacts stated in this alternative, it is in the best interest of the Company and our customers to proceed with performing these hardware upgrades as planned and as noted here above as alternative one.

### Technical Aspects

The project will involve hardware and software procurement and implementation, with equipment segmentation. Implementation will include all phases of Quality Assurance testing before the systems are placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project Estimate Approach

Project costs include internal labor, outside services/support, hardware and software. Project cost estimates were developed using vendor quotes from Advanced Network Management (ANM) for outside services/support, hardware and software. ANM is a local vendor with very competitive pricing and a known history with PNM. It was determined that our purchasing team couldn't find lower costs through bidding. An Infosys vendor quote was also used for outside services/support costing. Infosys is currently on a multi-year contract with PNM to provide day-to-day data center and infrastructure support.

Internal labor cost forecasting was completed by the project team based on the expected level of effort to complete the necessary work. Internal resources supporting this project include Telecommunications Network Engineer, Telecommunications technicians and Telecommunications/Infrastructure Manager.

Total project budget estimates consist of 6% for internal labor, and 94% for materials/outside services and support provided by ANM and Infosys.

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Cost Year 01		2015	
Project	96832514	Year	
	Cost Type	Bal 3/31/15	
110-Straight Time-General		7,873	
	120-Overline-General	0	
200-Fleet Vehicle Maint-Rental		0	
	350-Material Issues-Major	0	
370-Outside Services		39,919	
	374-Outside Svcs Legal	0	
377-Outside Services-Temp Labor		14,467	
391-Jt Proj Bills to PNIM-Non-Labor		0	
530-Employee Expense		0	
	610-Expenses - General	316,045	
805-Land and Land Rights		0	
807-Non Refundable Contribution		0	
829-Construction Adjustment		0	
426-Capitalized Interest		5,588	
908-Luna AR - Labor		0	
909-Luna AR - Other		0	
913-Payroll Taxes Load		693	
914-Pension and Benefits Load		1,389	
915-Injuries and Damages Load		152	
918-San Juan AR-Labor		0	
921-Stores / Purchasing Load		2,313	
922-Minor Material Load		0	
925-E and S Loads		0	
926-A and G Loads		0	
928-AFUDC Debt Reg		0	
929-AFUDC - Equity Regular		0	
937-San Juan AR - Other		0	
961-Luna A&G PNMR D&V		0	
	Cost Sum	388,439	
	825-Clearings	-315,094	
	Clr Sum	-315,094	
Proj Net		73,344	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 02

Project	96832514	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	34,873	0	0	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	69,873
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			92,000	0	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	557,000
370-Outside Services			142,594	0	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	322,594
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			28,867	0	0	0	0	0	0	0	0	0	0	0	0	28,867
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			316,065	0	0	0	0	0	0	0	0	0	0	0	2,526	318,591
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			9,321	0	0	79	237	400	573	749	931	1,114	1,294	1,485	1,647	17,830
906-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			3,068	0	0	308	308	308	308	308	308	308	308	308	308	6,148
914-Pension and Benefits Load			6,025	0	0	601	601	601	601	601	601	601	601	601	601	12,035
915-Injuries and Damages Load			726	0	0	74	74	74	74	74	74	74	74	74	74	1,466
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			6,609	0	0	2,802	2,102	2,102	2,102	2,102	2,102	2,102	2,102	2,102	2,102	28,329
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			640,147	0	0	67,364	71,822	71,985	72,158	72,334	72,516	72,699	72,879	73,070	75,758	1,362,732
825-Clearings			-640,146	0	0	0	0	0	0	0	0	0	0	0	-722,581	-1,362,727
Clr Sum			-640,146	0	0	0	0	0	0	0	0	0	0	0	-722,581	-1,362,727
Proj Net			1	0	0	67,364	71,822	71,985	72,158	72,334	72,516	72,699	72,879	73,070	-646,823	5

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### Cost Year 03

Project	96832514	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	1,000	1,000	0	0	0	0	0	0	0	0	0	0	0	71,873
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			557,000	45,000	45,000	0	0	0	0	0	0	0	0	0	0	647,000
370-Outside Services			322,594	15,000	15,000	0	0	0	0	0	0	0	0	0	0	352,594
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			28,867	0	0	0	0	0	0	0	0	0	0	0	0	28,867
391-IT Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			318,591	0	0	0	0	0	0	0	0	0	0	0	0	318,591
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			17,830	124	371	0	0	0	0	0	0	0	0	0	0	18,325
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			6,148	88	88	0	0	0	0	0	0	0	0	0	0	6,324
914-Pension and Benefits Load			12,035	172	172	0	0	0	0	0	0	0	0	0	0	12,379
915-Injuries and Damages Load			1,466	21	21	0	0	0	0	0	0	0	0	0	0	1,508
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			28,329	2,102	2,102	0	0	0	0	0	0	0	0	0	0	32,533
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			1,362,732	63,507	63,754	0	0	0	0	0	0	0	0	0	0	1,489,983
825-Clearings			-1,362,727	0	0	0	0	0	0	0	0	0	0	0	0	-1,362,727
Clr Sum			-1,362,727	0	0	0	0	0	0	0	0	0	0	0	0	-1,362,727
Proj Net			5	63,507	63,754	0	0	0	0	0	0	0	0	0	0	127,266



PNMR Corporate Tier Level 2 Capital Projects

# PNM Exhibit SMM-3

Is contained in the following 173 pages.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

**Electronic Instructions:**

To view detailed costs for each project, click project to highlight then Press “CTRL” and left click on mouse.

To return back to index from detailed costs, click “CTRL” and “Home”

Thursday, August 06, 2015  
12:01:29 PM

**PNM EXHIBIT SMM-3 PNM Corporate Tier Level 2 Capital Projects**

**Link/Test CWIP Total**

**Contents**

General Services .....	\$542,989	\$0	\$542,989	4
Project No:94230815 Santa Fe Building Improvements .....	\$266,366	\$0	\$266,366	4
Project No:94233315 Santa Fe Security Equipment Upgrades .....	\$175,870	\$0	\$175,870	8
Project No:97731215 Emergency Response Center (Data Center Portable) .....	\$100,753	\$0	\$100,753	12
Technology Blanket .....	\$1,644,096	\$710,776	\$2,354,872	17
Project No:96328412 Computer Platform Refresh Telecom .....	\$0	\$365,397	\$365,397	17
Project No:96328415 Computer Platform Refresh Tele 2015 .....	\$397,188	\$0	\$397,188	21
Project No:96428011 Computer Platform Refresh-PCs Blanket .....	\$0	\$345,379	\$345,379	25
Project No:96428215 Computer Platform Refresh PC 2015 .....	\$382,607	\$0	\$382,607	29
Project No:96828211 Computer Platform Refresh (CPR) Servers/Storage Blanket .....	\$410,372	\$0	\$410,372	33
Project No:96829215 Computer Platform Refresh Svr 2015 .....	\$453,928	\$0	\$453,928	37
Technology Projects .....	\$7,067,308	\$1,376,937	\$8,444,245	41
Project No:91128015 MS Upgrade AD .....	\$204,626	\$0	\$204,626	41
Project No:91128716 PowerPlant v. 10 Add Generational Repairs and Main .....	\$300,108	\$0	\$300,108	45

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project No:91128915 OpenPages Replacement .....	\$350,945	\$0	\$350,945	49
Project No:92428115 Customer Service BI Analytics .....	\$287,716	\$0	\$287,716	54
Project No:92428116 Banner NM PV Enhancements .....	\$253,619	\$0	\$253,619	58
Project No:92428214 Banner Platform Upgrade .....	\$496,707	\$0	\$496,707	62
Project No:92428815 Banner Enhancements .....	\$160,918	\$0	\$160,918	66
Project No:94128815 Training Mgmt Tool .....	\$296,698	\$0	\$296,698	71
Project No:94228914 Sales Logix .....	\$127,294	\$0	\$127,294	75
Project No:94229714 IT Small Sized Projects .....	\$142,613	\$70,370	\$212,983	79
Project No:94628016 ETRM Phase 2 .....	\$0	\$241,602	\$241,602	83
Project No:94628214 WPM Data Management Portal .....	\$300,000	\$0	\$300,000	88
Project No:94628915 WPM Unit Commitment Software .....	\$199,042	\$0	\$199,042	92
Project No:95132015 Market Reliability Improvement (MRI) .....	\$141,366	\$0	\$141,366	96
Project No:95328515 TX MDMS Archive Solution .....	\$224,916	\$0	\$224,916	100
Project No:96828014 Continuous Improvements Technology Enhancements .....	\$183,225	\$10,012	\$193,237	104
Project No:96828015 TIBCO Upgrade .....	\$104,035	\$232,689	\$336,724	108
Project No:96828115 MS Exchange Upgrade .....	\$300,088	\$0	\$300,088	112
Project No:96828217 Migrate Selected Record Libraries from DM to Share .....	\$0	\$214,040	\$214,040	116
Project No:96828515 PNM Intranet Replacement .....	\$320,000	\$0	\$320,000	121

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project No:96828516 MS Sharepoint Upgrade .....	\$296,910	\$0	\$296,910 ...	125
Project No:96828615 Enterprise Firewall Replacement .....	\$0	\$133,404	\$133,404 ...	129
Project No:96828716 Implement Records Management Functionality in Shar .....	\$250,000	\$0	\$250,000 ...	133
Project No:96828916 Identify Management Phase 2 .....	\$422,130	\$0	\$422,130 ...	137
Project No:96829115 Enterprise Business Intelligence Upgrade .....	\$152,179	\$0	\$152,179 ...	141
Project No:96829216 'HPQC Upgrade .....	\$182,610	\$0	\$182,610 ...	145
Project No:96829314 Data Archiving, Backup and Offsite Storage .....	\$0	\$342,348	\$342,348 ...	149
Project No:96829413 Document Management-Employee Medical Records .....	\$0	\$132,473	\$132,473 ...	153
Project No:96829416 INTEL McAfee End point Protection .....	\$496,840	\$0	\$496,840 ...	158
Project No:96829814 MS Lync Ent. 2010 upgrade to Microsoft Lync Ent. 2016 .....	\$291,493	\$0	\$291,493 ...	162
Project No:96832114 MS Windows 2003 Upgrade .....	\$415,544	\$0	\$415,544 ...	166
Project No:96832314 DM Interface Upgrade .....	\$165,685	\$0	\$165,685 ...	170
Totals for Report .....	\$9,254,392	\$2,087,713	\$11,342,105	

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

## General Services

### *Project No: 94230815 Santa Fe Building Improvements*

Company: 007-PNMR Services Co  
Location: 942-Corp Alloc 100pct Electric

Project Information  
Construction Start Date 5/1/2015  
Estimated Completion Date 12/31/2015

List Interim In-Service Dates  
0

#### Project Need Justification

This wedge account is for building improvement projects for the Santa Fe Service Center that will be identified as breakdown maintenance or equipment failure occurs. These funds are used for replacement of systems such as HVAC, plumbing, roofing, electrical, and pavement as their useful life is completed and parts are not obtainable. Upon identification of an issue, each individual project will be requested through a Capital Development Approval Process or "CDAP" and an individual project number will be assigned. This is part of the internal process for requesting and securing capital funds. The budgeted funds will be used solely for outside contract labor and the equipment being replaced. If the systems are not replaced, this could cause deterioration of the building, uncomfortable working conditions or occupants, and a safety hazard in some cases. All funds would be used for replacement of the system.

#### Project Alternatives

The alternative to the chosen course of action (utilizing Operations and Maintenance funds) is not favorable in many cases because frequent breakdowns can leave employees working in unfavorable conditions (i.e., excessive heat or cold, poor ventilation, etc.) for long periods of time. Consequently, employees may have to be sent home until systems are repaired/restored. Furthermore, General Services has a very small staff and may not be unable to respond in a timely manner depending on the number and criticality of work orders in our system (note that Santa Fe is also more than one hour away).

Age, obsolescence, parts availability and potential safety concerns are also contributing factors to the decision process which are reviewed on a case by case basis. Approved vendors, under contract with expertise in the various areas, are used in the majority of these cases.

When breakdown occurs, subject matter experts including PNM employees and management in the respective area, General Services' manager, Building Maintenance supervisor and a licensed contractor would collaborate to determine if the system can be repaired or needs replacement.

#### Technical Aspects

The technical aspects of each project would be identified at the time of the system failure and decision to replace. The work, equipment, and cost would be justified in a CDAP.

**PNM EXHIBIT SMM-3**

Page 2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	94230815	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	60,000	0	0	0	0	0	0	0	100,000	105,000	0	0	0	0	0	265,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	402	0	0	0	0	0	0	0	116	358	489	0	0	0	0	1,365
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	60,402	0	0	0	0	0	0	0	100,116	105,358	489	0	0	0	0	266,365
825-Clearings	-60,403	0	0	0	0	0	0	0	0	0	-205,963	0	0	0	0	-266,366
Clr Sum	-60,403	0	0	0	0	0	0	0	0	0	-205,963	0	0	0	0	-266,366
Proj Net	-1	0	0	0	0	0	0	0	100,116	105,358	-205,474	0	0	0	0	-1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	94230815	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	265,000	0	0	0	0	0	0	0	0	0	0	0	0	0	265,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	1,365	0	0	0	0	0	0	0	0	0	0	0	0	0	1,365
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	266,365	0	0	0	0	0	0	0	0	0	0	0	0	0	266,365
	825-Clearings	-266,366	0	0	0	0	0	0	0	0	0	0	0	0	0	-266,366
	Clr Sum	-266,366	0	0	0	0	0	0	0	0	0	0	0	0	0	-266,366
Proj Net		-1	0	0	0	0	0	0	0	0	0	0	0	0	0	-1



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 94233315 Santa Fe Security Equipment Upgrades***

Company: 007-PNMIR Services Co  
Location: 942-Corp Alloc 100pct Electric

Project Information  
Construction Start Date 8/1/2016  
Estimated Completion Date 12/31/2016

List Interim In-Service Dates  
0

Project Need Justification

This project is a wedge/placeholder in the budget for building security system improvements. This facility needs perimeter cameras to replace the broken ones as well as add additional cameras in order to better secure and monitor the areas. The project would also include fence replacement as the fence is more than 20 years old and is weathered and cannot adequately secure the site. The exact specifications have not been identified at this time. This project was originally requested for 2015 but has been moved to August 2016.

The risk of not replacement is building occupant safety, possible loss to property and contents from burglary, adding additional O&M costs for repair and replacement.

Project Alternatives

The alternative is to maintain the current cameras and fence that are in place at this time, or do a partial replacement. The current equipment does not thoroughly maintain perimeter and site security. A partial replacement only addresses a portion of the problem and would require additional investment in the future. The preferred solution is to install all of the cameras and fence at the same time.

Technical Aspects

This project includes purchase of CCTV security cameras, and security access card readers, cameras, DVR monitoring equipment, and security fencing. The corporate security supervisor will work with the supply chain analyst to obtain bids from outside contractors that will meet PNM's contractual needs, and meet the functional and economic requirements of the project.

Note that for all enterprise-wide projects that provide benefits for both PNM/R utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year		2015											
Project	94233315	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0		
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0		
		370-Outside Services	0	0	37,500	37,500	37,500	0	0	0	0	0	75,000		
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0		
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	0	0	0	50	151	202	0	0	0	0	403		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0		
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0		
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNM&R D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	0	0	37,550	37,651	37,651	202	0	0	0	0	75,403		
		825-Clearings	0	0	0	0	0	-75,403	0	0	0	0	-75,403		
		Clr Sum	0	0	0	0	0	-75,403	0	0	0	0	-75,403		
		Proj Net	0	0	0	37,550	37,651	-75,201	0	0	0	0	0		

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	94233315	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	75,000	0	0	0	0	0	50,000	50,000	0	0	0	0	0	0	175,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	403	0	0	0	0	0	57	174	235	0	0	0	0	0	869
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	75,403	0	0	0	0	0	50,057	50,174	235	0	0	0	0	0	175,869
	825-Clearings	-75,403	0	0	0	0	0	0	0	-100,467	0	0	0	0	0	-175,870
	Clr Sum	-75,403	0	0	0	0	0	0	0	-100,467	0	0	0	0	0	-175,870
	Proj Net	0	0	0	0	0	0	50,057	50,174	-100,232	0	0	0	0	0	-1

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	94233315	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	175,000	0	0	0	0	0	0	0	0	0	0	0	0	0	175,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	869	0	0	0	0	0	0	0	0	0	0	0	0	0	869
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	175,869	0	0	0	0	0	0	0	0	0	0	0	0	0	175,869
	825-Clearings	-175,870	0	0	0	0	0	0	0	0	0	0	0	0	0	-175,870
	Clr Sum	-175,870	0	0	0	0	0	0	0	0	0	0	0	0	0	-175,870
	Proj Net	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	-1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 97731215 Emergency Response Center (Data Center Portable)***

Company: 007-PNMR Services Co  
Location: 977-Corp Alloc Downtown Buildings

Project Information  
Construction Start Date 2/1/2015  
Estimated Completion Date 8/30/2015

List Interim In-Service Dates

0

#### Project Need Justification

The current emergency response center, which is activated at the direction of the Supply Chain director, is used to house the incident management team for working when the current building is not usable, or it is deemed necessary to have an off-site operation or command center. The current center is located in the meter reading facility in the PNM Downtown Headquarters, and is shared with the Meter Reading Department. This results in a part-time, cold-site setup where equipment is stored in a closet, and upon center activation, a team sets up the equipment and layout for use. This does not allow for computer updates, telephone or system testing, and may result in delayed response in times of an emergency. There is a risk having this center/facility so close to the Downtown Headquarters. In the event of a major emergency in which the ERC is activated, identified key subject matter experts will report for work at the ERC. A concern is that the current ERC is located adjacent to the HQ building, which is also adjacent to the Federal Building. An event downtown could shut the facility down and the ERC would not be accessible. Activating the current ERC would also displace Meter Reading employees that work out of that facility. It is best and common practice to locate an ERC away from the primary facility that it is providing back-up support to.

#### Project Alternatives

The alternative is to leave the Emergency Response Center (ERC) in the Downtown Headquarters and risk the location so close to the Headquarters building, and currently operating as a cold-site vs. a hot-site. The current center is shared and would displace employees if activated during the regular work day. It is also inefficient to set up the room for testing and use and then dismantle. This building was determined by General Services/Supply Chain management and team to be the preferred solution to ensure a permanent setup that management and work teams can use for emergency response purposes. The distance from the Downtown Headquarters provides for a permanent hot-site with generator backup and reliability. The new (proposed) location was previously a back-up site for our gas operations so it is properly equipped to function as a back-up facility for emergencies. It has raised floors, network and telephone drops and will serve as a hot site (vs. cold site) for immediate accessibility whenever the need arises. This location will also allow for uninterrupted testing throughout the year.

The facility is still being evaluated for the renovation requirements. Vendors with previous experience with our systems and/or who are currently under contract (for design, installation and maintenance) will be asked to provide bids for required work. This course of action is the best option considering time constraints and complexities regarding existing access control systems and operating characteristics. Wherever feasible, internal labor will be used for maintenance, repairs and replacements.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

#### Technical Aspects

The roof of this building will be replaced in July 2015 and new CAT6 cabling will be run throughout the space. Equipment such as videoconferencing, projection system, monitor and DVR, and computer equipment will also need to be purchased. All work will be done by an outside contractor with equipment also provided by them.

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	97731215	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	10,000	25,000	50,000	50,000	15,000	0	0	0	0	100,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	13	60	161	249	269	0	0	0	0	753
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	10,013	25,060	50,161	50,161	15,249	269	0	0	0	100,753
	825-Clearings	0	0	0	0	0	0	0	-100,753	0	0	0	-100,753
	Clr Sum	0	0	0	0	0	0	0	-100,753	0	0	0	-100,753
	Proj Net	0	0	10,013	25,060	50,161	50,161	15,249	-100,484	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project 97731215

Year 2016

Cost Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	100,000	0	0	0	0	0	0	0	0	0	0	0	0	100,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	753	0	0	0	0	0	0	0	0	0	0	0	0	753
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMNR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	100,753	0	0	0	0	0	0	0	0	0	0	0	0	100,753
825-Clearings	-100,753	0	0	0	0	0	0	0	0	0	0	0	0	-100,753
Clr Sum	-100,753	0	0	0	0	0	0	0	0	0	0	0	0	-100,753

Proj Net

0



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	97731215	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNMR-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	753	0	0	0	0	0	0	0	0	0	0	0	0	0	0	753
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	100,753	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,753
825-Clearings	-100,753	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-100,753
Clr Sum	-100,753	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-100,753
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

## Technology Blanket

### *Project No: 96328412 Computer Platform Refresh Telecom*

Company: 007-PNMNR Services Co  
Location: 963-Corp Alloc-IT-Telecomm

Project Information	
Construction Start Date	4/11/2016
List Interim In-Service Dates	12/15/2016, 12/15/2017, 12/15/2018, 12/15/2019
<u>Estimated Completion Date</u>	N/A

Project Need Justification

This project is for our 2016-2019 annual refresh of various telecommunications hardware such as routers, bridges and switches that are at end of life and warranty, which is typically 5 years in service. This is an on-going refresh of telecommunications equipment that accounts for approximately 20% of our in-use assets. As such, value of the assets is maintained through regular reinvestment. Each year, telecommunications hardware remains in service beyond its useful life (Utility Value), yielding a diminishing marginal utility. Eventually, operational expenses become greater than the remaining utility value of the asset.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Alternatives for equipment replacement are evaluated on a case-by-case basis. Typically, equipment is replaced with the standard model at the time of replacement.

Technical Aspects

Procurement and replacement of outdated telecommunications hardware throughout New Mexico service territories. Implementation will include all phases of quality assurance testing before the systems are placed into production. The hardware and software vendors we use for required, on-going asset procurements have knowledge and of our current telecommunications architecture, so there is normally not an extensive selection process, unless we need a specialized asset

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

that are partnered vendors don't carry.

Cost Year 01		Year		2015											
Project	96328412	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	6,560	0	0	0	0	0	0	0	0	0	6,560		
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	82,429	0	0	0	0	0	0	0	0	0	82,429		
		370-Outside Services	8,261	0	0	0	0	0	0	0	0	0	8,261		
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
		377-Outside Services-Temp Labor	8,172	0	0	0	0	0	0	0	0	0	8,172		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	49,331	0	0	0	0	0	0	0	0	0	49,331		
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	2,652	0	0	0	0	0	0	0	0	0	2,652		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	581	0	0	0	0	0	0	0	0	0	581		
		914-Pension and Benefits Load	1,340	0	0	0	0	0	0	0	0	0	1,340		
		915-Injuries and Damages Load	54	0	0	0	0	0	0	0	0	0	54		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	779	0	0	0	0	0	0	0	0	0	779		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	160,159	0	0	0	0	0	0	0	0	0	160,159		
		825-Clearings	-160,159	0	0	0	0	0	0	0	0	0	-160,159		
		Clr Sum	-160,159	0	0	0	0	0	0	0	0	0	-160,159		
		Proj Net	0	0	0	0	0	0	0	0	0	0	0		

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project - 96328412

Year 2016

Cost Type	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
BegBal	6,560	0	0	0	0	0	0	0	0	0	0	0	0	0	6,560
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	82,429	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	8,251	0	0	0	0	40,000	40,000	40,000	40,000	40,000	40,000	20,000	0	0	342,429
370-Outside Services	0	0	0	0	0	10,000	10,000	10,000	12,000	20,000	43,000	0	0	0	113,251
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	8,172	0	0	0	0	0	0	0	0	0	0	0	0	0	8,172
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	49,331	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	6,880	3,486	0	0	59,897
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	2,652	0	0	0	0	60	178	302	430	574	766	911	0	0	5,873
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	581	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	1,340	0	0	0	0	0	0	0	0	0	0	0	0	0	581
915-Injuries and Damages Load	54	0	0	0	0	0	0	0	0	0	0	0	0	0	1,340
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	54
921-Stores / Purchasing Load	779	0	0	0	0	1,868	1,868	1,868	1,868	1,868	1,868	934	0	0	12,921
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	160,159	0	0	0	0	51,928	52,046	52,170	54,298	62,442	92,514	25,331	0	0	550,888
825-Clearings	-160,159	0	0	0	0	0	0	0	0	0	0	-390,728	0	0	-550,887
Ctr Sum	-160,159	0	0	0	0	0	0	0	0	0	0	-390,728	0	0	-550,887

Proj Net

0

51,928

52,046

52,170

54,298

62,442

92,514

-365,397

0

0

0

1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96328412	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	BegBal	6,560	0	0	0	0	0	0	0	0	0	0	0	0	0	6,560
				0	0	0	0	0	0	0	0	0	0	0		
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		342,429	0	0	0	0	0	0	0	0	0	0	0	0	0	342,429
370-Outside Services		113,261	0	0	0	0	0	0	0	0	0	0	0	0	0	113,261
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		8,172	0	0	0	0	0	0	0	0	0	0	0	0	0	8,172
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		59,697	0	0	0	0	0	0	0	0	0	0	0	0	0	59,697
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		5,873	0	0	0	0	0	0	0	0	0	0	0	0	0	5,873
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		581	0	0	0	0	0	0	0	0	0	0	0	0	0	581
914-Pension and Benefits Load		1,340	0	0	0	0	0	0	0	0	0	0	0	0	0	1,340
915-Injuries and Damages Load		54	0	0	0	0	0	0	0	0	0	0	0	0	0	54
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		12,921	0	0	0	0	0	0	0	0	0	0	0	0	0	12,921
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM&R D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		550,888	0	0	0	0	0	0	0	0	0	0	0	0	0	550,888
825-Clearings		-550,887	0	0	0	0	0	0	0	0	0	0	0	0	0	-550,887
Clr Sum		-550,887	0	0	0	0	0	0	0	0	0	0	0	0	0	-550,887
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96328415 Computer Platform Refresh Tele 2015***

Company: 007-PNMR Services Co  
Location: 963-Corp Alloc-IT-Telecomms

Project Information	
<u>Construction Start Date</u>	2/16/2015
<u>Estimated Completion Date</u>	N/A

List Interim In-Service Dates

0

Project Need Justification

This project is for our 2015 annual refresh of various telecommunications hardware such as routers, bridges and switches that are at end of life and warranty, which is typically 5 years in service. This is an on-going refresh of telecommunications equipment that accounts for approximately 20% of our in-use assets. As such, value of the assets is maintained through regular reinvestment. Each year, telecommunications hardware remains in service beyond its useful life (Utility Value), yielding a diminishing marginal utility. Eventually, operational expenses become greater than the remaining utility value of the asset.

Project Alternatives

Alternatives for equipment replacement are evaluated on a case-by-case basis. Typically, equipment is replaced with the standard model at the time of replacement.

Technical Aspects

Procurement and replacement of outdated telecommunications hardware throughout New Mexico service territories. Implementation will include all phases of quality assurance testing before the systems are placed into production. The hardware and software vendors we use for required, on-going asset procurements have knowledge and of our current telecommunications architecture, so there is normally not an extensive selection process, unless we need a specialized asset that are partnered vendors don't carry.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	96328415	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	19,659	28,000	5,000	40,000	40,000	30,000	40,000	40,000	32,882	40,000	275,828
		370-Outside Services	0	0	2,000	10,000	10,000	10,000	10,000	10,000	0	16,350	60,350
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	2,654	600	2,500	2,500	2,500	2,500	2,500	3,000	3,000	3,000	22,854
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	7,501	14,564	22,065
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	61	62	106	162	248	395	527	661	797	961	3,979
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	150	13	1,308	234	1,868	1,868	1,401	1,868	1,536	1,868	12,113
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	22,524	962	32,013	9,895	54,616	54,763	44,428	55,529	45,716	76,743	397,189
		825-Clearings	0	0	0	0	0	0	0	0	0	-397,188	-397,188
		Clr Sum	0	0	0	0	0	0	0	0	0	-397,188	-397,188
		Proj Net	22,524	962	32,013	9,895	54,616	54,763	44,428	55,529	45,716	-320,445	1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96328415	Year	2016													Total
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major		275,828	0	0	0	0	0	0	0	0	0	0	0	0	275,828	
370-Outside Services		60,350	0	0	0	0	0	0	0	0	0	0	0	0	60,350	
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor		22,854	0	0	0	0	0	0	0	0	0	0	0	0	22,854	
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General		22,065	0	0	0	0	0	0	0	0	0	0	0	0	22,065	
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Constuction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest		3,979	0	0	0	0	0	0	0	0	0	0	0	0	3,979	
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load		12,113	0	0	0	0	0	0	0	0	0	0	0	0	12,113	
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM&R D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum		397,189	0	0	0	0	0	0	0	0	0	0	0	0	397,189	
825-Clearings		-397,188	0	0	0	0	0	0	0	0	0	0	0	0	-397,188	
Clr Sum		-397,188	0	0	0	0	0	0	0	0	0	0	0	0	-397,188	
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	1	



Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96328415	Cost Type	2017												Total	
			Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	275,828	0	0	0	0	0	0	0	0	0	0	0	0	275,828
		370-Outside Services	60,350	0	0	0	0	0	0	0	0	0	0	0	0	60,350
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	22,854	0	0	0	0	0	0	0	0	0	0	0	0	22,854
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	22,065	0	0	0	0	0	0	0	0	0	0	0	0	22,065
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	3,979	0	0	0	0	0	0	0	0	0	0	0	0	3,979
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	12,113	0	0	0	0	0	0	0	0	0	0	0	0	12,113
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMNR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	397,189	0	0	0	0	0	0	0	0	0	0	0	0	397,189
		825-Clearings	-397,188	0	0	0	0	0	0	0	0	0	0	0	0	-397,188
		Clr Sum	-397,188	0	0	0	0	0	0	0	0	0	0	0	0	-397,188
		Proj Net	1	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96428011 Computer Platform Refresh-PCs Blanket***

Company: 007-PNMR Services Co  
Location: 964-Corp Alloc-IT Desktops

Project Information	
<u>Construction Start Date</u>	3/15/2016
<u>Estimated Completion Date</u>	N/A

List Interim In-Service Dates 12/15/2016, 12/15/2017, 12/15/2018, 12/15/2019

Project Need Justification

This project is a 2016-2019 annual refresh of various desktop and laptop assets that are at end of life and warranty, which is typically 5 years in service. This is an on-going refresh of PC equipment that accounts for approximately 20% of our in-use assets. As such, value of the assets is maintained through regular reinvestment. Each year, PC hardware remains in service beyond its useful life (Utility Value), yielding a diminishing marginal utility. Eventually, operational expenses become greater than the remaining utility value of the asset.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Implement this annual PC asset refresh or do nothing and assume the inherent risk of having system outages, downtime, and lost data.

PNMs preferred vendor, Zones, is used for all asset procurements given their broad product line availability and purchase price discounts provided to us.

Technical Aspects

Procurement and replacement of outdated PC hardware throughout New Mexico service territories.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01

Project 96428011 Year 2015

Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	2,138	0	0	0	0	0	0	0	0	0	2,138
120-Overline-General	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	0	0	0	0	0	0	0	0	0	0	0
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	608,139	0	0	0	0	0	0	0	0	0	608,139
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	274	0	0	0	0	0	0	0	0	0	274
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	156	0	0	0	0	0	0	0	0	0	156
914-Pension and Benefits Load	244	0	0	0	0	0	0	0	0	0	244
915-Injuries and Damages Load	16	0	0	0	0	0	0	0	0	0	16
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	4,075	0	0	0	0	0	0	0	0	0	4,075
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	615,043	0	0	0	0	0	0	0	0	0	615,043
825-Cleanings	-615,043	0	0	0	0	0	0	0	0	0	-615,043
Clr Sum	-615,043	0	0	0	0	0	0	0	0	0	-615,043
Proj Net	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96428011	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	2,138	0	0	0	0	0	0	0	0	0	0	0	0	2,138
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		0	0	0	20,000	15,000	40,000	40,000	40,000	0	0	0	0	0	155,000
	374-Outside Svcs Legal		0	0	0	20,000	15,000	65,000	20,000	20,000	20,000	20,000	50,000	35,000	169,000	434,000
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	608,139	0	0	0	0	0	0	0	0	0	0	0	901	7,000	616,040
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	274	0	0	0	48	130	286	487	639	747	803	893	1,009	1,255	6,571
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	156	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	244	0	0	0	0	0	0	0	0	0	0	0	0	0	156
	915-Injuries and Damages Load	16	0	0	0	0	0	0	0	0	0	0	0	0	0	244
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16
	921-Stores / Purchasing Load	4,075	0	0	0	934	701	1,868	1,868	1,868	0	0	0	0	0	11,314
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	615,043	0	0	0	40,982	30,831	107,154	62,355	62,507	20,747	20,803	50,893	36,910	177,255	1,225,480
	825-Clearings	-615,043	0	0	0	0	0	0	0	0	0	0	0	0	-610,438	-1,225,481
	Clr Sum	-615,043	0	0	0	0	0	0	0	0	0	0	0	0	-610,438	-1,225,481
Proj Net		0	0	0	0	40,982	30,831	107,154	62,355	62,507	20,747	20,803	50,893	36,910	-433,183	-1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96428011	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	2,138	0	0	0	0	0	0	0	0	0	0	0	0	0	2,138
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		155,000	0	0	0	0	0	0	0	0	0	0	0	0	0	155,000
370-Outside Services		434,000	0	0	0	0	0	0	0	0	0	0	0	0	0	434,000
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		616,040	0	0	0	0	0	0	0	0	0	0	0	0	0	616,040
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		6,571	0	0	0	0	0	0	0	0	0	0	0	0	0	6,571
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		156	0	0	0	0	0	0	0	0	0	0	0	0	0	156
914-Pension and Benefits Load		244	0	0	0	0	0	0	0	0	0	0	0	0	0	244
915-Injuries and Damages Load		16	0	0	0	0	0	0	0	0	0	0	0	0	0	16
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		11,314	0	0	0	0	0	0	0	0	0	0	0	0	0	11,314
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		1,225,480	0	0	0	0	0	0	0	0	0	0	0	0	0	1,225,480
825-Cleanings		-1,225,481	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,225,481
Clr Sum		-1,225,481	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,225,481
Proj Net		-1	0	0	0	0	0	0	0	0	0	0	0	0	0	-1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96428215 Computer Platform Refresh PC 2015***

Company: 007-PNM/R Services Co  
Location: 964-Corp Alloc-IT Desktops

Project Information	
<u>Construction Start Date</u>	2/16/2015
<u>Estimated Completion Date</u>	N/A

List Interim In-Service Dates

0

Project Need Justification

This project is a 2015 annual refresh of various desktop and laptop assets that are at end of life and warranty, which is typically 5 years in service. This is an ongoing refresh of PC equipment that accounts for approximately 20% of our in-use assets. As such, value of the assets is maintained through regular reinvestment. Each year, PC hardware remains in service beyond its useful life (Utility Value), yielding a diminishing marginal utility. Eventually, operational expenses become greater than the remaining utility value of the asset.

Project Alternatives

Implement this annual PC asset refresh or do nothing and assume the inherent risk of having system outages, downtime, and lost data.

PNMs preferred vendor, Zones, is used for all asset procurements given their broad product line availability and purchase price discounts provided to us.

Technical Aspects

Procurement and replacement of outdated PC hardware throughout New Mexico service territories.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	96428215	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	338	14,892	2,500	2,500	5,000	5,000	10,000	50,000	50,000	95,245	235,475
		370-Outside Services	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	27,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	4,750	825	825	825	825	825	825	825	825	825	12,175
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	91,063	0	0	0	0	0	0	0	0	882	91,945
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	261	286	321	340	361	387	419	514	666	883	4,438
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	594	695	117	117	234	234	467	2,335	2,335	4,448	11,576
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	97,005	19,699	6,763	6,781	9,420	9,446	14,711	56,674	56,826	105,283	382,608
		825-Clearings	0	0	0	0	0	0	0	0	0	-382,607	-382,607
		Clr Sum	0	0	0	0	0	0	0	0	0	-382,607	-382,607
Proj Net			97,005	19,699	6,763	6,781	9,420	9,446	14,711	56,674	56,826	-277,324	1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96428215	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			235,475	0	0	0	0	0	0	0	0	0	0	0	0	235,475
370-Outside Services			27,000	0	0	0	0	0	0	0	0	0	0	0	0	27,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			12,175	0	0	0	0	0	0	0	0	0	0	0	0	12,175
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			91,945	0	0	0	0	0	0	0	0	0	0	0	0	91,945
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			4,438	0	0	0	0	0	0	0	0	0	0	0	0	4,438
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			11,576	0	0	0	0	0	0	0	0	0	0	0	0	11,576
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			382,608	0	0	0	0	0	0	0	0	0	0	0	0	382,608
825-Clearings			-382,607	0	0	0	0	0	0	0	0	0	0	0	0	-382,607
Clr Sum			-382,607	0	0	0	0	0	0	0	0	0	0	0	0	-382,607
Proj Net			1	0	0	0	0	0	0	0	0	0	0	0	0	1



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96428215	Year	2017												Total
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	235,475	0	0	0	0	0	0	0	0	0	0	0	0	235,475
	370-Outside Services	27,000	0	0	0	0	0	0	0	0	0	0	0	0	27,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	12,175	0	0	0	0	0	0	0	0	0	0	0	0	12,175
	391-It Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	91,945	0	0	0	0	0	0	0	0	0	0	0	0	91,945
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	4,438	0	0	0	0	0	0	0	0	0	0	0	0	4,438
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	11,576	0	0	0	0	0	0	0	0	0	0	0	0	11,576
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	382,608	0	0	0	0	0	0	0	0	0	0	0	0	382,608
	825-Clearings	-382,607	0	0	0	0	0	0	0	0	0	0	0	0	-382,607
	Clr Sum	-382,607	0	0	0	0	0	0	0	0	0	0	0	0	-382,607
Proj Net		1	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828211 Computer Platform Refresh (CPR) Servers/Storage Blanket***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information		
<u>Construction Start Date</u>	3/14/2016	<u>Estimated Completion Date</u> N/A

List Interim In-Service Dates 12/15/2016; 12/15/2017; 12/15/2018; 12/15/2019

Project Need Justification

This project is for the 2016-2019 annual refresh of Company IT server and storage assets that will be at end of life and out of warranty. As such, value of these assets is maintained through regular reinvestment and refreshes. Servers and storage equipment included in the scope of this project include as Microsoft, Linux and virtual server assets, tape storage, virtual tape library assets included throughout our production, test and Disaster Recovery environments. This hardware is considered critical Company assets, and from a risk management perspective, these hardware components need to be current and under vendor warranty and support.

Project Alternatives

Implement these planned annual refreshes of outdated server and storage hardware, or do nothing and assume an inherent risk of critical system outages, downtime and potential lost data.

Each year, a list of end-of-life server and storage assets is compiled and a quote is requested from Zones, PNM's preferred hardware vendor, for specifications and pricing for compatible and available replacement assets. These assets are incrementally purchased and implemented throughout year, based on prioritization provided by the IT Infrastructure team.

Technical Aspects

Hardware procurement and replacement implementation. Implementation will include all phases of Quality Assurance testing before these assets are placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01

Project 96828211 Year 2015

Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	2,252	0	0	0	0	0	0	0	0	0	2,252
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
370-Outside Svcs	0	0	0	0	0	0	0	0	0	0	0
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	343,227	0	0	0	0	0	0	0	0	0	343,227
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	165	0	0	0	0	0	0	0	0	0	165
914-Pension and Benefits Load	257	0	0	0	0	0	0	0	0	0	257
915-Injuries and Damages Load	17	0	0	0	0	0	0	0	0	0	17
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	3,382	0	0	0	0	0	0	0	0	0	3,382
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	349,299	0	0	0	0	0	0	0	0	0	349,299
825-Clearings	-349,299	0	0	0	0	0	0	0	0	0	-349,299
Clr Sum	-349,299	0	0	0	0	0	0	0	0	0	-349,299
Proj Net	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828211	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type		BegBal	2,252	0	0	0	0	0	0	0	0	0	0	0	0	2,252
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	42,147	42,147	42,147	42,147	42,147	42,147	42,147	42,147	42,147	17,476	396,799
370-Outside Services		0	0	0	0	0	100,000	0	0	0	0	0	0	0	0	100,000
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		343,227	0	0	0	0	0	0	0	0	0	0	0	0	624	343,851
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		0	0	0	0	52	166	380	490	52	158	265	53	161	236	2,013
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		165	0	0	0	0	0	0	0	0	0	0	0	0	0	165
914-Pension and Benefits Load		257	0	0	0	0	0	0	0	0	0	0	0	0	0	257
915-Injuries and Damages Load		17	0	0	0	0	0	0	0	0	0	0	0	0	0	17
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Sbres / Purchasing Load		3,382	0	0	1,968	1,968	1,968	1,968	1,968	1,968	1,968	1,968	1,968	1,968	816	21,910
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		349,299	0	0	0	44,167	144,281	44,495	44,605	44,167	44,273	44,380	44,168	44,276	19,152	867,263
825-Clearings		-349,299	0	0	0	-44,167	0	0	-233,383	0	0	-132,822	0	0	-107,598	-867,269
Clr Sum		-349,299	0	0	0	-44,167	0	0	-233,383	0	0	-132,822	0	0	-107,598	-867,269
Proj Net		0	0	0	0	0	144,281	44,495	-188,778	44,167	44,273	-88,442	44,168	44,276	-88,446	-6

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828211	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	2,252
	110-Straight Time-General	2,252	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	396,799	0	0	0	0	0	0	0	0	0	0	0	0	0	396,799
	370-Outside Services	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	343,851	0	0	0	0	0	0	0	0	0	0	0	0	0	343,851
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	2,013	0	0	0	0	0	0	0	0	0	0	0	0	0	2,013
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	165	0	0	0	0	0	0	0	0	0	0	0	0	0	165
	914-Pension and Benefits Load	257	0	0	0	0	0	0	0	0	0	0	0	0	0	257
	915-Injuries and Damages Load	17	0	0	0	0	0	0	0	0	0	0	0	0	0	17
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	21,910	0	0	0	0	0	0	0	0	0	0	0	0	0	21,910
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	867,263	0	0	0	0	0	0	0	0	0	0	0	0	0	867,263
	825-Clearings	-867,269	0	0	0	0	0	0	0	0	0	0	0	0	0	-867,269
	Clr Sum	-867,269	0	0	0	0	0	0	0	0	0	0	0	0	0	-867,269
	Proj Net	-6	0	0	0	0	0	0	0	0	0	0	0	0	0	-6

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829215 Computer Platform Refresh Svr 2015***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information	2/11/2015	<u>Estimated Completion Date</u>	N/A
<u>Construction Start Date</u>			

List Interim In-Service Dates  
0

Project Need Justification  
This project is for the 2015 annual refresh of Company IT server and storage assets that will be at end of life and out of warranty. As such, value of these assets is maintained through regular reinvestment and refreshes. Servers and storage equipment included in the scope of this project include as Microsoft, Linux and virtual server assets, tape storage, virtual tape library assets included throughout our production, test and Disaster Recovery environments. This hardware is considered critical Company assets, and from a risk management perspective, these hardware components need to be current and under vendor warranty and support.

Project Alternatives  
Implement this planned annual refresh of outdated server and storage hardware, or do nothing and assume an inherent risk of critical system outages, downtime and potential lost data.

Each year, a list of end-of-life server and storage assets is compiled and a quote is requested from Zones, PNM's preferred hardware vendor, for specifications and pricing for compatible and available replacement assets. These assets are incrementally purchased and implemented throughout year, based on prioritization provided by the IT Infrastructure team.

Technical Aspects  
Hardware procurement and replacement implementation. Implementation will include all phases of Quality Assurance testing before these assets are placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	96829215	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0
		120-Overline-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	90,589	5,000	5,000	5,000	5,000	10,000	100,000	77,000	97,573	395,162
		370-Outside Services	2,310	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	29,310
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	4,082	669	669	669	669	669	669	669	669	669	10,103
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	-4,495	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	-4,495
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	1,111	1,111
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	6	137	282	306	331	355	387	553	812	1,071	4,240
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	44	4,231	234	234	234	234	467	4,670	3,596	4,557	18,499
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	1,946	98,626	9,184	9,209	9,233	9,259	14,523	108,892	85,077	107,981	453,930
		825-Clearings	0	0	0	0	0	0	0	0	0	-453,928	-453,928
		Clr Sum	0	0	0	0	0	0	0	0	0	-453,928	-453,928
Proj Net			1,946	98,626	9,184	9,209	9,233	9,259	14,523	108,892	85,077	-345,947	2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829215	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	395,162	0	0	0	0	0	0	0	0	0	0	0	0	0	395,162
	370-Outside Services	29,310	0	0	0	0	0	0	0	0	0	0	0	0	0	29,310
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	10,103	0	0	0	0	0	0	0	0	0	0	0	0	0	10,103
	391-Jt Proj Bills to PNMR-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	-4,495	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,495
	805-Land and Land Rights	1,111	0	0	0	0	0	0	0	0	0	0	0	0	0	1,111
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	4,240	0	0	0	0	0	0	0	0	0	0	0	0	0	4,240
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	18,499	0	0	0	0	0	0	0	0	0	0	0	0	0	18,499
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	453,930	0	0	0	0	0	0	0	0	0	0	0	0	0	453,930
	825-Cleanings	-453,928	0	0	0	0	0	0	0	0	0	0	0	0	0	-453,928
	Clr Sum	-453,928	0	0	0	0	0	0	0	0	0	0	0	0	0	-453,928
Proj Net		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96829215	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	395,162	0	0	0	0	0	0	0	0	0	0	0	0	0	395,162
	370-Outside Services	29,310	0	0	0	0	0	0	0	0	0	0	0	0	0	29,310
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	10,103	0	0	0	0	0	0	0	0	0	0	0	0	0	10,103
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	-4,495	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,495
	805-Land and Land Rights	1,111	0	0	0	0	0	0	0	0	0	0	0	0	0	1,111
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	4,240	0	0	0	0	0	0	0	0	0	0	0	0	0	4,240
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	18,499	0	0	0	0	0	0	0	0	0	0	0	0	0	18,499
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	453,930	0	0	0	0	0	0	0	0	0	0	0	0	0	453,930
	825-Clearings	-453,928	0	0	0	0	0	0	0	0	0	0	0	0	0	-453,928
	Clr Sum	-453,928	0	0	0	0	0	0	0	0	0	0	0	0	0	-453,928
Proj Net		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Technology Projects

Project No: 91128015 MS Upgrade AD

Company: 007-PNMR Services Co  
Location: 911-Corp Alloc Financial Systems

Project Information  
Construction Start Date 8/1/2015  
Estimated Completion Date 12/15/2015

List Interim In-Service Dates  
0

Project Need Justification

This project upgrades our current Microsoft Active Directory (AD) 2008 system to Microsoft AD 2013 system. This Active Directory product provides security authentication and authorizations to many of our interconnected business/missions critical systems. Our current Microsoft AD 2008 system is falling out of mainstream maintenance and support, and remaining on an unsupported platform introduces IT security concerns. Upgrading to this new platform ensures this system remains both secure and supported.

Project Alternatives

Upgrade our Microsoft AD system to the newest release, or do nothing, remain on end of life platform and assume the inherent risk of potentially having cyber security attacks, system outages, downtime, and lost data.

Technical Aspects

Software procurement and implementation of product, to include interfacing with other internal systems and completing all phases of Quality Assurance testing before placing the system into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year		2015											
Project	91128015	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	30,000		
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	0	0	0	0	44,000	22,000	0	0	0	0	66,000		
		370-Outside Services	0	0	0	0	0	0	0	0	0	0	0		
		374-Outside Svcs Legal	0	0	0	0	0	15,000	15,000	15,000	15,000	15,000	75,000		
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0		
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	0	0	0	0	70	200	289	347	426	512	1,844		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	0	0	0	0	440	440	440	440	440	440	2,640		
		914-Pension and Benefits Load	0	0	0	0	859	859	859	859	859	859	5,154		
		915-Injuries and Damages Load	0	0	0	0	106	106	106	106	106	106	636		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	0	0	0	0	2,055	1,027	0	0	0	0	3,082		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	0	0	0	0	52,529	44,632	21,694	21,752	37,106	26,917	204,630		
		825-Clearings	0	0	0	0	0	0	0	0	0	-204,626	-204,626		
		Clr Sum	0	0	0	0	0	0	0	0	0	-204,626	-204,626		
		Proj Net	0	0	0	0	52,529	44,632	21,694	21,752	37,106	-177,709	4		

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	91128015	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type		BegBal	30,000	0	0	0	0	0	0	0	0	0	0	0	0	30,000
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			66,000	0	0	0	0	0	0	0	0	0	0	0	0	66,000
370-Outside Services			0	0	0	0	0	0	0	0	0	0	0	0	0	0
374-Outside Svcs Legal			75,000	0	0	0	0	0	0	0	0	0	0	0	0	75,000
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-It Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			20,275	0	0	0	0	0	0	0	0	0	0	0	0	20,275
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			1,844	0	0	0	0	0	0	0	0	0	0	0	0	1,844
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			2,640	0	0	0	0	0	0	0	0	0	0	0	0	2,640
914-Pension and Benefits Load			5,154	0	0	0	0	0	0	0	0	0	0	0	0	5,154
915-Injuries and Damages Load			636	0	0	0	0	0	0	0	0	0	0	0	0	636
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			3,082	0	0	0	0	0	0	0	0	0	0	0	0	3,082
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			204,630	0	0	0	0	0	0	0	0	0	0	0	0	204,630
825-Cleanings			-204,626	0	0	0	0	0	0	0	0	0	0	0	0	-204,626
Clr Sum			-204,626	0	0	0	0	0	0	0	0	0	0	0	0	-204,626
Proj Net			4	0	0	0	0	0	0	0	0	0	0	0	0	4

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	91128015	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	30,000
	110-Straight Time-General	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	66,000	0	0	0	0	0	0	0	0	0	0	0	0	0	66,000
	370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0	75,000
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	20,275	0	0	0	0	0	0	0	0	0	0	0	0	0	20,275
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	1,844	0	0	0	0	0	0	0	0	0	0	0	0	0	1,844
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	2,840	0	0	0	0	0	0	0	0	0	0	0	0	0	2,840
	914-Pension and Benefits Load	5,154	0	0	0	0	0	0	0	0	0	0	0	0	0	5,154
	915-Injuries and Damages Load	636	0	0	0	0	0	0	0	0	0	0	0	0	0	636
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	3,082	0	0	0	0	0	0	0	0	0	0	0	0	0	3,082
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMIR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	204,630	0	0	0	0	0	0	0	0	0	0	0	0	0	204,630
	825-Clearings	-204,626	0	0	0	0	0	0	0	0	0	0	0	0	0	-204,626
	Clr Sum	-204,626	0	0	0	0	0	0	0	0	0	0	0	0	0	-204,626
Proj Net		4	0	0	0	0	0	0	0	0	0	0	0	0	0	4

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 91128716 Power Plant v. 10 Add Generational Repairs and Main***

Company: 007-PNMR Services Co  
Location: 911-Corp Alloc Financial Systems

Project Information  
Construction Start Date 4/1/2016  
Estimated Completion Date 9/30/2016

List Interim In-Service Dates  
0

Project Need Justification

Electric utilities must comply with special IRS rules relating to repairs expense. The best method to ensure compliance with IRS safe harbor provisions is to systematize the repairs expense identification and tracking within the plant accounting system. The repairs module analyzes each eligible work order that goes into the plant system to determine whether it should be expensed or capitalized for tax purposes. PNMR has already implemented the PowerPlan repairs module for Transmission & Distribution (T&D) assets but has yet to do so for Generation assets. Since Generation assets have different IRS rules than T&D, a separate system is needed.

Project Alternatives

One alternative would be to do nothing and maintain the data tax credit information manually, which is time-consuming and prone to errors. A second alternative is to find/implement an entirely new tax credit provisioning system, which would increase PNMRs technology footprint, adding another system we would be required to support and maintain. This alternative isn't seen as being cost-effective. Our final and recommended alternative is to build this tax credit capability into our current PowerPlan V.10 system. PowerPlan is one of PNMRs core, in-use financial systems, and is the recognized leader in utility plant financial management. Given, that PowerPlan is heavily used and understood throughout PNMR, it makes sense for us leverage this currently used, supported and maintained system.

Technical Aspects

Acquire, set up, and configure and implement a new generation tax module to existing PowerPlan v.10 system. Implementation will include all phases of quality assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	91128716	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General	0		0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0		0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0		0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNMR-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	0	0	0	0	0	0	0	0
	825-Clearings	0		0	0	0	0	0	0	0	0	0	0
	Clr Sum	0		0	0	0	0	0	0	0	0	0	0
	Proj Net	0		0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	91128716	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	0	0	0	90,000
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services			0	0	0	0	25,000	25,000	25,000	25,000	25,000	25,000	0	0	0	150,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			0	0	0	51	51	152	257	364	475	627	0	0	0	1,926
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			0	0	0	0	1,319	1,319	1,319	1,319	1,319	1,319	0	0	0	7,914
914-Pension and Benefits Load			0	0	0	0	2,576	2,576	2,576	2,576	2,576	2,576	0	0	0	15,456
915-Injuries and Damages Load			0	0	0	0	318	318	318	318	318	318	0	0	0	1,908
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			0	0	0	0	44,264	44,365	44,470	44,577	44,688	77,750	0	0	0	300,114
825-Clearings			0	0	0	0	0	0	0	0	0	-300,108	0	0	0	-300,108
Clr Sum			0	0	0	0	0	0	0	0	0	-300,108	0	0	0	-300,108
Proj Net			0	0	0	0	44,264	44,365	44,470	44,577	44,688	-222,358	0	0	0	6



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	91128716	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type		BegBal	90,000	0	0	0	0	0	0	0	0	0	0	0	0	90,000
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	150,000
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		32,910	0	0	0	0	0	0	0	0	0	0	0	0	0	32,910
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		1,926	0	0	0	0	0	0	0	0	0	0	0	0	0	1,926
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		7,914	0	0	0	0	0	0	0	0	0	0	0	0	0	7,914
914-Pension and Benefits Load		15,456	0	0	0	0	0	0	0	0	0	0	0	0	0	15,456
915-Injuries and Damages Load		1,908	0	0	0	0	0	0	0	0	0	0	0	0	0	1,908
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		300,114	0	0	0	0	0	0	0	0	0	0	0	0	0	300,114
825-Clearings		-300,108	0	0	0	0	0	0	0	0	0	0	0	0	0	-300,108
Clr Sum		-300,108	0	0	0	0	0	0	0	0	0	0	0	0	0	-300,108
Proj Net		6	0	0	0	0	0	0	0	0	0	0	0	0	0	6

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 91128915 OpenPages Replacement***

Company: 007-PNMR Services Co  
Location: 911-Corp Alloc Financial Systems

Project Information  
Construction Start Date 3/1/2015  
Estimated Completion Date 3/31/2016

List Interim In-Service Dates  
0

#### Project Need Justification

PNM Audit Services currently depends on OpenPages Audit and FCM (SOX) Modules to perform and manage audit and SOX work, to assist with ensuring compliance with multiple regulatory requirements. The accuracy of audit reporting and SOX documentation records is crucial to maintaining regulatory compliance, developing appropriate mitigation plans when deficiencies are noted, and facilitating follow-up on those mitigation plans.

By replacing the current version of OpenPages Audit and FCM Modules, the new solution will: (1) Be compliant with IT standards for Operating Systems and database versions by choosing a system that meets technology requirements; (2) be supported by the vendor under annual maintenance and support agreement; (3) be routinely upgraded and patched, maintaining compliance with our IT lifecycle management schedule; (4) meet the requirements of the Audit Services group; (5) meet SOX requirements that are mandated by SEC regulations, and (6) allow for documentation requirements to meet International Professional Practices Framework.

A POC (proof of concept) in an attempt to upgrade the current system proved to be unsuccessful. Upgrading the current system is not an option. PNMR terminated the support agreement for OpenPages three years ago and it is, therefore, no longer supported by the vendor. System has reliability issues which makes it unstable. It currently resides on a Windows Server 2003 platform with an Oracle v10.2 database. Both platforms present security and expiring support risks, which are required to be mitigated in 2015.

#### Project Alternatives

While this is predominantly a technology-driven project, Audit Services is taking the opportunity to seek out a viable solution that more fully meets their business requirements and to take advantage of any process improvements to be leveraged from a new system. BWISE (NASDAQ) has been selected to replace OpenPages after careful consideration.

An initial RFI was sent to BWISE, IBM, MetricStream, RSA, TeamMate and Thompson Reuters. The selection process narrowed vendors down to four. RFQ was then issued to BWISE, IBM, MetricStream, and RSA. Demos were provided by all four vendors. Vendors were further narrowed down to BWISE and MetricStream. After 2nd round of demos, MetricStream proved they were unable to manage "test" data provided by PNMR and did not fully understand PNMR's

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

needs. BWISE met requirements for both Audit Services and Sox groups.

One solution was required to meet the needs of both Sox and Audit groups. Several vendors we eliminated due to their strength in only one area and not fully meeting the requirements of the other. This thorough process eliminated the possibility of setting up separate applications for each group. Thoroughly vetting the requirements with the vendors and several iterations of demonstrations provided one solution for all of Audit Services' needs, which is BWISE.

#### Technical Aspects

Procurement of new audit software tool, hardware platform and implementation of this system to include all phases of quality assurance testing before going into production.

Note that for all enterprise-wide projects that provide benefits for both PNM ratepayers and PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case:

**PNM EXHIBIT SMM-3**

Cost Year 01		2015											
Project	91128915	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	110-Straight Time-General		0	0	0	0	8,000	5,000	5,000	5,000	5,000	5,000	33,000
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	108,000	0	0	0	0	108,000
	370-Outside Services		0	0	0	0	0	15,000	20,000	15,000	10,375	30,000	90,375
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	0	0	0	14	208	424	489	542	615	2,292
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	0	0	0	703	440	440	440	440	440	2,903
	914-Pension and Benefits Load		0	0	0	0	1,374	859	859	859	859	859	5,669
	915-Injuries and Damages Load		0	0	0	0	170	106	106	106	106	106	700
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	5,044	0	0	0	0	5,044
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM R D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	0	0	0	10,260	134,657	26,829	21,894	17,322	37,489	248,451
	825-Clearings		0	0	0	0	0	0	0	0	0	0	0
	Clr Sum		0	0	0	0	0	0	0	0	0	0	0
Proj Net		0	0	0	0	0	10,260	134,657	26,829	21,894	17,322	37,489	248,451

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	91128915	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	5,000	5,000	5,000	5,000	0	0	0	0	0	0	0	0	0	48,000
	110-Straight Time-General	33,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	108,000	0	0	0	0	0	0	0	0	0	0	0	0	0	108,000
	370-Outside Services	90,375	25,000	25,000	25,000	25,000	0	0	0	0	0	0	0	0	0	165,375
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	469	0	569	5,600	0	0	0	0	0	0	0	0	0	0	6,638
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	2,292	643	701	775	0	0	0	0	0	0	0	0	0	0	4,411
	906-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	2,903	440	440	440	0	0	0	0	0	0	0	0	0	0	4,223
	914-Pension and Benefits Load	5,669	859	859	859	0	0	0	0	0	0	0	0	0	0	8,246
	915-Injuries and Damages Load	700	106	106	106	0	0	0	0	0	0	0	0	0	0	1,018
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	5,044	0	0	0	0	0	0	0	0	0	0	0	0	0	5,044
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	248,451	32,048	32,675	37,780	0	0	0	0	0	0	0	0	0	0	350,954
	825-Clearings	0	0	0	-350,945	0	0	0	0	0	0	0	0	0	0	-350,945
	Clr Sum	0	0	0	-350,945	0	0	0	0	0	0	0	0	0	0	-350,945
Proj Net		248,451	32,048	32,675	-313,165	0	0	0	0	0	0	0	0	0	0	9

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03		2017												PN		
Project	91128915	Year	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type															
	110-Straight Time-General		48,000	0	0	0	0	0	0	0	0	0	0	0	0	48,000
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		108,000	0	0	0	0	0	0	0	0	0	0	0	0	108,000
	370-Outside Services		165,375	0	0	0	0	0	0	0	0	0	0	0	0	165,375
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		6,638	0	0	0	0	0	0	0	0	0	0	0	0	6,638
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		4,411	0	0	0	0	0	0	0	0	0	0	0	0	4,411
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		4,223	0	0	0	0	0	0	0	0	0	0	0	0	4,223
	914-Pension and Benefits Load		8,246	0	0	0	0	0	0	0	0	0	0	0	0	8,246
	915-Injuries and Damages Load		1,018	0	0	0	0	0	0	0	0	0	0	0	0	1,018
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		5,044	0	0	0	0	0	0	0	0	0	0	0	0	5,044
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		350,954	0	0	0	0	0	0	0	0	0	0	0	0	350,954
	825-Clearings		-350,945	0	0	0	0	0	0	0	0	0	0	0	0	-350,945
	Clr Sum		-350,945	0	0	0	0	0	0	0	0	0	0	0	0	-350,945
Proj Net			9	0	0	0	0	0	0	0	0	0	0	0	0	9
	</															

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 92428115 Customer Service BI Analytics***

Company: 007-PNMR Services Co  
Location: 924-Corp Alloc Customer Count

Project Information  
Construction Start Date 7/27/2015  
Estimated Completion Date 12/15/2015

List Interim In-Service Dates  
0

Project Need Justification

This is a software development project that will add new functionality to Customer Service (CS) BI operational and performance metric portal. This will include new warehouses and metric development for CS Executive reporting, Credit & Collections, Payment Controls, Customer Contact, and Call Center. The project will provide the ability to assess the current business situation, improved decision making, and provide the ability to better anticipate tactical and strategic implications through performance analysis. One-two person days per month are spent on manually compiling data from various, fragmented systems to report and analyze metrics. In addition, access to business data requires technical resources, which are limited. It also takes Customer Service personnel approximately one day each month to gather data for monthly dashboard reports. Some metrics are not currently being derived due to the complexity of programming. Data gathered from the source systems is often monthly data which does not support timely decision-making. The new portals, views and reports will allow more users increased access to key business drivers. The result of the project should reduce the time to decision by providing the ability to obtain timely insight into department operations and performance.

Project Alternatives

Using formal business requirements gathering, it was determined that PNMR is required to provide new performance and operation metrics to executive management, PRC, and industry standards organizations. It was determined that Customer Service BI application required additional functionality to be developed to support the need. The alternative was for the business to continue to provide these metrics manually, or not at all, as the ability to consolidate the data from multiple sources is not found in the Customer Service department. All development is being performed by the PNMR BTS Business Intelligence team. External vendors were not considered as the skill to perform the work was available in-house.

Technical Aspects

Design and implement internally-developed BI portal to include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratemakers are included in the rate case.

Cost Year 01		Year		2015											
Project	92428115	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	0	0	0	0	10,000	10,000	10,000	15,000	15,000	15,000	75,000		
		120-Overline-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0		
		370-Outside Services	0	0	0	0	0	25,000	25,000	30,000	50,000	50,000	180,000		
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	0	0	0	0	0	0	0	4,744	2,211	2,950	9,905		
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	0	0	0	0	17	85	187	310	479	673	1,751		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	0	0	0	0	879	879	879	1,319	1,319	1,319	6,594		
		914-Pension and Benefits Load	0	0	0	0	1,717	1,717	1,717	2,576	2,576	2,576	12,879		
		915-Injuries and Damages Load	0	0	0	0	212	212	212	318	318	318	1,590		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	0	0	0	0	12,825	37,893	37,995	54,267	71,903	72,836	287,719		
		825-Clearings	0	0	0	0	0	0	0	0	0	-287,716	-287,716		
		Clr Sum	0	0	0	0	0	0	0	0	0	-287,716	-287,716		
		Proj Net	0	0	0	0	12,825	37,893	37,995	54,267	71,903	-214,880	3		



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	92428115	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	75,000	0	0	0	0	0	0	0	0	0	0	0	0	75,000
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint+Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		180,000	0	0	0	0	0	0	0	0	0	0	0	0	180,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		9,905	0	0	0	0	0	0	0	0	0	0	0	0	9,905
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		1,751	0	0	0	0	0	0	0	0	0	0	0	0	1,751
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		6,594	0	0	0	0	0	0	0	0	0	0	0	0	6,594
	914-Pension and Benefits Load		12,879	0	0	0	0	0	0	0	0	0	0	0	0	12,879
	915-Injuries and Damages Load		1,590	0	0	0	0	0	0	0	0	0	0	0	0	1,590
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		287,719	0	0	0	0	0	0	0	0	0	0	0	0	287,719
	825-Clearings		-287,716	0	0	0	0	0	0	0	0	0	0	0	0	-287,716
	Clr Sum		-287,716	0	0	0	0	0	0	0	0	0	0	0	0	-287,716

Proj Net 3 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 3

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	92428115	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	75,000	0	0	0	0	0	0	0	0	0	0	0	0	75,000
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		180,000	0	0	0	0	0	0	0	0	0	0	0	0	180,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		9,905	0	0	0	0	0	0	0	0	0	0	0	0	9,905
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		1,751	0	0	0	0	0	0	0	0	0	0	0	0	1,751
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		6,594	0	0	0	0	0	0	0	0	0	0	0	0	6,594
	914-Pension and Benefits Load		12,879	0	0	0	0	0	0	0	0	0	0	0	0	12,879
	915-Injuries and Damages Load		1,590	0	0	0	0	0	0	0	0	0	0	0	0	1,590
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		287,719	0	0	0	0	0	0	0	0	0	0	0	0	287,719
	825-Cleanings		-287,716	0	0	0	0	0	0	0	0	0	0	0	0	-287,716
	Clr Sum		-287,716	0	0	0	0	0	0	0	0	0	0	0	0	-287,716
Proj Net			3	0	0	0	0	0	0	0	0	0	0	0	0	3

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 92428116 Banner NM PV Enhancements***

Company: 007-PNMR Services Co  
Location: 924-Corp Alloc Customer Count

Project Information  
Construction Start Date 8/17/2015  
Estimated Completion Date 4/30/2016

List Interim In-Service Dates  
0

Project Need Justification  
Our Customer Service team has requested functional enhancements to the Banner Customer Service - NM system to effectively incorporate PV (Solar Photovoltaic) programs such as Small/Large PV, Third Party PV, and Solar Gardens. Implementing this project would enhance PNM's ability to meet our customer's expectations for the management of PV accounts and programs and could minimize or eliminate the processing of incorrect customer's bills due to managing this PV data manually. These enhancements include automating checks to ensure PV accounts only bill when both Net meter and Renewable Energy Credit (REC) meters are billable, automation allowing REC customer on a 3rd Party account to change multiple month billing that applies proper PV avoided cost credits, automating charge calculation and billing of REC meter when PV account has battery backup unit, automating charge calculation and billing for accounts having multiple REC meters associated with single net meter, and automating charge calculation and billing for accounts having multiple REC meters associated with multiple net meters. Currently, this functionality needs to be detected and handled through a manual, time-consuming process which is subject to human error.

Project Alternatives  
Provide the requested Banner NM PV enhancements, or do nothing and stand the risk of billing errors due to having to manage PV transactions manually.

Data has been collected over multiple years on the number of incidents reported to IT, caused by lack of needed functionality. Interviews have been held with Billing Department to analyze the needed functionality and assess the impact.

Cognizant, who is a vendor on multi-year contract with PNM to provide IT application development support and testing support, will be required to assist us with this implementation.

Technical Aspects  
Design and implement new Banner system enhancements to include all phases of Quality Assurance testing before the system is placed into production.  
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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01

Project	92428116	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	Bal 3/31/15											
	110-Straight Time-General	0		0	0	0	0	5,000	5,000	5,000	5,000	5,000	25,000
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	22,500	22,500	22,500	22,500	22,500	112,500
	370-Outside Services	0		0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	0	338	338
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	40	121	201	282	364	1,008
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	0	440	440	440	440	440	2,200
	914-Pension and Benefits Load	0		0	0	0	0	859	859	859	859	859	4,295
	915-Injuries and Damages Load	0		0	0	0	0	106	106	106	106	106	530
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	1,051	1,051	1,051	1,051	1,051	5,255
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	0	0	29,996	30,077	30,157	30,238	30,658	151,126
	825-Clearings	0		0	0	0	0	0	0	0	0	0	0
	Clr Sum	0		0	0	0	0	0	0	0	0	0	0
Proj Net		0		0	0	0	0	29,996	30,077	30,157	30,238	30,658	151,126

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	92428116	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Cost Type	110-Straight Time-General	BegBal	25,000	5,000	5,000	5,000	5,000	0	0	0	0	0	0	0	0	45,000	
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	350-Material Issues-Major		112,500	0	0	0	0	0	0	0	0	0	0	0	0	112,500	
	370-Outside Services		0	20,000	20,000	20,000	20,000	0	0	0	0	0	0	0	0	75,000	
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	530-Employee Expense		338	0	0	0	0	0	0	0	0	0	0	0	0	0	338
	610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		1,008	394	440	497	552	0	0	0	0	0	0	0	0	0	2,891
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	913-Payroll Taxes Load		2,200	440	440	440	440	0	0	0	0	0	0	0	0	3,960	
	914-Pension and Benefits Load		4,295	859	859	859	859	0	0	0	0	0	0	0	0	7,731	
	915-Injuries and Damages Load		530	106	106	106	106	0	0	0	0	0	0	0	0	954	
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	921-Stores / Purchasing Load		5,255	0	0	0	0	0	0	0	0	0	0	0	0	5,255	
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	961-Luna A&G PNMIR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Cost Sum		151,126	21,799	26,845	26,902	26,957	0	0	0	0	0	0	0	0	253,629	
	825-Clearings		0	0	0	0	-253,619	0	0	0	0	0	0	0	0	-253,619	
	Clr Sum		0	0	0	0	-253,619	0	0	0	0	0	0	0	0	-253,619	
Proj Net		151,126	21,799	26,845	26,902	-226,662	0	0	0	0	0	0	0	0	0	10	

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	92428116	Year	2017													Total
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
	110-Straight Time-General	45,000	0	0	0	0	0	0	0	0	0	0	0	0	45,000	
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	350-Material Issues-Major	112,500	0	0	0	0	0	0	0	0	0	0	0	0	112,500	
	370-Outside Services	75,000	0	0	0	0	0	0	0	0	0	0	0	0	75,000	
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	610-Expenses - General	338	0	0	0	0	0	0	0	0	0	0	0	0	338	
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	426-Capitalized Interest	2,891	0	0	0	0	0	0	0	0	0	0	0	0	2,891	
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	913-Payroll Taxes Load	3,960	0	0	0	0	0	0	0	0	0	0	0	0	3,960	
	914-Pension and Benefits Load	7,731	0	0	0	0	0	0	0	0	0	0	0	0	7,731	
	915-Injuries and Damages Load	954	0	0	0	0	0	0	0	0	0	0	0	0	954	
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	921-Stores / Purchasing Load	5,255	0	0	0	0	0	0	0	0	0	0	0	0	5,255	
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Cost Sum	253,629	0	0	0	0	0	0	0	253,629	0	0	0	0	253,629	
	825-Cleanings	-253,619	0	0	0	0	0	0	0	0	0	0	0	0	-253,619	
	Clr Sum	-253,619	0	0	0	0	0	0	0	0	0	0	0	0	-253,619	
	Proj Net	10	0	0	0	0	0	0	0	0	0	0	0	0	10	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 92428214 Banner Platform Upgrade***

Company: 007-PNMR Services Co  
Location: 924-Corp Alloc Customer Count

Project Information  
Construction Start Date 9/9/2014  
List Interim In-Service Dates Estimated Completion Date 8/30/2015

Project Need Justification

The purpose of this in-flight project is to upgrade the Banner application platform to new, supported hardware. PNMs Banner system is used for electric service delivery, customer account management and billing in NM and TX. The current hardware servers supporting this system (HPUX 8420) are past end-of-life. Additionally, Banner is on PA-RISC architecture, which is no longer manufactured and will be unsupported at the end of 2015. The 8420 platform is currently on extended support which is costing us over \$30K/month. The move to a new virtual infrastructure and the Linux operating system will drastically reduce this expense. The Banner application is business critical and requires 24 x 7 uptime. This upgrade is needed to ensure that a hardware failure doesn't reduce system availability and reliability.

Project Alternatives

The only cost efficient alternative to upgrading is to not upgrade, and continue to run this application on end of life hardware, pay extremely high maintenance costs for extended support, and assume the high risk that hardware failures and system downtime will more than likely occur.

This project will be supported by (1) internal IT Manager responsible for support of the Banner system, and vendor support from Infosys who is on contract with PNMR to provide day-to-day support to our on-line/operational systems, Cognizant who is on contract with PNMR to provide quality assurance testing to our systems before systems rollout into production, and Manpower Professionals who is PNMRs preferred provider for contract Project Manager provide. All three of these preferred vendors have in-depth experience and knowledge of our current systems and processes.

Technical Aspects

Hardware set-up, software and hardware implementation. Implementation will include all phases of Quality Assurance testing before the systems in placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNIM ratepayers are included in the rate case.

Cost Year 01

Project	92428214	Year	2015
	Cost Type	Bal 3/31/15	
	110-Straight Time-General	97,511	
	120-OverTime-General	0	
	200-Fleet Vehicle Maint-Rental	0	
	350-Material Issues-Major	0	
	370-Outside Services	425,209	
	374-Outside Svcs Legal	0	
	377-Outside Services-Temp Labor	32,599	
	391-Jt Proj Bills to PNM-Non-Labor	0	
	530-Employee Expense	0	
	610-Expenses - General	759,575	
	805-Land and Land Rights	0	
	807-Non Refundable Contribution	0	
	829-Construction Adjustment	0	
	426-Capitalized Interest	19,843	
	908--Luna AR - Labor	0	
	909--Luna AR - Other	0	
	913-Payroll Taxes Load	8,146	
	914-Pension and Benefits Load	18,449	
	915-Injuries and Damages Load	1,391	
	918--San Juan AR-Labor	0	
	921-Stores / Purchasing Load	7,963	
	922-Minor Material Load	0	
	925-E and S Loads	0	
	926-A and G Loads	0	
	928-AFUDC Debt Reg	0	
	929-AFUDC - Equity Regular	0	
	937--San Juan AR - Other	0	
	961-Luna A&G PNMR D&V	0	
	Cost Sum	1,370,685	
	825-Cleanings	-1,252,292	
	Clr Sum	-1,262,292	

Proj Net

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	92428214	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	149,511	0	0	0	0	0	0	0	0	0	0	0	0	149,511
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services			819,127	0	0	0	0	0	0	0	0	0	0	0	0	819,127
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			45,423	0	0	0	0	0	0	0	0	0	0	0	0	45,423
391-Jt Proj Bills to PNMR-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			785,353	0	0	0	0	0	0	0	0	0	0	0	0	785,353
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			24,425	281	274	271	267	266	271	275	279	282	284	288	285	27,748
906-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			12,717	0	0	0	0	0	0	0	0	0	0	0	0	12,717
914-Pension and Benefits Load			27,378	0	0	0	0	0	0	0	0	0	0	0	0	27,378
915-Injuries and Damages Load			2,493	0	0	0	0	0	0	0	0	0	0	0	0	2,493
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			7,963	0	0	0	0	0	0	0	0	0	0	0	0	7,963
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			1,874,389	281	274	271	267	266	271	275	279	282	284	288	285	1,877,712
825-Clearings			-1,759,000	0	0	0	0	0	0	0	0	0	0	0	0	-1,759,000
Clr Sum			-1,759,000	0	0	0	0	0	0	0	0	0	0	0	0	-1,759,000

Proj Net 115,389 281 274 271 267 266 271 275 279 282 284 288 285 118,712

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	92428214	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type		BegBal	149,511	0	0	0	0	0	0	0	0	0	0	0	0	149,511
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		819,127	0	0	0	0	0	0	0	0	0	0	0	0	0	819,127
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		45,423	0	0	0	0	0	0	0	0	0	0	0	0	0	45,423
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		785,353	0	0	0	0	0	0	0	0	0	0	0	0	0	785,353
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		27,748	463	465	0	0	0	0	0	0	0	0	0	0	0	28,576
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		12,717	0	0	0	0	0	0	0	0	0	0	0	0	0	12,717
914-Pension and Benefits Load		27,378	0	0	0	0	0	0	0	0	0	0	0	0	0	27,378
915-Injuries and Damages Load		2,493	0	0	0	0	0	0	0	0	0	0	0	0	0	2,493
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		7,953	0	0	0	0	0	0	0	0	0	0	0	0	0	7,953
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		1,877,712	463	465	0	0	0	0	0	0	0	0	0	0	0	1,878,640
825-Cleanings		-1,759,000	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,759,000
Clr Sum		-1,759,000	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,759,000
Proj Net		118,712	463	465	0	0	0	0	0	0	0	0	0	0	0	119,640

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 92428815 Banner Enhancements***

Company: 007-PNMR Services Co  
Location: 924-Corp Alloc Customer Count

Project Information  
Construction Start Date 1/28/2015  
Estimated Completion Date 12/30/2015

List Interim In-Service Dates  
0

#### Project Need Justification

This project provides enhancements to our Banner Customer Service system such as Charge Calculations, new reports and forms, courtesy letter process, deposit/refund/payment applications, new meter and billing exceptions, etc. These are system enhancements to better align us to our customer's needs, Customer Service business areas requirements, and NMPPRC requirements and reporting. Some examples of planned enhancements this year are:

1. Create functionality to allow Customer Service Representatives to set a pending Reconnect for Non-Payment on an account after a customer has called to state they will be making the required payment and would like their service reconnected. Once the system detects the payment amount has been satisfied it will automatically submit the order to be worked. It will recognize the time of day and override if necessary for same day. This will eliminate the need for the customer to call us back after making the payment, thus simplifying and shorten the overall reconnection process for PNM and the customer.
2. Enhancement of seven internal reports to show which customers have cogeneration facilities. Per NMPPRC rule 570, customers must be placed on the optimal rate schedule without consideration of cogeneration. PNM is required to assist customers in determining their optimal rate and these reports are designed to allow Account Managers to systematically meet this requirement, and enhancement of these reports will facilitate that requirement.
3. System enhancement to provide solar customers a way to receive their Renewable Energy Credit (REC) payments by electronic deposit directly to their bank account instead of by mailing a check each month, as is currently done. This enhancement entails the creation of a new interface file, Banner user interface form changes and new Banner note types. Implementing this enhancement provides a more efficient and speedier process to get our solar customers their outstanding REC payments.

#### Project Alternatives

The Banner system is our embedded Company customer service system, and these enhancements are needed to align us to our customer's demands and NMPPRC requirements. These enhancements implement functionality that does not currently exist. This functionality that is tightly integrated into Banner, so it is not feasible to purchase a separate solution in the market.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Technical Aspects

Banner system software customizations and enhancements. Implementation will include the necessary level of Quality Assurance testing before new functionality is placed into production. Development and implementation of these enhancements will be performed by Cognizant, who is on multi-year contract with PNM for Banner system application support.

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	92428815	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000
		120-Overline-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	20,148	0	3,000	15,000	15,000	15,000	15,000	15,000	20,000	25,000	143,148
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	6,499	375	6,875
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	102	55	59	85	129	173	217	261	321	395	1,796
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	88	88	88	88	88	88	88	616
		914-Pension and Benefits Load	0	0	0	172	172	172	172	172	172	172	1,203
		915-Injuries and Damages Load	0	0	0	21	21	21	21	21	21	21	147
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	135	0	0	0	0	0	0	0	0	0	135
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	20,385	55	3,059	16,366	16,409	16,454	16,498	16,542	28,101	27,052	160,920
		825-Clearings	0	0	0	0	0	0	0	0	0	-160,918	-160,918
		Clr Sum	0	0	0	0	0	0	0	0	0	-160,918	-160,918
Proj Net			20,385	55	3,059	16,366	16,409	16,454	16,498	16,542	28,101	-133,866	2

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	92428815	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	7,000	0	0	0	0	0	0	0	0	0	0	0	0	7,000
	110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General			0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	143,148		0	0	0	0	0	0	0	0	0	0	0	0	143,148
	374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	6,875		0	0	0	0	0	0	0	0	0	0	0	0	6,875
	805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	1,796		0	0	0	0	0	0	0	0	0	0	0	0	1,796
	908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	616		0	0	0	0	0	0	0	0	0	0	0	0	616
	914-Pension and Benefits Load	1,203		0	0	0	0	0	0	0	0	0	0	0	0	1,203
	915-Injuries and Damages Load	147		0	0	0	0	0	0	0	0	0	0	0	0	147
	918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	135		0	0	0	0	0	0	0	0	0	0	0	0	135
	922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V			0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	160,920		0	0	0	0	0	0	0	0	0	0	0	0	160,920
	825-Clearings	-160,918		0	0	0	0	0	0	0	0	0	0	0	0	-160,918
	Clr Sum	-160,918		0	0	0	0	0	0	0	0	0	0	0	0	-160,918
Proj Net		2		0	0	0	0	0	0	0	0	0	0	0	0	2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratemakers are included in the rate case.

Cost Year 03

Project	92428815	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	7,000
	110-Straight Time-General	7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	143,148	0	0	0	0	0	0	0	0	0	0	0	0	0	143,148
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	6,875	0	0	0	0	0	0	0	0	0	0	0	0	0	6,875
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	1,796	0	0	0	0	0	0	0	0	0	0	0	0	0	1,796
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	616	0	0	0	0	0	0	0	0	0	0	0	0	0	616
	914-Pension and Benefits Load	1,203	0	0	0	0	0	0	0	0	0	0	0	0	0	1,203
	915-Injuries and Damages Load	147	0	0	0	0	0	0	0	0	0	0	0	0	0	147
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	135	0	0	0	0	0	0	0	0	0	0	0	0	0	135
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	160,920	0	0	0	0	0	0	0	0	0	0	0	0	0	160,920
	825-Clearings	-160,918	0	0	0	0	0	0	0	0	0	0	0	0	0	-160,918
	Clr Sum	-160,918	0	0	0	0	0	0	0	0	0	0	0	0	0	-160,918
Proj Net		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNMR ratepayers are included in the rate case.

*Project No: 94128815 Training Mgmt Tool*

Company: 007-PNMR Services Co  
Location: 941-Corp Alloc-Gen PNMR Utility

Project Information  
Construction Start Date 10/19/2015  
Estimated Completion Date 3/30/2016

List Interim In-Service Dates  
0

Project Need Justification

This project provides an in-house or commercial off-the-shelf Training Management Tool to be used to track and demonstrate NM Operations personnel compliance with mandatory training. Currently the management of this training is done manually which is inefficient, costly, and carries a high degree of risk in making errors on compliance training metrics.

Project Alternatives

Alternatives are to design and implement a Training Management tool on an in-house, in-use system, buy and implement a new Training Management tool, or do nothing and continue with our current inefficient, manual processes. Our preferred solution for delivering this system is to build out this Training Management functionality within our current enterprise PeopleSoft system. Given the fact that we use this fully supported system extensively for Company HR personnel management, this appears to be the simplest, lowest-cost approach.

Implementation of this PeopleSoft solution would involve Cognizant vendor support for code development and testing. Cognizant is currently on contract with PNMR to provide PeopleSoft application support and IT system testing.

Technical Aspects

Build or procure a software solution, and implement this solution to include all phases of Quality Assurance testing before placing this system into production.



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01

Project 94128815 Year 2015

Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0	0	0	0	0	0	0	15,000	15,000	15,000	45,000
120-Overline-General	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	40,000	40,000	39,000	119,000
370-Outside Services	0	0	0	0	0	0	0	0	0	0	0
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	13,386	328	13,714
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	82	264	445	791
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	0	0	0	1,319	1,319	1,319	3,957
914-Pension and Benefits Load	0	0	0	0	0	0	0	2,576	2,576	2,576	7,728
915-Injuries and Damages Load	0	0	0	0	0	0	0	318	318	318	954
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	1,868	1,868	1,821	5,557
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	0	0	0	0	0	0	0	61,163	74,731	60,807	196,701
825-Clearings	0	0	0	0	0	0	0	0	0	0	0
Clr Sum	0	0	0	0	0	0	0	0	0	0	0
Proj Net	0	0	0	0	0	0	0	61,163	74,731	60,807	196,701

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	94128815	Year	2016													Total
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
		45,000	10,000	10,000	9,500	0	0	0	0	0	0	0	0	0	74,500	
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	350-Material Issues-Major	119,000	0	0	0	0	0	0	0	0	0	0	0	0	119,000	
	370-Outside Services	0	20,000	20,000	20,000	0	0	0	0	0	0	0	0	0	60,000	
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	391-It Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	610-Expenses - General	13,714	0	0	461	0	0	0	0	0	0	0	0	0	14,175	
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	426-Capitalized Interest	791	519	583	653	0	0	0	0	0	0	0	0	0	2,546	
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	913-Payroll Taxes Load	3,957	879	879	835	0	0	0	0	0	0	0	0	0	6,550	
	914-Pension and Benefits Load	7,728	1,717	1,717	1,531	0	0	0	0	0	0	0	0	0	12,793	
	915-Injuries and Damages Load	954	212	212	201	0	0	0	0	0	0	0	0	0	1,579	
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	921-Stores / Purchasing Load	5,557	0	0	0	0	0	0	0	0	0	0	0	0	5,557	
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Cost Sum	196,701	33,327	33,391	33,281	0	0	0	0	0	0	0	0	0	296,700	
	825-Clearings	0	0	0	-296,698	0	0	0	0	0	0	0	0	0	-296,698	
	Clr Sum	0	0	0	-296,698	0	0	0	0	0	0	0	0	0	-296,698	
Proj Net		196,701	33,327	33,391	-263,417	0	0	0	0	0	0	0	0	0	2	

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	94128815	Cost Type	2017												Total	
			Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
		BegBal	74,500	0	0	0	0	0	0	0	0	0	0	0	0	74,500
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	119,000	0	0	0	0	0	0	0	0	0	0	0	0	119,000
		370-Outside Services	60,000	0	0	0	0	0	0	0	0	0	0	0	0	60,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	14,175	0	0	0	0	0	0	0	0	0	0	0	0	14,175
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	2,546	0	0	0	0	0	0	0	0	0	0	0	0	2,546
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	6,550	0	0	0	0	0	0	0	0	0	0	0	0	6,550
		914-Pension and Benefits Load	12,793	0	0	0	0	0	0	0	0	0	0	0	0	12,793
		915-Injuries and Damages Load	1,579	0	0	0	0	0	0	0	0	0	0	0	0	1,579
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	5,557	0	0	0	0	0	0	0	0	0	0	0	0	5,557
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	296,700	0	0	0	0	0	0	0	0	0	0	0	0	296,700
		825-Clearings	-296,698	0	0	0	0	0	0	0	0	0	0	0	0	-296,698
		Clr Sum	-296,698	0	0	0	0	0	0	0	0	0	0	0	0	-296,698
		Proj Net	2	0	0	0	0	0	0	0	0	0	0	0	0	2

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 94228914 Sales Logix***

Company: 007-PNMR Services Co  
Location: 942-Corp Alloc 100pct Electric

Project Information  
Construction Start Date 10/13/2014  
Estimated Completion Date 6/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project upgrades our current SalesLogix application and database to a current, vendor supported platform. Our SalesLogix system is used by the Marketing and Customer Service team to manage PNM commercial customer accounts and records. Our current version of SalesLogix is residing on Windows 2003 server operating system. Microsoft's support of Windows 2003 server ends in June 2015. Our current version of SalesLogix will not work on the new Windows 2008 or 2012 server operating systems, which are our new Company standards.

Project Alternatives

The alternatives assessed for this project were to develop and implement an upgrade to our current in-use SalesLogix system, identify and implement an entirely new product/system, or do nothing and assume the inherent risk of potentially having cyber security attacks, system outages, downtime, and lost data.

Given the fact that our internal users have been very satisfied with the SaleLogix system, and our support staff know the support and maintenance aspects for this system very well, upgrading the SalesLogix system to a new, fully supported platform was deemed as the most logical and cost-effective solution to meet our business user's needs.

Technical Aspects

Software procurement and implementation. Implementation will involve upgrading SalesLogix application and related database to secure and supportable versions, and to develop better integration between Banner and SalesLogix systems. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	94228914	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General		15,613	4,694	4,694	0	0	0	0	0	0	0	25,001
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		48,308	15,515	15,515	0	0	0	0	0	0	0	79,338
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		11,001	1,250	1,250	0	0	0	0	0	0	0	13,501
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		1,410	248	310	0	0	0	0	0	0	0	1,968
	905-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		1,378	413	413	0	0	0	0	0	0	0	2,203
	914-Pension and Benefits Load		2,917	806	806	0	0	0	0	0	0	0	4,529
	915-Injuries and Damages Load		236	100	100	0	0	0	0	0	0	0	435
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		319	0	0	0	0	0	0	0	0	0	319
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		81,182	23,025	23,087	0	0	0	0	0	0	0	127,294
	825-Clearings		0	0	-127,294	0	0	0	0	0	0	0	-127,294
	Clr Sum		0	0	-127,294	0	0	0	0	0	0	0	-127,294
Proj Net			81,182	23,025	-104,207	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	94228914	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	25,001	0	0	0	0	0	0	0	0	0	0	0	0	25,001
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	79,338	0	0	0	0	0	0	0	0	0	0	0	0	79,338
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	13,501	0	0	0	0	0	0	0	0	0	0	0	0	13,501
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	1,968	0	0	0	0	0	0	0	0	0	0	0	0	1,968
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	2,203	0	0	0	0	0	0	0	0	0	0	0	0	2,203
		914-Pension and Benefits Load	4,529	0	0	0	0	0	0	0	0	0	0	0	0	4,529
		915-Injuries and Damages Load	435	0	0	0	0	0	0	0	0	0	0	0	0	435
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	319	0	0	0	0	0	0	0	0	0	0	0	0	319
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	127,294	0	0	0	0	0	0	0	0	0	0	0	0	127,294
		825-Clearings	-127,294	0	0	0	0	0	0	0	0	0	0	0	0	-127,294
		Clr Sum	-127,294	0	0	0	0	0	0	0	0	0	0	0	0	-127,294
		Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	94228914	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	25,001	0	0	0	0	0	0	0	0	0	0	0	0	0	25,001
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		79,338	0	0	0	0	0	0	0	0	0	0	0	0	0	79,338
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		13,501	0	0	0	0	0	0	0	0	0	0	0	0	0	13,501
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		1,968	0	0	0	0	0	0	0	0	0	0	0	0	0	1,968
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		2,203	0	0	0	0	0	0	0	0	0	0	0	0	0	2,203
914-Pension and Benefits Load		4,529	0	0	0	0	0	0	0	0	0	0	0	0	0	4,529
915-Injuries and Damages Load		435	0	0	0	0	0	0	0	0	0	0	0	0	0	435
916-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		319	0	0	0	0	0	0	0	0	0	0	0	0	0	319
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM R D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		127,294	0	0	0	0	0	0	0	0	0	0	0	0	0	127,294
825-Clearings		-127,294	0	0	0	0	0	0	0	0	0	0	0	0	0	-127,294
Clr Sum		-127,294	0	0	0	0	0	0	0	0	0	0	0	0	0	-127,294
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 94229714 IT Small Sized Projects***

Company: 007-PNMR Services Co  
Location: 942-Corp Alloc 100pct Electric

Project Information		
<u>Construction Start Date</u>	9/21/2015	<u>Estimated Completion Date</u> 12/31/2019
<u>List Interim In-Service Dates</u>	12/15/2015, 12/15/2016, 12/15/2017, 12/15/2018, 12/15/2019	

#### Project Need Justification

This project covers the development of IT solutions that we receive from various business units throughout the year for small IT upgrades, such as system enhancements, new reporting capabilities or Business Intelligence queries. These requests are typically needed to improve operations, make work processes more efficient, and cut costs. This annual project ensures we have dollars available to handle these very frequent and on-going small project requests. This project directly supports our Company's efforts as we strive to gain efficiencies, reduce costs and improve operations, which saves our customers money.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

Continue to have funds to cover these on-going requests for small IT solutions, or do nothing. Each project request received throughout the year is first assessed for merit, and then undergoes an internal review and solution selection process with the respective IT department(s) that can handle the request, depending on what service or capability has been requested.

#### Technical Aspects

Varying hardware, software, and implementation support solutions driven by business unit requests. Implementation includes all phases of Quality Assurance testing before systems are placed into production.



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01  
Project 94229714 Year 2015

Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	0	0	0	0	0	0	18,000	40,000	40,000	40,000	138,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	3,049	898	3,947
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	24	102	214	327	667
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	0	0	0	0	0	0	18,024	40,102	43,263	41,225	142,614
825-Clearings	0	0	0	0	0	0	0	0	0	-142,613	-142,613
Clr Sum	0	0	0	0	0	0	0	0	0	-142,613	-142,613
Proj Net	0	0	0	0	0	0	18,024	40,102	43,263	-101,388	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	94229714	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	138,000	0	0	0	0	0	0	20,000	20,000	20,000	10,000	70,000	70,000	0	348,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	3,947	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	667	0	0	0	0	0	0	23	70	119	157	254	447	587	2,334
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	142,614	0	0	0	0	0	0	20,023	20,070	20,119	10,157	70,254	85,687	43,766	412,690
	825-Clearings	-142,613	0	0	0	0	0	0	0	0	0	0	0	0	-270,076	-412,689
	Clr Sum	-142,613	0	0	0	0	0	0	0	0	0	0	0	0	-270,076	-412,689
Proj Net		1	0	0	0	0	0	0	20,023	20,070	20,119	10,157	70,254	85,687	-226,310	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	94229714	Year	2017	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type																	
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	348,000		0	0	0	0	0	0	0	0	0	0	0	0	0	0	348,000
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	62,356		0	0	0	0	0	0	0	0	0	0	0	0	0	0	62,356
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	2,334		0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,334
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	412,690		0	0	0	0	0	0	0	0	0	0	0	0	0	0	412,690
825-Clearings	-412,689		0	0	0	0	0	0	0	0	0	0	0	0	0	0	-412,689
Clr Sum	-412,689		0	0	0	0	0	0	0	0	0	0	0	0	0	0	-412,689
Proj Net	1		0	0	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 94628016 ETRM Phase 2***

Company: 007-PNM/R Services Co  
Location: 946-Corp Alloc 100pct Bulk Power

Project Information  
Construction Start Date 3/14/2016  
Estimated Completion Date 12/30/2016

List Interim In-Service Dates  
0

Project Need Justification

This project implements Deferred Energy Reporting and Accounting, Transmission Reliability Invoicing, and Derivative Accounting updates to TRM Tracker, and other functionality that was deferred during ETRM project Phase 1 (94628013).

TRMTracker replaced three existing systems, all of which are no longer supported by their manufacturer, combining their previous functionality:

Zai\*Net: principal current system managing trade risk, including Monte Carlo simulation of the overall effect of various trade positions, most reporting of risk, and risk threshold alerting, and accounting.

GasMaster: principal gas trading application.

CCRM: used to gather and evaluate credit risk posed by various counterparties.

These new requested Phase 2 features are determined to be essential in order to provide our business users the full functionality they need from TRM Tracker.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Project Alternatives

This phase of the project has no alternatives. This work is continued, follow-on work from the ETRM Phase 1 project. The business requires this additional functionality in order to realize the full benefits from TRM Tracker tool.

Technical Aspects

Software design and implementation. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015													
Project	94628016	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
Cost Type															
110-Straight Time-General				0	0	0	0	0	0	0	0	0	0		
120-OverTime-General				0	0	0	0	0	0	0	0	0	0		
200-Fleet Vehicle Maint-Rental				0	0	0	0	0	0	0	0	0	0		
350-Material Issues-Major				0	0	0	0	0	0	0	0	0	0		
370-Outside Services				0	0	0	0	0	0	0	0	0	0		
374-Outside Svcs Legal				0	0	0	0	0	0	0	0	0	0		
377-Outside Services-Temp Labor				0	0	0	0	0	0	0	0	0	0		
391-Jt Proj Bills to PNM-Non-Labor				0	0	0	0	0	0	0	0	0	0		
530-Employee Expense				0	0	0	0	0	0	0	0	0	0		
610-Expenses - General				0	0	0	0	0	0	0	0	0	0		
805-Land and Land Rights				0	0	0	0	0	0	0	0	0	0		
807-Non Refundable Contribution				0	0	0	0	0	0	0	0	0	0		
829-Construction Adjustment				0	0	0	0	0	0	0	0	0	0		
426-Capitalized Interest				0	0	0	0	0	0	0	0	0	0		
908-Luna AR - Labor				0	0	0	0	0	0	0	0	0	0		
909-Luna AR - Other				0	0	0	0	0	0	0	0	0	0		
913-Payroll Taxes Load				0	0	0	0	0	0	0	0	0	0		
914-Pension and Benefits Load				0	0	0	0	0	0	0	0	0	0		
915-Injuries and Damages Load				0	0	0	0	0	0	0	0	0	0		
918-San Juan AR-Labor				0	0	0	0	0	0	0	0	0	0		
921-Stores / Purchasing Load				0	0	0	0	0	0	0	0	0	0		
922-Minor Material Load				0	0	0	0	0	0	0	0	0	0		
925-E and S Loads				0	0	0	0	0	0	0	0	0	0		
926-A and G Loads				0	0	0	0	0	0	0	0	0	0		
928-AFUDC Debt Reg				0	0	0	0	0	0	0	0	0	0		
929-AFUDC - Equity Regular				0	0	0	0	0	0	0	0	0	0		
937-San Juan AR - Other				0	0	0	0	0	0	0	0	0	0		
961-Luna A&G PNMR D&V				0	0	0	0	0	0	0	0	0	0		
Cost Sum				0	0	0	0	0	0	0	0	0	0		
825-Clearings				0	0	0	0	0	0	0	0	0	0		
Clr Sum				0	0	0	0	0	0	0	0	0	0		
Proj Net				0	0	0	0	0	0	0	0	0	0		

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Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	94628016	Cost Type	2016												Total	
			Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
		BegBal	0	0	0	7,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	74,500
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	0	0	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	434	434
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		- 829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	615	659	659	659	659	659	659	659	659	659	6,546
		914-Pension and Benefits Load	0	0	0	1,202	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	12,794
		915-Injuries and Damages Load	0	0	0	148	159	159	159	159	159	159	159	159	159	1,579
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNM&R D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	0	0	0	33,965	34,606	34,606	34,606	34,606	34,606	34,606	34,606	34,606	35,040	345,853
		825-Clearings	0	0	0	0	0	0	0	0	0	0	0	0	-345,854	-345,854
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0	-345,854	-345,854
		Proj Net	0	0	0	33,965	34,606	34,606	34,606	34,606	34,606	34,606	34,606	34,606	-310,814	-1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project 94628016

Year 2017

Cost Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	74,500	0	0	0	0	0	0	0	0	0	0	0	0	74,500
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	250,000	0	0	0	0	0	0	0	0	0	0	0	0	250,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	434	0	0	0	0	0	0	0	0	0	0	0	0	434
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	6,546	0	0	0	0	0	0	0	0	0	0	0	0	6,546
914-Pension and Benefits Load	12,794	0	0	0	0	0	0	0	0	0	0	0	0	12,794
915-Injuries and Damages Load	1,579	0	0	0	0	0	0	0	0	0	0	0	0	1,579
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	345,853	0	0	0	0	0	0	0	0	0	0	0	0	345,853
825-Clearings	-345,854	0	0	0	0	0	0	0	0	0	0	0	0	-345,854
Clr Sum	-345,854	0	0	0	0	0	0	0	0	0	0	0	0	-345,854
Proj Net	-1	0	0	0	0	0	0	0	0	0	0	0	0	-1



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 94628214 WPM Data Management Portal***

Company: 007-PNMR Services Co  
Location: 946-Corp Alloc 100pct Bulk Power

Project Information  
Construction Start Date 3/1/2016  
Estimated Completion Date 9/30/2016

List Interim In-Service Dates  
0

Project Need Justification

Create a data repository to store data from seven (7) PNM internal and external sources to support consolidated reporting for power and gas trading. The sources include but are not limited to: MRI, ZEMA, PI Historian, QATU webJOU, OATI webTrader, NOAA weather data, FutureSource, Utility Margin's LOP modeling software, etc. In addition to the development of standard reports, the application will also support ad-hoc reporting and have a diary function. The report set, and/or dashboards, will include twenty-five plus (25+) reports currently produced daily, weekly, or monthly by Whole Sale Power Marketing. Today this information is distributed via email in spreadsheets or word documents from multiple staff with no single data source. This project will decrease the risk of non-compliance with NERC/FERC/SOX/SRSG/PUC Standards, Orders, or Requirements by creating and storing proper compliance documentation. The application will improve processes and support workflow efficiencies. In addition it will support the effort to reduce errors in reporting (Zero Defect).

Project Alternatives

As this was a very complex reporting/data collection problem, we were not able to discover a vendor who would be able to provide a solution that met the specific functionality requirements. Using PNM standard development tools, it was determined that an internally developed solution would be more flexible, supportable, and cost-efficient.

Outside vendors are not being considered to assist with project implementation, as IT has the internal skills to complete all required work.

Technical Aspects

Internally developed software solution and implementation to include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year		2015											
Project	94628214	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0		
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0		
		370-Outside Services	0	0	0	0	0	0	0	0	0	0	0		
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0		
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0		
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0		
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		925-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNMIR D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	0	0	0	0	0	0	0	0	0	0	0		
		825-Clearings	0	0	0	0	0	0	0	0	0	0	0		
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0		
		Proj Net	0	0	0	0	0	0	0	0	0	0	0		

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year Q2

Project	94628214	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0	0	0	70,000
		Cost Type	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	0	0	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	0	0	0	175,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	0	0	0	44	131	217	308	401	517	653	0	0	0	2,271
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	879	879	879	879	879	879	879	0	0	0	6,153
		914-Pension and Benefits Load	0	0	0	1,717	1,717	1,717	1,717	1,717	1,717	1,717	0	0	0	12,019
		915-Injuries and Damages Load	0	0	0	212	212	212	212	212	212	212	0	0	0	1,484
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	0	0	0	37,852	37,939	38,025	38,116	38,209	54,726	55,133	0	0	0	300,000
		825-Clearings	0	0	0	0	0	0	0	0	0	-300,000	0	0	0	-300,000
		Clr Sum	0	0	0	0	0	0	0	0	0	-300,000	0	0	0	-300,000

Proj Net 0 0 0 37,852 37,939 38,025 38,116 38,209 54,726 -244,857 0 0 0 0 0 0 0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project 94628214

Year 2017

Cost Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	70,000	0	0	0	0	0	0	0	0	0	0	0	0	70,000
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	175,000	0	0	0	0	0	0	0	0	0	0	0	0	175,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNMR-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	33,073	0	0	0	0	0	0	0	0	0	0	0	0	33,073
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	2,271	0	0	0	0	0	0	0	0	0	0	0	0	2,271
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	6,153	0	0	0	0	0	0	0	0	0	0	0	0	6,153
914-Pension and Benefits Load	12,019	0	0	0	0	0	0	0	0	0	0	0	0	12,019
915-Injuries and Damages Load	1,484	0	0	0	0	0	0	0	0	0	0	0	0	1,484
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Sbres / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	300,000	0	0	0	0	0	0	0	0	0	0	0	0	300,000
825-Clearings	-300,000	0	0	0	0	0	0	0	0	0	0	0	0	-300,000
Clr Sum	-300,000	0	0	0	0	0	0	0	0	0	0	0	0	-300,000
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 94628915 WPM Unit Commitment Software***

Company: 007-PNMR Services Co  
Location: 946-Corp Alloc 100pct Bulk Power

Project Information  
Construction Start Date 3/16/2016 Estimated Completion Date 12/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project provides our Wholesale Power Marketing (WPM) group with a Unit Commitment technology solution that would calculate the least-cost dispatch of available generation resources to meet the electrical load for the State. Being provided this solution will allow our business users to take advantage of using technology to collect, process, calculate and store information that is needed to make real-time business decisions, rather than relying on manual processes and techniques that are more costly and less accurate.

Project Alternatives

We will be looking for an off-the-shelf solution and will evaluate products that support Real-Time Unit Commitment. Whether or not professional services will be use depends on the product selected. The venders will be evaluated on the ability to meet the critical business requirements, functional demonstrations with the business, cost, and customer feedback.

Technical Aspects

Development or procurement of software product and implementation of this product to include all phases of quality assurance testing before being placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	94628915	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
				0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	60,000
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		0	0	0	0	20,000	20,000	20,000	20,000	20,000	0	100,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	13,345	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	7,187	20,532
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	0	0	44	132	0	220	327	433	505	1,661
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	0	0	879	879	879	879	879	879	879	5,274
	914-Pension and Benefits Load		0	0	0	1,717	1,717	1,717	1,717	1,717	1,717	1,717	10,302
	915-Injuries and Damages Load		0	0	0	212	212	212	212	212	212	212	1,272
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	0	0	32,852	32,940	33,028	46,480	33,241	20,500	199,041	

825-Clearings

Clr Sum

Proj Net

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	94628915	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000
	110-Straight Time-General	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	20,532	0	0	0	0	0	0	0	0	0	0	0	0	0	20,532
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	1,661	0	0	0	0	0	0	0	0	0	0	0	0	0	1,661
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	5,274	0	0	0	0	0	0	0	0	0	0	0	0	0	5,274
	914-Pension and Benefits Load	10,302	0	0	0	0	0	0	0	0	0	0	0	0	0	10,302
	915-Injuries and Damages Load	1,272	0	0	0	0	0	0	0	0	0	0	0	0	0	1,272
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	199,041	0	0	0	0	0	0	0	0	0	0	0	0	0	199,041
	825-Clearings	-199,042	0	0	0	0	0	0	0	0	0	0	0	0	0	-199,042
	Clr Sum	-199,042	0	0	0	0	0	0	0	0	0	0	0	0	0	-199,042
Proj Net		-1	0	0	0	0	0	0	0	0	0	0	0	0	0	-1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	94628915	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000
	110-Straight Time-General	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	20,532	0	0	0	0	0	0	0	0	0	0	0	0	0	20,532
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	1,661	0	0	0	0	0	0	0	0	0	0	0	0	0	1,661
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	5,274	0	0	0	0	0	0	0	0	0	0	0	0	0	5,274
	914-Pension and Benefits Load	10,302	0	0	0	0	0	0	0	0	0	0	0	0	0	10,302
	915-Injuries and Damages Load	1,272	0	0	0	0	0	0	0	0	0	0	0	0	0	1,272
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	199,041	0	0	0	0	0	0	0	0	0	0	0	0	0	199,041
	825-Clearings	-199,042	0	0	0	0	0	0	0	0	0	0	0	0	0	-199,042
	Clr Sum	-199,042	0	0	0	0	0	0	0	0	0	0	0	0	0	-199,042
Proj Net		-1	0	0	0	0	0	0	0	0	0	0	0	0	0	-1



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 95132015 Market Reliability Improvement (MRI)***

Company: 007-PNMR Services Co  
Location: 951-Corp Alloc PNM Util wBulk Gen

Project Information  
Construction Start Date 3/11/2015  
Estimated Completion Date 11/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project upgrades the MRI system to new supported standards and a new platform. The current system is no longer in lifecycle compliance, and the MRI platform needs to be upgraded from costly current HP UNIX environment to lower cost Linux Virtual Machines with an upgraded Oracle version.

The MRI Data Warehouse is a data repository. The MRI Reporting Application is a NMR-custom built application used by the Marketing and Reliability teams for monthly reporting. The MRI data is sourced from various Power Operations applications, e.g., OATI webTrans, westTrans, webJou, EASE, etc., as well as external sources like ICE and Itron. The data includes price index data, meter data, etc. The MRI Data Warehouse and Reporting Application are no longer in System (hardware and operating systems) Lifecycle compliance. No new functionality is being implemented by the project; this is a technology compliance-driven project initiated by BTS.

Project Alternatives

Upgrade MRI system and platform, or do nothing and remain on end of life platform, and assume the inherent risk of potentially having cybersecurity attacks, system outages, downtime, and lost data.

No other systems were considered as we are not adding new functionality. There were no outside service needed, and therefore no selection process, as PNM has the internal skills to complete this project.

Technical Aspects

Develop and implement MRI system upgrade to include source code and system infrastructure for a internally developed interfaces, update reports by migrating to current version of Crystal Reports, validate schemas in the current MRI data warehouse, profile all current systems identified for applications, interfaces and users, validate interfaces to other PNM systems, and implementation of new servers.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year		2015											
Project	95132015	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	2,050	14,700	11,400	2,500	2,500	2,500	2,500	2,500	2,500	0	43,150		
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0		
		370-Outside Services	360	15,764	13,627	2,846	5,000	5,000	5,000	5,000	10,000	0	62,597		
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
		377-Outside Services-Temp Labor	868	2,405	2,405	735	0	0	0	0	0	0	6,413		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	0	0	0	0	0	0	0	10,000	1,635	0	11,635		
		805-Land and Land Rights	0	0	0	4,693	0	0	0	0	0	0	4,693		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	10	60	151	208	11	33	55	91	135	0	754		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	180	1,292	1,002	220	220	220	220	220	220	0	3,794		
		914-Pension and Benefits Load	352	2,524	1,957	429	429	429	429	429	429	0	7,408		
		915-Injuries and Damages Load	43	312	242	53	53	53	53	53	53	0	915		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	8	0	0	0	0	0	0	0	0	0	8		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	3,872	37,057	30,784	11,684	8,213	8,235	8,257	18,293	14,972	0	141,366		
		825-Cleanings	0	0	0	-83,396	0	0	0	0	-57,970	0	-141,366		
		Clr Sum	0	0	0	-83,396	0	0	0	0	-57,970	0	-141,366		
Proj Net			3,872	37,057	30,784	-71,713	8,213	8,235	8,257	18,293	-42,998	0	0		

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	95132015	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal														
110-Straight Time-General		43,150	0	0	0	0	0	0	0	0	0	0	0	0	0	43,150
120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		62,597	0	0	0	0	0	0	0	0	0	0	0	0	0	62,597
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		6,413	0	0	0	0	0	0	0	0	0	0	0	0	0	6,413
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		11,635	0	0	0	0	0	0	0	0	0	0	0	0	0	11,635
805-Land and Land Rights		4,693	0	0	0	0	0	0	0	0	0	0	0	0	0	4,693
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		754	0	0	0	0	0	0	0	0	0	0	0	0	0	754
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		3,794	0	0	0	0	0	0	0	0	0	0	0	0	0	3,794
914-Pension and Benefits Load		7,408	0	0	0	0	0	0	0	0	0	0	0	0	0	7,408
915-Injuries and Damages Load		915	0	0	0	0	0	0	0	0	0	0	0	0	0	915
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		8	0	0	0	0	0	0	0	0	0	0	0	0	0	8
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		141,366	0	0	0	0	0	0	0	0	0	0	0	0	0	141,366
825-Clearings		-141,366	0	0	0	0	0	0	0	0	0	0	0	0	0	-141,366
Clr Sum		-141,366	0	0	0	0	0	0	0	0	0	0	0	0	0	-141,366

Proj Net 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	95132015	Cost Type	Year												Total	
			BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
		110-Straight Time-General	43,150	0	0	0	0	0	0	0	0	0	0	0	0	43,150
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	62,597	0	0	0	0	0	0	0	0	0	0	0	0	62,597
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	6,413	0	0	0	0	0	0	0	0	0	0	0	0	6,413
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	11,635	0	0	0	0	0	0	0	0	0	0	0	0	11,635
		805-Land and Land Rights	4,693	0	0	0	0	0	0	0	0	0	0	0	0	4,693
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	754	0	0	0	0	0	0	0	0	0	0	0	0	754
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	3,794	0	0	0	0	0	0	0	0	0	0	0	0	3,794
		914-Pension and Benefits Load	7,408	0	0	0	0	0	0	0	0	0	0	0	0	7,408
		915-Injuries and Damages Load	915	0	0	0	0	0	0	0	0	0	0	0	0	915
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	8	0	0	0	0	0	0	0	0	0	0	0	0	8
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	141,366	0	0	0	0	0	0	0	0	0	0	0	0	141,366
		825-Clearings	-141,366	0	0	0	0	0	0	0	0	0	0	0	0	-141,366
		Clr Sum	-141,366	0	0	0	0	0	0	0	0	0	0	0	0	-141,366
		Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 95328515 TX MDMS Archive Solution***

Company: 007-PNMR Services Co  
Location: 953-Corp Alloc 100pct TNMP Texas

Project Information  
Construction Start Date 3/16/2015  
Estimated Completion Date 8/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project implements a data archive solution for our Itron Enterprise Edition (IEE) database on our Itron Meter Data Management System (MDMS). The IEE database size is currently over 1.56 terabytes, and we are experiencing system performance issues as a result. This archive solution addressed this database growth and performance deficiency.

IEE MDMS provides critical capabilities to company needs in helping to execute and realize the full benefits of Smart Metering deployment by: (a) improving demand response through dynamic pricing programs such as Critical Peak Pricing, Time-of-Use, Peak Time Rebate, and other demand response rate programs; and (b) reducing field service costs through centrally brokered new two-way remote connect and disconnect and on-demand capabilities.

This archive solution needs to be implemented as soon as possible to preclude us from having continued performance problems. This solution is also recommended as a prerequisite for future MDMS product upgrades.

Project Alternatives

None. This solution is the only option for addressing performance issues on our current MDMS production environment. Implementation will be performed by internal MDMS support staff as well as outside service support from Estuate (software product vendor) and Cognizant for system integration and Quality Assurance testing support. Cognizant is on multi-year contract with PNM to provide IT application and Quality Assurance testing support.

Technical Aspects

Software procurement and implementation, and integration to the MDMS system. In addition the solution will provide access to data in compressed disk location for historical use. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01  
Project 95328515 Year 2015

Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	3,642	5,000	5,000	4,000	0	0	0	0	0	0	17,642
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	42,000	0	32,000	0	0	0	0	0	0	74,000
370-Outside Services	3,780	18,739	67,350	23,593	0	0	0	0	0	0	113,462
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-It Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	611	0	0	0	0	0	0	0	0	0	611
610-Expenses - General	0	3,200	4,900	1,707	0	0	0	0	0	0	9,807
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	24	121	324	516	0	0	0	0	0	0	985
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	320	440	440	352	0	0	0	0	0	0	1,551
914-Pension and Benefits Load	625	859	859	687	0	0	0	0	0	0	3,029
915-Injuries and Damages Load	77	106	106	85	0	0	0	0	0	0	374
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	1,961	0	1,494	0	0	0	0	0	0	3,456
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	9,079	72,426	78,978	64,433	0	0	0	0	0	0	224,916
825-Clearings	0	0	0	-224,916	0	0	0	0	0	0	-224,916
Clr Sum	0	0	0	-224,916	0	0	0	0	0	0	-224,916
Proj Net	9,079	72,426	78,978	-160,483	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	95328515	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	110-Straight Time-General	BegBal	17,642	0	0	0	0	0	0	0	0	0	0	0	0	17,642
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		74,000	0	0	0	0	0	0	0	0	0	0	0	0	74,000
	370-Outside Services		113,462	0	0	0	0	0	0	0	0	0	0	0	0	113,462
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		611	0	0	0	0	0	0	0	0	0	0	0	0	611
	610-Expenses - General		9,807	0	0	0	0	0	0	0	0	0	0	0	0	9,807
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		985	0	0	0	0	0	0	0	0	0	0	0	0	985
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		1,551	0	0	0	0	0	0	0	0	0	0	0	0	1,551
	914-Pension and Benefits Load		3,029	0	0	0	0	0	0	0	0	0	0	0	0	3,029
	915-Injuries and Damages Load		374	0	0	0	0	0	0	0	0	0	0	0	0	374
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		3,456	0	0	0	0	0	0	0	0	0	0	0	0	3,456
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		224,916	0	0	0	0	0	0	0	0	0	0	0	0	224,916
		825-Clearings		-224,916	0	0	0	0	0	0	0	0	0	0	0	0
Clr Sum			-224,916	0	0	0	0	0	0	0	0	0	0	0	0	-224,916
Proj Net			0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project 95328515 2017

Cost Type	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	17,642
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		74,000	0	0	0	0	0	0	0	0	0	0	0	74,000
370-Outside Services		113,462	0	0	0	0	0	0	0	0	0	0	0	113,462
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNMR-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		611	0	0	0	0	0	0	0	0	0	0	0	611
610-Expenses - General		9,807	0	0	0	0	0	0	0	0	0	0	0	9,807
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		985	0	0	0	0	0	0	0	0	0	0	0	985
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		1,551	0	0	0	0	0	0	0	0	0	0	0	1,551
914-Pension and Benefits Load		3,029	0	0	0	0	0	0	0	0	0	0	0	3,029
915-Injuries and Damages Load		374	0	0	0	0	0	0	0	0	0	0	0	374
916-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		3,456	0	0	0	0	0	0	0	0	0	0	0	3,456
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		224,916	0	0	0	0	0	0	0	0	0	0	0	224,916
825-Clearings		-224,916	0	0	0	0	0	0	0	0	0	0	0	-224,916
Clr Sum		-224,916	0	0	0	0	0	0	0	0	0	0	0	-224,916

Proj Net

0



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828014 Continuous Improvements Technology Enhancements***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information		
<u>Construction Start Date</u>	8/24/2015	<u>Estimated Completion Date</u> 12/31/2019
<u>List Interim In-Service Dates</u>	12/15/2015, 12/15/2016, 12/15/2017, 21/15/2018, 12/15/2019	

Project Need Justification

This project involves the development of IT solutions we receive from various business units throughout the year as a result of process changes, additions that are derived from Company Continuous Improvement (CI) sessions that occur throughout the year. Some of these solutions include a Business Process Mapping system to automate development of workflows and process charts, integrated work needed on our Outage Management System for better and quicker customer notifications, and development of Customer Electronic Service Requests to automate new customer service requests in lieu of manual, time-consuming processes. This annual project ensures we have dollars available to handle these very frequent and on-going requests. This project directly supports our Company's continuous improvement efforts as we strive to gain efficiencies, reduce costs and improve operations, which ultimately saves our customers money.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Continue to have funds to cover these on-going CI technology requests, or do nothing. Alternative solutions to these requests vary, and each project request received throughout the year is first assessed for merit, and then undergoes an internal review and solution selection process with the respective IT department(s) that can handle the request, depending on what service or capability has been requested.

Technical Aspects

Varying hardware, software and implementation support solutions. Implementation includes all phases of Quality Assurance testing before delivered systems are placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828014	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General		0		0	0	0	0	0	0	0	0	0	0
120-OverTime-General		0		0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0		0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0		0	0	0	0	0	31,450	0	0	0	31,450
370-Outside Services		0		0	0	0	0	0	35,000	35,000	35,000	35,000	140,000
374-Outside Svcs Legal		0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0		0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNMR-Non-Labor		0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0		0	0	0	0	0	0	5,556	206	3,439	9,201
805-Land and Land Rights		0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0		0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		0		0	0	0	0	0	91	237	339	438	1,105
908-Luna AR - Labor		0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		0		0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load		0		0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load		0		0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor		0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		0		0	0	0	0	0	1,469	0	0	0	1,469
922-Minor Material Load		0		0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0		0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0		0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0		0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0		0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0		0	0	0	0	0	0	0	0	0	0
Cost Sum		0		0	0	0	0	0	68,010	40,793	35,545	38,877	183,225

825-Clearings

Clr Sum

Proj Net

Page 2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828014	Cost Type	2016												Total	
			Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	31,450	0	0	0	0	0	0	0	0	0	50,000	15,000	0	96,450
		370-Outside Services	140,000	0	0	0	0	0	0	0	0	10,000	10,000	10,000	0	180,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	9,201	0	0	0	0	0	0	0	0	0	11,436	991	685	22,313
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	1,105	0	0	0	0	0	0	0	0	12	113	237	280	1,747
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	1,469	0	0	0	0	0	0	0	0	0	2,335	701	0	4,505
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMIR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	183,225	0	0	0	0	0	0	0	0	10,012	73,884	26,929	10,965	305,015
		825-Clearings	-183,225	0	0	0	0	0	0	0	0	0	0	0	-121,789	-305,014
		Clr Sum	-183,225	0	0	0	0	0	0	0	0	0	0	0	-121,789	-305,014
		Proj Net	0	0	0	0	0	0	0	0	0	10,012	73,884	26,929	-110,824	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828014	Cost Type	2017												Total	
			Year BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	96,450	0	0	0	0	0	0	0	0	0	0	0	0	96,450
		370-Outside Services	180,000	0	0	0	0	0	0	0	0	0	0	0	0	180,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNIM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	22,313	0	0	0	0	0	0	0	0	0	0	0	0	22,313
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	1,747	0	0	0	0	0	0	0	0	0	0	0	0	1,747
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	4,505	0	0	0	0	0	0	0	0	0	0	0	0	4,505
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	305,015	0	0	0	0	0	0	0	0	0	0	0	0	305,015
		825-Cleanings	-305,014	0	0	0	0	0	0	0	0	0	0	0	0	-305,014
		Clr Sum	-305,014	0	0	0	0	0	0	0	0	0	0	0	0	-305,014
		Proj Net	1	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828015 TIBCO Upgrade***

Company:	007-PNMR Services Co		
Location:	968-Corp Alloc-IT Infrastructure		
Project Information			
Construction Start Date	3/2/2015	Estimated Completion Date	9/15/2017
List Interim In-Service Dates	12/15/2015, 12/15/2016, 09/15/2017		

Project Need Justification

TIBCO BusinessWorks (BW) is the main platform for PNMR's service-oriented architecture (SOA). SOA is an IT foundational software that connects our systems and applications to allow data and information to be accessible. It is critical that the upgrade be performed in a seamless manner. We must keep our integration platform updated in order to ensure that we are compliant with our product support agreement. The current version will be out of vendor support by March 2017. Implementation to this newer product will also provide us a new TIBCO Enterprise Administration portal which will allow us to view status of services, performance, and increase the visibility into integration activities.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Upgrade TIBCO BusinessWorks platform or do nothing and fall out of warranty and support. No other products have been considered, since TIBCO is our Corporate standard for integration services and we would require a great deal of funds and time to replace it in its entirety. No vendor support will be needed since we have the internal resources required to complete this upgrade.

Technical Aspects

Procurement and implementation of TIBCO BusinessWorks version upgrade and new servers, and perform code rewrites as needed to make the system fully functional. Implementation will include all phases of quality assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828015	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General		0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
120-Overline-General		0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	1,800		0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	73,800
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNIM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0	0	0	0	0	0	0	0	0	0	131	131
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	5		20	50	50	80	110	141	171	202	232	263	1,274
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		0	220	220	220	220	220	220	220	220	220	220	1,979
914-Pension and Benefits Load		0	429	429	429	429	429	429	429	429	429	429	3,862
915-Injuries and Damages Load		0	53	53	53	53	53	53	53	53	53	53	477
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	12		0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	12
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	1,817		11,222	11,252	11,282	11,312	11,343	11,373	11,404	11,434	11,496	104,035	
825-Clearings	0		0	0	0	0	0	0	0	0	0	-104,035	-104,035
Clr Sum	0		0	0	0	0	0	0	0	0	0	-104,035	-104,035
Proj Net	1,817		11,222	11,252	11,282	11,312	11,343	11,373	11,404	11,434	-92,439	0	

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828015	Cost Type	2016												Total	
			Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
		BegBal	22,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	142,500
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	20,000	20,000	20,000	20,000	20,000	170,000
			73,800	0	0	0	0	0	0	0	0	0	0	0	0	73,800
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			131	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
</																

Proj Net 0 23,303 23,358 23,411 23,463 23,516 23,574 23,632 34,173 34,259 34,344 38,586 -305,619 0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828015	Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total																
Cost Type	110-Straight Time-General	120-Overline-General	200-Fleet Vehicle Maint-Rental	350-Material Issues-Major	370-Outside Services	374-Outside Svcs Legal	377-Outside Services-Temp Labor	391-Jt Proj Bills to PNM-Non-Labor	530-Employee Expense	610-Expenses - General	805-Land and Land Rights	807-Non Refundable Contribution	829-Construction Adjustment	426-Capitalized Interest	908-Luna AR - Labor	909-Luna AR - Other	913-Payroll Taxes Load	914-Pension and Benefits Load	915-Injuries and Damages Load	918-San Juan AR-Labor	921-Stores / Purchasing Load	922-Minor Material Load	925-E and S Loads	926-A and G Loads	928-AFUDC Debt Reg	929-AFUDC - Equity Regular	937-San Juan AR - Other	961-Luna A&G PNM&R D&V	Cost Sum	825-Clearings	Clr Sum	Proj Net	
BegBal	142,500	0	0	170,000	73,800	0	0	0	0	10,033	0	0	0	5,637	0	0	12,527	24,466	3,021	0	7,951	0	0	0	0	0	0	0	0	449,935	-449,935	-449,935	0
Jan	5,000	0	0	0	10,000	0	0	0	0	0	0	0	32	96	0	0	440	859	106	0	0	0	0	0	0	0	0	0	16,437	0	0	16,437	
Feb	5,000	0	0	0	10,000	0	0	0	0	0	0	0	0	0	0	0	440	859	106	0	0	0	0	0	0	0	0	0	16,501	0	0	16,501	
Mar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Apr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Jun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Jul	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Sep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
482,873																																	
-449,935																																	
-449,935																																	
32,938																																	



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828115 MS Exchange Upgrade***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/20/2015  
Estimated Completion Date 12/31/2015

List Interim In-Service Dates  
0

Project Need Justification

This project upgrades our current Microsoft Enterprise Exchange 2010 to the latest vendor supported product, Microsoft Enterprise Exchange 2013. This effort is part of our Lifecycle Management program, and Microsoft Exchange 2010 is nearing end of life. Running on an unsupported platform introduces IT security concerns since system updates and patches are no longer provided by Microsoft. Upgrading to this new platform ensures this system remains both secure and supported.

Project Alternatives

Upgrade to Microsoft Enterprise Exchange 2013 or do nothing and remain on end of life platform, and assume the inherent risk of potentially having cyber security attacks, system outages, downtime, and lost data.

Outside vendor support will be needed to assist us with this effort. We have a downsized list of qualified companies that have expertise in performing Microsoft Exchange upgrades. We will provide each vendor a detailed requirements document that will be packaged as part of a Request for Proposal (RFP). Internal evaluation of all RFP responses will take place, and a selection will be made based on the solution offered, timelines and total cost to implement this upgrade.

Technical Aspects

Software procurement and implementation. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828115	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type													
110-Straight Time-General		0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	90,000
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		0	0	0	0	25,000	25,000	25,000	25,000	25,000	40,000	40,000	180,000
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0	0	0	0	0	0	0	0	0	0	2,590	2,590
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor		0	0	0	0	59	178	178	297	416	556	720	2,226
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load		0	0	0	0	1,319	1,319	1,319	1,319	1,319	1,319	1,319	7,914
915-Injuries and Damages Load		0	0	0	0	2,576	2,576	2,576	2,576	2,576	2,576	2,576	15,456
916-San Juan AR-Labor		0	0	0	0	318	318	318	318	318	318	318	1,908
921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		0	0	0	0	44,271	44,391	44,391	44,510	44,629	59,769	62,523	300,093
825-Clearings		0	0	0	0	0	0	0	0	0	0	-300,088	-300,088
Clr Sum		0	0	0	0	0	0	0	0	0	0	-300,088	-300,088
Proj Net		0	0	0	0	44,271	44,391	44,391	44,510	44,629	59,769	-237,565	5

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828115	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	90,000	0	0	0	0	0	0	0	0	0	0	0	0	90,000
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint+Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0	180,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	2,590	0	0	0	0	0	0	0	0	0	0	0	0	0	2,590
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	2,226	0	0	0	0	0	0	0	0	0	0	0	0	0	2,226
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	7,914	0	0	0	0	0	0	0	0	0	0	0	0	0	7,914
	914-Pension and Benefits Load	15,456	0	0	0	0	0	0	0	0	0	0	0	0	0	15,456
	915-Injuries and Damages Load	1,908	0	0	0	0	0	0	0	0	0	0	0	0	0	1,908
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	300,093	0	0	0	0	0	0	0	0	0	0	0	0	0	300,093
	825-Cleanings	-300,088	0	0	0	0	0	0	0	0	0	0	0	0	0	-300,088
	Clr Sum	-300,088	0	0	0	0	0	0	0	0	0	0	0	0	0	-300,088
Proj Net		5	0	0	0	0	0	0	0	0	0	0	0	0	0	5

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828115	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	90,000
	110-Straight Time-General	90,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0	180,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	2,590	0	0	0	0	0	0	0	0	0	0	0	0	0	2,590
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	2,226	0	0	0	0	0	0	0	0	0	0	0	0	0	2,226
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	7,914	0	0	0	0	0	0	0	0	0	0	0	0	0	7,914
	914-Pension and Benefits Load	15,456	0	0	0	0	0	0	0	0	0	0	0	0	0	15,456
	915-Injuries and Damages Load	1,908	0	0	0	0	0	0	0	0	0	0	0	0	0	1,908
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	300,093	0	0	0	0	0	0	0	0	0	0	0	0	0	300,093
	825-Clearings	-300,088	0	0	0	0	0	0	0	0	0	0	0	0	0	-300,088
	Clr Sum	-300,088	0	0	0	0	0	0	0	0	0	0	0	0	0	-300,088
Proj Net		5	0	0	0	0	0	0	0	0	0	0	0	0	0	5

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96828217 Migrate Selected Record Libraries from DM to Share***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 5/16/2016  
Estimated Completion Date 11/30/2017

List Interim In-Service Dates  
0

#### Project Need Justification

The purpose of this project is to identify select records to move from our current Document Management (DM) system to SharePoint 2013 system, and then implement the actual data migration. The current DM system is very expensive to operate and maintain, and it lacks ease of use capabilities we need for rapid document e-discovery and historical document searches. Migrating our DM records over to in existing SharePoint system will allow more cost-effective and efficient management of these records for all PNM users, and ultimately save costs in being able to eventually retire the DM system.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

The first alternative is to do nothing and continue using the DM system to provide records storage and limited capabilities to perform document e-discovery, records searches, etc. Given the fact our current DM system is expensive to both operate and maintain, and it lacks efficiency and ease of use by records managers and administrators throughout the Company, we don't feel the overall support & maintenance costs justifies the limited benefits we are gaining from the tool.

The second alternative is to research and find another commercial off the shelf tool to use to replace DM. Given the fact that we have a current in-house tool available to use for this capability (SharePoint), we don't see this alternative as being cost-effective.

Our final and recommended alternative is to proceed with this project as planned to migrate data records from DM over to SharePoint so we can begin to 'phase down' our DM system for retirement in the future. This solution can be performed with relative ease and minimal costs.

#### Technical Aspects

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

This project assesses and selects data records in our current DM system to be migrated over to our SharePoint 2013 system, and then successfully migrates these records. Migration will involve moving select records from DM and SharePoint systems, and then validating that all records were successfully transferred.

This project will be a labor-only effort using skilled SharePoint and Records Management internal staff for data assessment and migration, and outside support vendor Cognizant for data migration and Quality Assurance testing. Cognizant is on multi-year contract with PNM to provide IT application development and Quality Assurance testing support.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828217	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNIM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	0	0	0	0	0	0	0
	825-Clearings	0	0	0	0	0	0	0	0	0	0	0	0
	Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0

Projects with clearings in 2015 and 2016, Budget data for 2015 – 2017

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828217	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	0	0	60,000
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	0	0	0	30,000	30,000	30,000	30,000	30,000	20,000	0	0	170,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	1,940	0	0	1,940
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	879	879	879	879	879	879	0	0	5,274
	914-Pension and Benefits Load	0	0	0	0	0	0	1,717	1,717	1,717	1,717	1,717	1,717	0	0	10,302
	915-Injuries and Damages Load	0	0	0	0	0	0	212	212	212	212	212	212	0	0	1,272
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	0	42,808	42,808	42,808	42,808	42,808	34,748	0	0	248,788
	825-Clearings	0	0	0	0	0	0	0	0	0	0	0	-248,788	0	0	-248,788
	Clr Sum	0	0	0	0	0	0	0	0	0	0	0	-248,788	0	0	-248,788

Proj Net 0 0 0 0 42,808 42,808 42,808 42,808 42,808 42,808 42,808 42,808 42,808 42,808 0 0 0



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828217	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000
	110-Straight Time-General	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	170,000	0	0	0	0	0	0	0	0	0	0	0	0	0	170,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	1,940	0	0	0	0	0	0	0	0	0	0	0	0	0	1,940
	805--Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	5,274	0	0	0	0	0	0	0	0	0	0	0	0	0	5,274
	914-Pension and Benefits Load	10,302	0	0	0	0	0	0	0	0	0	0	0	0	0	10,302
	915-Injuries and Damages Load	1,272	0	0	0	0	0	0	0	0	0	0	0	0	0	1,272
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	248,788	0	0	0	0	0	0	0	0	0	0	0	0	0	248,788
	825-Clearings	-248,788	0	0	0	0	0	0	0	0	0	0	0	0	0	-248,788
	Clr Sum	-248,788	0	0	0	0	0	0	0	0	0	0	0	0	0	-248,788
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828515 PNM Intranet Replacement***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 4/6/2015  
Estimated Completion Date 6/30/2016

List Interim In-Service Dates  
0

Project Need Justification

The current “NetSource” PNMR intranet is a principle communications medium for all of PNMR. It has been in place, architecturally unchanged, since 2007. Built on MS FrontPage, a web design product that is no longer supported, it is both more vulnerable to critical system failures and does not have the functional capabilities required by today’s internal corporate communications strategies. The envisioned solution, pending thorough on-site research by our vendor, leverages existing capabilities in MS SharePoint 2013 to provide greater system stability combined with much improved flexibility to engage employees and management. Requirements of the future system that cannot be accommodated in the current platform include use of expanded internal social media tools (interactive forums, advanced survey capabilities, etc.) and direct involvement of employees in internal corporate content creation.

Project Alternatives

Alternatives assessed were to redesign the existing NetSource intranet by using a current, in-house system, procuring and deploying our intranet solution on an entirely new system, or new or do nothing and continue to use our current intranet system which would make us susceptible to security vulnerabilities and potential cyber-attacks.

Given that our current Enterprise SharePoint system has the capabilities to perform this Intranet function, we determined this is the simplest and most cost-effective approach to delivering this solution.

Technical Aspects

This project will undertake comprehensive inventory, design, branding, and rollout of an appealing and user-friendly replacement for current company NetSource intranet site and all other internal communication channels. Leveraging capabilities built into MSSP 2013, implement appropriate social media applications, effective, easy navigation and search capabilities, and tools encouraging collaboration among employees. Create roles, workflow, templates, and process for adding new content and keeping existing relevant. Create a governance process to manage change, communications, and standards.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year											
Project	96828515	Bal 3/31/15	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		0	0	1,000	2,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	20,500
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
	391-It Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
	828-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	2	14	41	91	141	176	212	250	309	1,236	1,236
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	88	176	220	220	220	220	220	220	220	220	1,803
	914-Pension and Benefits Load	0	172	343	429	429	429	429	429	429	429	429	3,519
	915-Injuries and Damages Load	0	21	42	53	53	53	53	53	53	53	53	435
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	1,283	7,575	13,243	23,760	13,343	13,378	13,414	15,112	28,891	129,999	129,999
	825-Clearings	0	0	0	0	0	0	0	0	0	0	0	0
	Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0
	Proj Net	0	1,283	7,575	13,243	23,760	13,343	13,378	13,414	15,112	28,891	129,999	129,999

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828515	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type		BegBal	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	0	0	0	0	0	35,500
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000
350-Material Issues-Major		75,000	20,000	20,000	20,000	20,000	20,000	30,000	50,000	0	0	0	0	0	0	235,000
370-Outside Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNMR-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		17,040	0	0	0	0	0	0	7,901	0	0	0	0	0	0	24,941
610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		1,236	345	391	441	489	551	670	0	0	0	0	0	0	0	4,123
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		1,803	220	220	220	220	220	220	220	0	0	0	0	0	0	3,123
914-Pension and Benefits Load		3,519	429	429	429	429	429	429	429	0	0	0	0	0	0	6,093
915-Injuries and Damages Load		435	53	53	53	53	53	53	53	0	0	0	0	0	0	753
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		467	0	0	0	0	0	0	0	0	0	0	0	0	0	467
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		129,999	23,547	23,593	23,643	23,691	33,753	61,773	0	0	0	0	0	0	0	319,999

Proj Net 129,999 23,547 23,593 23,643 23,691 33,753 -258,227 0 0 0 -1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828515	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	35,500	0	0	0	0	0	0	0	0	0	0	0	0	35,500
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	10,000	0	0	0	0	0	0	0	0	0	0	0	0	10,000
		370-Outside Services	235,000	0	0	0	0	0	0	0	0	0	0	0	0	235,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-It Proj Bills to PNMA-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	24,941	0	0	0	0	0	0	0	0	0	0	0	0	24,941
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	4,123	0	0	0	0	0	0	0	0	0	0	0	0	4,123
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	3,123	0	0	0	0	0	0	0	0	0	0	0	0	3,123
		914-Pension and Benefits Load	6,093	0	0	0	0	0	0	0	0	0	0	0	0	6,093
		915-Injuries and Damages Load	753	0	0	0	0	0	0	0	0	0	0	0	0	753
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	467	0	0	0	0	0	0	0	0	0	0	0	0	467
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	319,999	0	0	0	0	0	0	0	0	0	0	0	0	319,999
		825-Clearings	-320,000	0	0	0	0	0	0	0	0	0	0	0	0	-320,000
		Clr Sum	-320,000	0	0	0	0	0	0	0	0	0	0	0	0	-320,000
		Proj Net	-1	0	0	0	0	0	0	0	0	0	0	0	0	-1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828516 MS SharePoint Upgrade***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 5/18/2015  
Estimated Completion Date 12/30/2015

List Interim In-Service Dates

0

Project Need Justification

This project upgrades Microsoft SharePoint version 2010 to version 2013. This effort is part of PNM's lifecycle management program, which ensures our systems are running on up-to-date, vendor supported platforms. Additionally, PNM will be able to utilize the new capabilities and features of the updated product, which will allow users to be more efficient in their daily use of this system.

Project Alternatives

Upgrade to Microsoft SharePoint 2013 or do nothing and remain on end of life platform, and assume the inherent risk of potentially having cyber security attacks, system outages, downtime, and lost data. There are several activities on this project that require outside vendor support. The first activity is the actual design and implementation of the SharePoint 2010 to 2013 upgrade. For this work we solicited statements of work from three vendors: EMC, Cognizant, and Dyntek. Although EMC had previously supported us on our SharePoint 2007 to 2010 upgrade, their cost quote to assist us on this upgrade was very expensive which was a disqualifier for them. Cognizant provides daily on-site application support to us, but their cost quote for this project work was also high, and the project team had reservations with using Cognizant on this effort due to poor outcomes from the external SharePoint site upgrade they performed in the past. Dyntek was recommended by our Microsoft Account Manager. Their statement of work and cost quote were reasonable, and we vetted them with 2 reference calls and industry research, which were all positive, so Dyntek was the selected vendor for this work.

The second activity we need outside vendor support on is implementation of a migration tool so we can port data over from SharePoint 2010 to 2013. We assessed three outside vendors for this work: AvePoint, Metalogix and Sharegate. All three of these vendors provide reasonable statements of work, cost quotes and product overviews. Sharegate was selected as the vendor we will use for this migration work, given the ease of use on their migration tool, and a lower cost solution over the other vendors.

Technical Aspects

Hardware and software procurement and implementation. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828516	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
			0	0	2,500	5,000	7,500	7,500	7,500	7,500	7,500	7,500	52,500
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	35,000	35,000	0	0	0	0	70,000
	370-Outside Services		0	0	2,500	2,500	10,000	20,000	24,000	24,000	25,000	25,000	133,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights		0	0	0	0	0	0	0	7,142	7,465	6,069	20,676
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	8	27	115	279	414	414	514	627	739	2,723
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	220	440	659	659	659	659	659	659	659	4,614
	914-Pension and Benefits Load		0	429	859	1,288	1,288	1,288	1,288	1,288	1,288	1,288	9,016
	915-Injuries and Damages Load		0	53	106	159	159	159	159	159	159	159	1,113
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	1,635	1,635	0	0	0	0	3,270
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	5,710	8,931	56,355	66,520	34,020	41,262	41,262	42,698	41,414	296,910
	825-Cleanings		0	0	0	0	0	0	0	0	0	-296,910	-296,910
	Clr Sum		0	0	0	0	0	0	0	0	0	-296,910	-296,910
	Proj Net		0	5,710	8,931	56,355	66,520	34,020	41,262	41,262	42,698	-255,496	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year Q2

Project	96828516	Cost Type	Year	2016												Total
			BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
		110-Straight Time-General	52,500	0	0	0	0	0	0	0	0	0	0	0	0	52,500
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	70,000	0	0	0	0	0	0	0	0	0	0	0	0	70,000
		370-Outside Services	133,000	0	0	0	0	0	0	0	0	0	0	0	0	133,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	20,676	0	0	0	0	0	0	0	0	0	0	0	0	20,676
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	2,723	0	0	0	0	0	0	0	0	0	0	0	0	2,723
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	4,614	0	0	0	0	0	0	0	0	0	0	0	0	4,614
		914-Pension and Benefits Load	9,016	0	0	0	0	0	0	0	0	0	0	0	0	9,016
		915-Injunes and Damages Load	1,113	0	0	0	0	0	0	0	0	0	0	0	0	1,113
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	3,270	0	0	0	0	0	0	0	0	0	0	0	0	3,270
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	296,910	0	0	0	0	0	0	0	0	0	0	0	0	296,910
		825-Clearings	-296,910	0	0	0	0	0	0	0	0	0	0	0	0	-296,910
		Clr Sum	-296,910	0	0	0	0	0	0	0	0	0	0	0	0	-296,910
		Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828516	Year	2017													Total
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
	Cost Type															
	110-Straight Time-General	52,500	0	0	0	0	0	0	0	0	0	0	0	0	52,500	
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	350-Material Issues-Major	70,000	0	0	0	0	0	0	0	0	0	0	0	0	70,000	
	370-Outside Services	133,000	0	0	0	0	0	0	0	0	0	0	0	0	133,000	
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	610-Expenses - General	20,676	0	0	0	0	0	0	0	0	0	0	0	0	20,676	
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	426-Capitalized Interest	2,723	0	0	0	0	0	0	0	0	0	0	0	0	2,723	
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	913-Payroll Taxes Load	4,614	0	0	0	0	0	0	0	0	0	0	0	0	4,614	
1	914-Pension and Benefits Load	9,016	0	0	0	0	0	0	0	0	0	0	0	0	9,016	
	915-Injuries and Damages Load	1,113	0	0	0	0	0	0	0	0	0	0	0	0	1,113	
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	921-Stores / Purchasing Load	3,270	0	0	0	0	0	0	0	0	0	0	0	0	3,270	
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Cost Sum	296,910	0	0	0	0	0	0	0	0	0	0	0	0	296,910	
	825-Cleanings	-296,910	0	0	0	0	0	0	0	0	0	0	0	0	-296,910	
	Clr Sum	-296,910	0	0	0	0	0	0	0	0	0	0	0	0	-296,910	
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828615 Enterprise Firewall Replacement***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/1/2016 Estimated Completion Date 12/31/2016

List Interim In-Service Dates  
0

Project Need Justification

This project implements next generation enterprise Internet firewalls to protect against emerging, advanced, and persistent Internet-based security threats. Implementing this project allows us to maintain a high-level of IT security to enable continued system accesses to business operations.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Replace existing enterprise firewalls with modern systems, or do nothing and continue to use antiquated firewall hardware and software, and assume the inherent risk of potentially having cyber security attacks, system outages and downtime.

There are many firewall systems on the market that will meet our needs, so the project team will be assessing various products based on product compatibility with other in-use systems, product support complexities, and to ensure competitive overall purchase and support/maintenance costs.

Technical Aspects

Hardware and software procurement and implementation. Implementation will include all phases of Quality Assurance testing before the systems are put into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828615	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
			0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	828-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	0	0	0	0	0	0	0	0	0	0
	825-Clearings		0	0	0	0	0	0	0	0	0	0	0
	Clr Sum		0	0	0	0	0	0	0	0	0	0	0
	Proj Net		0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828615	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Type														
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	60,000	0	0	0	0	0	60,000
		370-Outside Services	0	0	0	0	0	0	0	20,000	20,000	30,000	20,000	20,000	60,000	170,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	2,161	2,161
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	0	0	0	0	0	0	0	97	221	284	346	399	494	1,841
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	2,802	0	0	0	0	0	2,802
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	0	0	0	0	0	0	0	82,899	20,221	30,284	20,346	20,399	62,655	236,804
		825-Clearings	0	0	0	0	0	0	0	0	0	0	0	0	-236,804	-236,804
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0	-236,804	-236,804
		Proj Net	0	0	0	0	0	0	0	82,899	20,221	30,284	20,346	20,399	-174,149	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828615	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal															
110-Straight Time-General	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	60,000		0	0	0	0	0	0	0	0	0	0	0	0	0	60,000
370-Outside Services	170,000		0	0	0	0	0	0	0	0	0	0	0	0	0	170,000
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	2,161		0	0	0	0	0	0	0	0	0	0	0	0	0	2,161
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	1,841		0	0	0	0	0	0	0	0	0	0	0	0	0	1,841
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	2,802		0	0	0	0	0	0	0	0	0	0	0	0	0	2,802
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMIR D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	236,804		0	0	0	0	0	0	0	0	0	0	0	0	0	236,804
825-Clearings	-236,804		0	0	0	0	0	0	0	0	0	0	0	0	0	-236,804
Clr Sum	-236,804		0	0	0	0	0	0	0	0	0	0	0	0	0	-236,804
Proj Net	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828716 Implement Records Management Functionality in Shar***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 2/15/2016  
Estimated Completion Date 7/30/2016

List Interim In-Service Dates  
0

Project Need Justification

This project implements SharePoint 2013 functionality and capabilities to the Records Management business area. Once this system is in place, migration of data records from the current Document Management system can begin. The current Document Management system lacks some basic functionality that the business users require, and this system is expensive to maintain and support. This low-cost solution to implement Records Management - SharePoint 2013, will improve employee efficiency and reduce costs.

Project Alternatives

Alternatives assessed were to implement Records Management functionality in SharePoint 2013, procure and implement a new system that performs the functionality we need for Records Management document storage/management, or do nothing and continue to pay high costs for administering Records Management documentation in the Documents Management system.

Given the fact that SharePoint 2013 has become our common, core data administration/sharing tool throughout PNM, implementation of this system within our Records Management area, and porting over selected records from DM into SharePoint was determined to be the most efficient and cost-effective solution for standardizing how these important records are stored and managed. Our internal support staff is very knowledgeable of SharePoint 2013 as are our business users, which also added to our decision to implement this solution within our SharePoint 2013 platform.

Technical Aspects

Software procurement and implementation. Implementation will include all phases of Quality Assurance testing before this system is placed in production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828716	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type		0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0
	805--Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	0	0	0	0	0	0	0	0	0	0
	825-Clearings		0	0	0	0	0	0	0	0	0	0	0
	Clr Sum		0	0	0	0	0	0	0	0	0	0	0
	Proj Net		0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828716	Year	2016												
	Cost Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General		0	0	15,000	15,000	15,000	15,000	10,000	15,000	0	0	0	0	0	85,000
120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		0	0	22,000	22,000	22,000	22,000	22,000	22,000	0	0	0	0	0	132,000
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0	0	0	0	0	0	3,882	3,526	0	0	0	0	0	7,408
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	49	145	238	331	429	533	0	0	0	0	0	1,725
426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		0	0	1,319	1,319	1,319	1,319	879	1,319	0	0	0	0	0	7,474
914-Pension and Benefits Load		0	0	2,576	2,576	2,576	2,576	1,717	2,576	0	0	0	0	0	14,597
915-Injuries and Damages Load		0	0	318	318	318	318	212	318	0	0	0	0	0	1,802
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		0	0	41,262	41,358	41,451	41,544	39,119	45,272	0	0	0	0	0	250,006
825-Cleanings		0	0	0	0	0	0	0	-250,000	0	0	0	0	0	-250,000
Clr Sum		0	0	0	0	0	0	0	-250,000	0	0	0	0	0	-250,000

Proj Net 0 0 41,262 41,358 41,451 41,544 39,119 -204,728 0 0 0 0 0 0 0 6



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828716	Year	2017													Total
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
	110-Straight Time-General	85,000	0	0	0	0	0	0	0	0	0	0	0	0	85,000	
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	370-Outside Services	132,000	0	0	0	0	0	0	0	0	0	0	0	0	132,000	
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	610-Expenses - General	7,408	0	0	0	0	0	0	0	0	0	0	0	0	7,408	
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	426-Capitalized Interest	1,725	0	0	0	0	0	0	0	0	0	0	0	0	1,725	
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	913-Payroll Taxes Load	7,474	0	0	0	0	0	0	0	0	0	0	0	0	7,474	
	914-Pension and Benefits Load	14,597	0	0	0	0	0	0	0	0	0	0	0	0	14,597	
	915-Injuries and Damages Load	1,802	0	0	0	0	0	0	0	0	0	0	0	0	1,802	
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Cost Sum	250,006	0	0	0	0	0	0	0	0	0	0	0	0	250,006	
	825-Clearings	-250,000	0	0	0	0	0	0	0	0	0	0	0	0	-250,000	
	Clr Sum	-250,000	0	0	0	0	0	0	0	0	0	0	0	0	-250,000	
	Proj Net	6	0	0	0	0	0	0	0	0	0	0	0	0	6	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828916 Identify Management Phase 2***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 6/26/2015  
Estimated Completion Date 12/30/2015

List Interim In-Service Dates  
0

Project Need Justification

The purpose of this project is to implement new Identity Management (IDM) system enhancements for regulatory NERC CIP & SOX requirements and other workflow enhancements. This project will ensure access to all SOX systems, BES Cyber Systems and access to the physical and electronic locations where BES Cyber System Information is stored.

Initial implementation of our Identity Management system completed in 2014 with a total project cost of \$1.224M. The Phase 2 enhancements to be implemented in this project are driven solely by regulatory compliance requirements.

Project Alternatives

None. These phase 2 enhancements will be built out into our in-use IDM system that was placed into production in 2014. The capabilities that will be provided by these system enhancements are required for PNM to be in compliance with NERC CIP V5 and SOX regulatory requirements and standards. Fines to PNM will occur unless we are in NERC CIP V5 compliance by the required deadline of 03/2016.

We will be using the same services vendor we used for our initial IDM project in 2013-2014, AlertEnterprise. They have an in-depth understanding of our current system, and they are in the best position to quickly and accurately implement the enhancements we need for this project, given the knowledge and experience they gained during the initial IDM rollout.

Technical Aspects

This project will implement system enhancements to the current IDM system, providing additional functionality such as workflows, reporting, and audit evidence system to meet deadline for NERC CIPV5 and SOX compliance. Additionally, this project will provide functionality for workflows and data upload options within Graphical User Interfaces. Implementation will include all phases of quality assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828916	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
			0	0	0	0	0	20,000	20,000	20,000	20,000	20,000	100,000
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
	120-Overline-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		0	0	0	0	0	60,000	60,000	60,000	60,000	50,000	290,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNMR-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	4,050	4,050
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	0	0	0	0	1,758	1,758	1,758	1,758	1,758	8,790
	914-Pension and Benefits Load		0	0	0	0	0	3,434	3,434	3,434	3,434	3,434	17,170
	915-Injuries and Damages Load		0	0	0	0	0	424	424	424	424	424	2,120
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	0	0	0	0	85,516	85,516	85,516	85,516	79,666	422,130
	825-Clearings		0	0	0	0	0	0	0	0	0	-422,130	-422,130
	Clr Sum		0	0	0	0	0	0	0	0	0	-422,130	-422,130
	Proj Net		0	0	0	0	0	85,516	85,516	85,516	85,516	-342,464	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828916	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	100,000	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	290,000	0	0	0	0	0	0	0	0	0	0	0	0	0	290,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	4,050	0	0	0	0	0	0	0	0	0	0	0	0	0	4,050
	805--Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	8,790	0	0	0	0	0	0	0	0	0	0	0	0	0	8,790
	914-Pension and Benefits Load	17,170	0	0	0	0	0	0	0	0	0	0	0	0	0	17,170
	915-Injuries and Damages Load	2,120	0	0	0	0	0	0	0	0	0	0	0	0	0	2,120
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	422,130	0	0	0	0	0	0	0	0	0	0	0	0	0	422,130
	825-Clearings	-422,130	0	0	0	0	0	0	0	0	0	0	0	0	0	-422,130
	Clr Sum	-422,130	0	0	0	0	0	0	0	0	0	0	0	0	0	-422,130
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828916	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	290,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	290,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-It Proj Bills to PNMA-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	4,050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,050
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	8,790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,790
914-Pension and Benefits Load	17,170	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,170
915-Injuries and Damages Load	2,120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,120
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	422,130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	422,130
825-Clearings	-422,130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-422,130
Clr Sum	-422,130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-422,130
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829115 Enterprise Business Intelligence Upgrade***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 8/17/2015  
Estimated Completion Date 3/30/2016

List Interim In-Service Dates  
0

Project Need Justification

This project upgrades the existing, fully depreciated Business Intelligence (BI) platform/architecture to the latest system. There are two components to this project; one is the hardware platform and software upgrade for IBM Infosphere Information Server, whose key component is DataStage. We need to upgrade DataStage this year because the latest version is 11.3 and it contains significant improvements. We are currently on version 9.1 (IBM skipped version 10 totally and went to a major new release 11), so we are behind and our current version will run out of support soon.

This upgrade will allow us to take advantage of new technology advances in Business Intelligence products. The current BI system has greatly improved PNM's ability to provide modeling, reporting, and analytical capabilities to varying lines of business and ultimately allow these business areas to work more efficiently and cost-effectively. Moving to a newer, more robust system will allow us to provide more in-depth capabilities and system outputs to users.

Project Alternatives

Upgrade the existing Business Intelligence platform/architecture to the latest release, or do nothing. Without performing this upgrade, we will have limited ability to support new requests for enhanced BI capabilities and functionality.

Alternatives were not considered as IBM DataStage is a PNM enterprise tool that touches many other Company systems. Therefore, the cost and risk for replacing this system will be very high. Outside vendor services would not be needed for this project as PNM has the technical skills to perform the upgrade.

Technical Aspects

Procure and implement new Business Intelligence system hardware and software. Implementation will include all phases of quality assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96829115	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	110-Straight Time-General	0	0	0	0	0	0	5,000	5,000	10,000	10,000	10,000	40,000
	120-Overline-General	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	0	0	0	8,000	10,000	10,000	10,000	10,000	48,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	163	163
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	19	61	113	175	237	505
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	440	440	879	879	879	3,517
	914-Pension and Benefits Load	0	0	0	0	0	0	859	859	1,717	1,717	1,717	6,869
	915-Injuries and Damages Load	0	0	0	0	0	0	106	106	212	212	212	848
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	0	14,424	16,466	22,921	22,983	23,208	100,002

825-Clearings

Clr Sum

Proj Net

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829115	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	40,000	5,000	5,000	5,000	0	0	0	0	0	0	0	0	0	55,000
		Cost Type														
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	48,000	5,000	10,000	10,000	0	0	0	0	0	0	0	0	0	73,000
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNMR-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	163	0	0	7,814	0	0	0	0	0	0	0	0	0	7,977
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	605	14	46	93	0	0	0	0	0	0	0	0	0	758
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	3,517	440	440	440	0	0	0	0	0	0	0	0	0	4,837
		914-Pension and Benefits Load	6,869	859	859	859	0	0	0	0	0	0	0	0	0	9,446
		915-Injuries and Damages Load	848	106	106	106	0	0	0	0	0	0	0	0	0	1,166
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	100,002	11,419	16,451	24,312	0	0	0	0	0	0	0	0	0	152,184
		825-Clearings	-100,000	0	0	-52,180	0	0	0	0	0	0	0	0	0	-152,180
		Clr Sum	-100,000	0	0	-52,180	0	0	0	0	0	0	0	0	0	-152,180
Proj Net	2			11,419	16,451	-27,868	0	0	0	0	0	0	0	0	0	4



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96829115	Year 2017												Total	
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
110-Straight Time-General	55,000	0	0	0	0	0	0	0	0	0	0	0	0	0	55,000
		0	0	0	0	0	0	0	0	0	0	0	0	0	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	73,000	0	0	0	0	0	0	0	0	0	0	0	0	0	73,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	7,977	0	0	0	0	0	0	0	0	0	0	0	0	0	7,977
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	758	0	0	0	0	0	0	0	0	0	0	0	0	0	758
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	4,837	0	0	0	0	0	0	0	0	0	0	0	0	0	4,837
914-Pension and Benefits Load	9,446	0	0	0	0	0	0	0	0	0	0	0	0	0	
915-Injuries and Damages Load	1,166	0	0	0	0	0	0	0	0	0	0	0	0	0	1,166
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	152,184	0	0	0	0	0	0	0	0	0	0	0	0	0	152,184
825-Clearings	-152,180	0	0	0	0	0	0	0	0	0	0	0	0	0	-152,180
Clr Sum	-152,180	0	0	0	0	0	0	0	0	0	0	0	0	0	-152,180
Proj Net	4	0	0	0	0	0	0	0	0	0	0	0	0	0	4

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829216 'HPQC Upgrade***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 2/1/2015  
Estimated Completion Date 4/30/2015

List Interim In-Service Dates

0

Project Need Justification

This project involves upgrading the current HP Quality Center (HPQC) tool to the latest, supported platform. The current HPQC system resides on a hardware server that runs the Microsoft Server 2003 operating system, which will be at end of life and no longer supported as of June 2015. The current version of HPQC will also not work with Microsoft Server 2008 or 2012 operating systems which is the typical migration path to replace MS Server 2003. As such, a complete software and hardware refresh are required.

Project Alternatives

Research was conducted by Gartner and Forrester that examined several similar tools on the market. HP Quality Center continues to be in the top quartile, and based on the fact that the company's on-shore and off-shore test team are familiar with the HP tool, and the fact that a significant price break was offered from the HP vendor if this upgrade was performed, the new version of HP Quality Center was the chosen solution.

Technical Aspects

Hardware and software procurement and implementation. Implementation will include all phases of Quality Assurance testing before this system is placed in production.

Note that for all enterprise-wide projects that provide benefits for both PNMIR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01

Project	96829216	Year	2015												
	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total			
	110-Straight Time-General	12,980	0	0	0	0	0	0	0	0	0	12,980			
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0			
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0			
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0			
	370-Outside Services	2,996	515	0	0	0	0	0	0	0	0	3,511			
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0			
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0			
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0			
	530-Employee Expense	1,518	0	0	0	0	0	0	0	0	0	1,518			
	610-Expenses - General	154,415	0	0	0	0	0	0	0	0	0	154,415			
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0			
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0			
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0			
	426-Capitalized Interest	4,913	488	0	0	0	0	0	0	0	0	5,401			
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0			
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0			
	913-Payroll Taxes Load	1,146	0	0	0	0	0	0	0	0	0	1,146			
	914-Pension and Benefits Load	2,474	0	0	0	0	0	0	0	0	0	2,474			
	915-Injuries and Damages Load	177	0	0	0	0	0	0	0	0	0	177			
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0			
	921-Stores / Purchasing Load	988	0	0	0	0	0	0	0	0	0	988			
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0			
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0			
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0			
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0			
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0			
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0			
	961-Luna A&G PNM R D&V	0	0	0	0	0	0	0	0	0	0	0			
	Cost Sum	181,608	1,003	0	0	0	0	0	0	0	0	182,610			
	825-Clearings	0	-182,610	0	0	0	0	0	0	0	0	-182,610			
	Clr Sum	0	-182,610	0	0	0	0	0	0	0	0	-182,610			
Proj Net		181,608	-181,608	0	0	0	0	0	0	0	0	0			

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829216	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	12,980
	110-Straight Time-General	12,980	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	3,511	0	0	0	0	0	0	0	0	0	0	0	0	0	3,511
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	1,518	0	0	0	0	0	0	0	0	0	0	0	0	0	1,518
	610-Expenses - General	154,415	0	0	0	0	0	0	0	0	0	0	0	0	0	154,415
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	5,401	0	0	0	0	0	0	0	0	0	0	0	0	0	5,401
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	1,146	0	0	0	0	0	0	0	0	0	0	0	0	0	1,146
	914-Pension and Benefits Load	2,474	0	0	0	0	0	0	0	0	0	0	0	0	0	2,474
	915-Injuries and Damages Load	177	0	0	0	0	0	0	0	0	0	0	0	0	0	177
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	988	0	0	0	0	0	0	0	0	0	0	0	0	0	988
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	182,610	0	0	0	0	0	0	0	0	0	0	0	0	0	182,610
	825-Clearings	-182,610	0	0	0	0	0	0	0	0	0	0	0	0	0	-182,610
	Clr Sum	-182,610	0	0	0	0	0	0	0	0	0	0	0	0	0	-182,610
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96829216	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	12,980	BegBal	12,980	0	0	0	0	0	0	0	0	0	0	0	0	12,980
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	3,511		0	0	0	0	0	0	0	0	0	0	0	0	0	3,511
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNMA-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	1,518		0	0	0	0	0	0	0	0	0	0	0	0	0	1,518
610-Expenses - General	154,415		0	0	0	0	0	0	0	0	0	0	0	0	0	154,415
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	5,401		0	0	0	0	0	0	0	0	0	0	0	0	0	5,401
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	1,146		0	0	0	0	0	0	0	0	0	0	0	0	0	1,146
914-Pension and Benefits Load	2,474		0	0	0	0	0	0	0	0	0	0	0	0	0	2,474
915-Injuries and Damages Load	177		0	0	0	0	0	0	0	0	0	0	0	0	0	177
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	988		0	0	0	0	0	0	0	0	0	0	0	0	0	988
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	182,610		0	0	0	0	0	0	0	0	0	0	0	0	0	182,610
825-Clearings	-182,610		0	0	0	0	0	0	0	0	0	0	0	0	0	-182,610
Clr Sum	-182,610		0	0	0	0	0	0	0	0	0	0	0	0	0	-182,610
Proj Net	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829314 Data Archiving, Backup and Offsite Storage***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 2/1/2016  
Estimated Completion Date 11/30/2016

List Interim In-Service Dates  
0

Project Need Justification

This project will evaluate current data back-up and storage technologies and select an optimal solution that best fits PNMR's data backup requirements. Various solutions of this type of technology and readily available on the market, and the goal of this project is to assess and implement the ones that are cost-effective and have a logical fit within our IT architectural footprint. PNM Resources has a mandatory obligation to retain certain types of documents offsite. In addition to offsite storage, off-site tape libraries are used to recover data in the event of a disaster impacting the Aztec Data Center. Ensuring that the company has the latest supported technology standards for back-up and off-site storage will help it meet its legal obligations and disaster recovery needs.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Upgrade our data back-up and storage hardware and software assets to the latest, supported technology standards, or do nothing and assume the inherent risk of system outages, downtime and possible lost data. Given our long-standing history of partnering with many vendors that provide these type of data storage solutions, we will leverage these relationships to procure and implement solutions that are cost-effective, reliable, and easy to support and maintain.

Technical Aspects

Project involves hardware and software procurement and implementation. Implementation will include all phases of quality assurance testing before the systems are placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year		2015											
Project	96829314	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0		
		120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0		
		370-Outside Services	0	0	0	0	0	0	0	0	0	0	0		
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0		
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0		
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0		
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNMIR D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	0	0	0	0	0	0	0	0	0	0	0		
		825-Clearings	0	0	0	0	0	0	0	0	0	0	0		
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0		
		Proj Net	0	0	0	0	0	0	0	0	0	0	0		

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829314	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	0	45,000
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	95,000	0	100,000	0	0	0	0	0	0	0	195,000
370-Outside Services			0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	0	120,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			0	0	0	7	154	436	614	673	735	795	852	924	0	5,190
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			0	0	0	440	440	440	440	440	440	440	440	440	0	3,960
914-Pension and Benefits Load			0	0	0	859	859	859	859	859	859	859	859	859	0	7,731
915-Injuries and Damages Load			0	0	0	106	106	106	106	106	106	106	106	106	0	954
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			0	0	0	0	4,437	4,670	0	0	0	0	0	0	0	9,107
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			0	0	0	6,412	120,996	126,511	22,019	22,078	22,140	22,200	22,257	29,724	0	394,337
825-Clearings			0	0	0	0	0	0	0	0	0	0	0	-394,326	0	-394,326
Clr Sum			0	0	0	0	0	0	0	0	0	0	0	-394,326	0	-394,326

Proj Net	0	0	0	6,412	120,996	126,511	22,019	22,078	22,140	22,200	22,257	-364,602	0	11

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03		2017														
Project	96829314	Year	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	110-Straight Time-General		45,000	0	0	0	0	0	0	0	0	0	0	0	0	45,000
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		195,000	0	0	0	0	0	0	0	0	0	0	0	0	195,000
	370-Outside Services		120,000	0	0	0	0	0	0	0	0	0	0	0	0	120,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		7,395	0	0	0	0	0	0	0	0	0	0	0	0	7,395
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		5,190	0	0	0	0	0	0	0	0	0	0	0	0	5,190
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		3,960	0	0	0	0	0	0	0	0	0	0	0	0	3,960
	914-Pension and Benefits Load		7,731	0	0	0	0	0	0	0	0	0	0	0	0	7,731
	915-Injuries and Damages Load		954	0	0	0	0	0	0	0	0	0	0	0	0	954
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		9,107	0	0	0	0	0	0	0	0	0	0	0	0	9,107
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM R D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		394,337	0	0	0	0	0	0	0	0	0	0	0	0	394,337
	825-Clearings		-394,326	0	0	0	0	0	0	0	0	0	0	0	0	-394,326
	Clr Sum		-394,326	0	0	0	0	0	0	0	0	0	0	0	0	-394,326
Proj Net			11	0	0	0	0	0	0	0	0	0	0	0	0	11

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96829413 Document Management-Employee Medical Records***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 2/1/2016  
Estimated Completion Date 12/31/2016

List Interim In-Service Dates  
0

#### Project Need Justification

This project will procure or develop, and implement a technology solution to store and then manage PNMR employee medical records. This solution is required for compliance with OSHA 29 CFR 1910.1030 record keeping requirements relating to centralizing medical records and implementing a records management process. This project is necessary to meet the following:

1. OSHA 29 CFR record keeping requirements
  - a. 29 CFR 1904.33(a) (5 Years)
  - b. 29 CFR 1910.1020(d)(i) (Medical: Duration of employment + 30 Years)
  - c. 29 CFR 1910.1030(h) (Medical: Duration of employment + 30 Years)
2. PNMR record keeping requirements
  - a. RSID 264 Medical – Employee
  - i. Retention: Tenure of Employment + 30 Years
3. Make records accessible to employees when required
4. Implement a records management process for third party vendor retention of employee medical records

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

Given this is OSHA-mandated requirement; PNMR has to implement some type of technical solution to meet this need.

There are several alternatives that we will evaluate. One potential solution will be to use our current Document Management system that we use for storage and management of most important Company records. A second alternative to be evaluated will be to use our current PeopleSoft HR system to store and

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

We use our PeopleSoft HR system today to manage all employee personnel-type actuals and record keeping. A final alternative will be to research other technology solutions on the market that provide this type of record storage/management capabilities, to see if any of those solutions might be a good fit.

#### Technical Aspects

Procure or internally develop a software solution that provides functionality to store and maintain employee medical record information. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96829413	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	0	0	0	0	0	0	0
	825-Cleanings	0	0	0	0	0	0	0	0	0	0	0	0
	Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project 96829413

2016

Year

Cost Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	55,000
120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	19	58	95	132	172	213	255	298	339	384	459	2,424
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	440	440	440	440	440	440	440	440	440	440	440	4,840
914-Pension and Benefits Load	0	0	859	859	859	859	859	859	859	859	859	859	859	9,449
915-Injuries and Damages Load	0	0	106	106	106	106	106	106	106	106	106	106	106	1,166
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	0	0	16,424	16,463	16,500	16,537	16,577	16,618	16,660	16,703	16,744	16,789	49,309	215,324

825-Clearings

Clr Sum

Proj Net

12

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96829413	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	55,000
	110-Straight Time-General	55,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	110,000	0	0	0	0	0	0	0	0	0	0	0	0	0	110,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	32,445	0	0	0	0	0	0	0	0	0	0	0	0	0	32,445
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	2,424	0	0	0	0	0	0	0	0	0	0	0	0	0	2,424
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	4,840	0	0	0	0	0	0	0	0	0	0	0	0	0	4,840
	914-Pension and Benefits Load	9,449	0	0	0	0	0	0	0	0	0	0	0	0	0	9,449
	915-Injuries and Damages Load	1,166	0	0	0	0	0	0	0	0	0	0	0	0	0	1,166
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	215,324	0	0	0	0	0	0	0	0	0	0	0	0	0	215,324
	825-Clearings	-215,312	0	0	0	0	0	0	0	0	0	0	0	0	0	-215,312
	Clr Sum	-215,312	0	0	0	0	0	0	0	0	0	0	0	0	0	-215,312
Proj Net		12	0	0	0	0	0	0	0	0	0	0	0	0	0	12

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829416 INTEL McAfee End point Protection***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/15/2015  
Estimated Completion Date 12/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project architects and implements the Intel\McAfee Endpoint Protection Advanced Suite as a replacement for the existing Microsoft System Center Endpoint Protection (SCEP) 2012 & Carbon Black for Endpoint protection system tools, which have been notes as having some deficiencies. An improved IT Security solution is needed to ensure we continue to protect PNM's systems & data, by addressing the on-going and changing cyber security threats we consistently face. The INTEL McAfee Endpoint Protection tool solution provides protection against zero-day attacks, and helps us ensure we are aligned with Regulatory Compliance, Always-On, Real-Time Malware Protection, Advanced Email Virus and Spam Protection, and Stateful Desktop Firewall protection.

Project Alternatives

Alternatives evaluated were to maintain current, in-use Microsoft System Center Endpoint Protection & Carbon Black, replace our current system with Symantec Endpoint Protection solution, or replace our current system Intel\McAfee Endpoint Protection solution

The Intel\McAfee core endpoint anti-malware product was our selected alternative given that this product achieved the highest overall scores in the independent NSS Labs Corporate AV/EPP Comparative Analysis, Exploit Protection Defenses Exploit protection test report and the highest possible score in protection against zero-day exploit and evasion attacks.

Intel\McAfee is also the primary vendor that Operations Technology (OT) control system manufacturers are certifying for use on their platforms and the OT environment has already started migrating to the Intel platform. As such, Enterprise use of Intel\McAfee would allow standardization, increase uniformity and interoperability.

Technical Aspects

This project procures and implements hardware, software, and vendor support/services. Implementation will include all phases of quality assurance testing before the software is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01

Project 96829416 Year 2015

Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	60,000
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	180,000	0	0	0	0	180,000
370-Outside Services	0	0	0	0	20,000	40,000	40,000	40,000	40,000	50,000	230,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0	0	0	0	0	0	0	0	0	1,586	1,586
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0	0	0	0	879	879	879	879	879	879	5,274
914-Pension and Benefits Load	0	0	0	0	1,717	1,717	1,717	1,717	1,717	1,717	10,302
915-Injuries and Damages Load	0	0	0	0	212	212	212	212	212	212	1,272
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	8,406	0	0	0	0	8,406
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	0	0	0	0	32,808	241,214	52,808	52,808	52,808	64,394	496,840
825-Clearings	0	0	0	0	0	0	0	0	0	-496,840	-496,840
Clr Sum	0	0	0	0	0	0	0	0	0	-496,840	-496,840
Proj Net	0	0	0	0	32,808	241,214	52,808	52,808	52,808	-432,446	0



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829416	Cost Type	Year												Total		
			BegBal	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		Nov	Dec
		110-Straight Time-General	60,000		0	0	0	0	0	0	0	0	0	0	0	0	60,000
		120-OverTime-General	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	180,000		0	0	0	0	0	0	0	0	0	0	0	0	180,000
		370-Outside Services	230,000		0	0	0	0	0	0	0	0	0	0	0	0	230,000
		374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	1,586		0	0	0	0	0	0	0	0	0	0	0	0	1,586
		805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	5,274		0	0	0	0	0	0	0	0	0	0	0	0	5,274
		914-Pension and Benefits Load	10,302		0	0	0	0	0	0	0	0	0	0	0	0	10,302
		915-Injuries and Damages Load	1,272		0	0	0	0	0	0	0	0	0	0	0	0	1,272
		918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	8,406		0	0	0	0	0	0	0	0	0	0	0	0	8,406
		922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNM/R D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	496,840		0	0	0	0	0	0	0	0	0	0	0	0	496,840
		825-Clearings	-496,840		0	0	0	0	0	0	0	0	0	0	0	0	-496,840
		Clr Sum	-496,840		0	0	0	0	0	0	0	0	0	0	0	0	-496,840
		Proj Net	0		0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96829416	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type	BegBal	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		180,000	0	0	0	0	0	0	0	0	0	0	0	0	0	180,000
370-Outside Services		230,000	0	0	0	0	0	0	0	0	0	0	0	0	0	230,000
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		1,586	0	0	0	0	0	0	0	0	0	0	0	0	0	1,586
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		5,274	0	0	0	0	0	0	0	0	0	0	0	0	0	5,274
914-Pension and Benefits Load		10,302	0	0	0	0	0	0	0	0	0	0	0	0	0	10,302
915-Injuries and Damages Load		1,272	0	0	0	0	0	0	0	0	0	0	0	0	0	1,272
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		8,406	0	0	0	0	0	0	0	0	0	0	0	0	0	8,406
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		496,840	0	0	0	0	0	0	0	0	0	0	0	0	0	496,840
825-Clearings		-496,840	0	0	0	0	0	0	0	0	0	0	0	0	0	-496,840
Clr Sum		-496,840	0	0	0	0	0	0	0	0	0	0	0	0	0	-496,840
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829814 MS Lync Ent. 2010 upgrade to Microsoft Lync Ent. 2016***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 1/25/2016  
Estimated Completion Date 7/30/2016

List Interim In-Service Dates  
0

Project Need Justification

This project upgrades the MS Lync server and operating system to latest supported version and platform, and also provides a software update to PNMR standard desktop and laptop computers for all MS Lync users. This effort is part of the company's lifecycle management program, which ensures all of its systems are running on up-to-date vendor supported platforms. Transitioning to the latest version of MS Lync will also enable the company to utilize the new capabilities and features of the updated product, which will allow users to be more efficient in their daily use of this system.

Project Alternatives

Upgrade to MS Lync to latest version or do nothing, and assume the inherent risk of potentially having cyber security attacks, system outages, downtime, and lost data.

MS Lync is one of several Microsoft products that we use throughout PNMR. Given that we use several of their products, Microsoft has given us reasonable cost savings on product license renewals and system support. Converting over to a new, vendor technology solution isn't an option we will evaluate given the level of effort and significant cost it would take to make this transition.

Technical Aspects

Project will involve software procurement and implementation. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015	
Project	Cost Type	Year	Bal 3/31/15
	110-Straight Time-General		0
	120-Overline-General		0
	200-Fleet Vehicle Maint-Rental		0
	350-Material Issues-Major		0
	370-Outside Services		0
	374-Outside Svcs Legal		0
	377-Outside Services-Temp Labor		0
	391-Jt Proj Bills to PNM-Non-Labor		0
	530-Employee Expense		0
	610-Expenses - General		0
	805-Land and Land Rights		0
	807-Non Refundable Contribution		0
	829-Construction Adjustment		0
	426-Capitalized Interest		0
	908-Luna AR - Labor		0
	909-Luna AR - Other		0
	913-Payroll Taxes Load		0
	914-Pension and Benefits Load		0
	915-Injuries and Damages Load		0
	918-San Juan AR-Labor		0
	921-Stores / Purchasing Load		0
	922-Minor Material Load		0
	925-E and S Loads		0
	926-A and G Loads		0
	928-AFUDC Debt Reg		0
	929-AFUDC - Equity Regular		0
	937-San Juan AR - Other		0
	961-Luna A&G PNMR D&V		0
	Cost Sum		0
	825-Clearings		0
	Clr Sum		0
	Proj Net		0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829814	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	10,000	10,000	10,000	10,000	10,000	0	0	0	0	0	50,000
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	75,000	35,000	0	0	0	0	0	0	0	110,000
	370-Outside Services	0	0	0	0	10,000	10,000	30,000	30,000	30,000	0	0	0	0	0	110,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	589	0	0	0	0	0	589
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	27	169	375	524	632	0	0	0	0	0	1,727
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	879	879	879	879	879	0	0	0	0	0	4,395
	914-Pension and Benefits Load	0	0	0	1,717	1,717	1,717	1,717	1,717	1,717	0	0	0	0	0	8,585
	915-Injuries and Damages Load	0	0	0	212	212	212	212	212	212	0	0	0	0	0	1,060
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	3,503	1,635	0	0	0	0	0	0	0	5,138
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	22,835	101,480	101,480	79,818	43,332	44,029	0	0	0	0	0	291,494
	825-Clearings	0	0	0	0	0	0	0	0	-291,493	0	0	0	0	0	-291,493
	Clr Sum	0	0	0	0	0	0	0	0	-291,493	0	0	0	0	0	-291,493
	Proj Net	0	0	0	22,835	101,480	101,480	79,818	43,332	-247,464	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year Q3

Project 96829814

Year 2017

Cost Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
BegBal	0	0	0	0	0	0	0	0	0	0	0	0	50,000
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0
125-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	110,000	0	0	0	0	0	0	0	0	0	0	0	110,000
370-Outside Services	110,000	0	0	0	0	0	0	0	0	0	0	0	110,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	589	0	0	0	0	0	0	0	0	0	0	0	589
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	1,727	0	0	0	0	0	0	0	0	0	0	0	1,727
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	4,395	0	0	0	0	0	0	0	0	0	0	0	4,395
914-Pension and Benefits Load	8,585	0	0	0	0	0	0	0	0	0	0	0	8,585
915-Injuries and Damages Load	1,060	0	0	0	0	0	0	0	0	0	0	0	1,060
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	5,138	0	0	0	0	0	0	0	0	0	0	0	5,138
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	291,494	0	0	0	0	0	0	0	0	0	0	0	291,494
825-Clearings	-291,493	0	0	0	0	0	0	0	0	0	0	0	-291,493
Clr Sum	-291,493	0	0	0	0	0	0	0	0	0	0	0	-291,493

Proj Net:

1

0

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96832114 MS Windows 2003 Upgrade***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 1/1/2014  
Estimated Completion Date 9/30/2015

List Interim In-Service Dates

Project Need Justification

This in-flight project updates our Microsoft Windows Server 2003 operating systems to newer, supported Windows 2008 or 2012 versions. These updates are required as part of the Company's lifecycle management program, which ensures it is operating on current Microsoft supported systems. Windows 2003 Server support ends in June 2015, at which time Microsoft will no longer be providing updates or security patches for this retired operating system version, making the Company vulnerable to network intrusions or cyber-attacks.

Project Alternatives

Upgrade all Microsoft Server 2003 to MS Server 2008 or 2012, or do nothing and assume the high-probability risk that we would experience network intrusions and cyber-attacks on these unsupported systems.

This project utilizes both internal resources and outside support for project implementation and testing. Internal resources provide project management, IT management, IT development and Telecommunication support. Various outside vendors have been used to help move vendor-supported applications off the old systems to the new systems. The specific vendors were selected based on their knowledge and experience of our products and upgrade requirements. All vendors provided statements of work and cost quotes that we evaluated and used as the basis for our selections. Specific vendors we are utilizing include RightFax, Itron, Systrends, Cognizant, Infosys, and Manpower with the latter three on multi-year contracts with PNM for IT application and data center support.

All required hardware was purchased through PNM's preferred hardware vendor, Zones.

Technical Aspects

Evaluate MS Server 2008 and 2012 options, and procure and implement required software solutions. Implementation will include all phases of quality assurance testing before the software is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	96832114	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	102,874	8,100	8,100	15,000	15,000	0	0	0	0	0	149,074
		120-Overline-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	20,000	20,000	60,000	0	0	0	0	0	100,000
		370-Outside Services	97,516	12,000	17,000	100,000	80,000	0	0	0	0	0	306,516
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	27,800	0	0	0	0	0	0	0	0	0	27,800
		391-It Proj Bills to PNIM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	91,105	0	0	16,550	0	0	0	0	0	0	107,655
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	4,631	96	191	466	894	0	0	0	0	0	6,278
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	9,097	712	712	1,319	1,319	0	0	0	0	0	13,158
		914-Pension and Benefits Load	20,212	1,391	1,391	2,576	2,576	0	0	0	0	0	28,145
		915-Injuries and Damages Load	1,161	172	172	318	318	0	0	0	0	0	2,141
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	1,313	0	934	934	2,802	0	0	0	0	0	5,983
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	355,709	22,470	48,499	157,162	162,908	0	0	0	0	0	746,748
		825-Clearings	-331,204	0	0	0	-415,544	0	0	0	0	0	-746,748
		Clr Sum	-331,204	0	0	0	-415,544	0	0	0	0	0	-746,748
		Proj Net	24,505	22,470	48,499	157,162	-252,636	0	0	0	0	0	0



Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96832114	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
110-Straight Time-General	149,074	BegBal	149,074	0	0	0	0	0	0	0	0	0	0	0	0	149,074		
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	100,000	370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000	
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	306,516	
		377-Outside Services-Temp Labor	27,800	0	0	0	0	0	0	0	0	0	0	0	0	0	27,800	
391-Jt Proj Bills to PNM-Non-Labor	0	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		610-Expenses - General	107,655	0	0	0	0	0	0	0	0	0	0	0	0	0	107,655	
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		426-Capitalized Interest	6,278	0	0	0	0	0	0	0	0	0	0	0	0	0	6,278	
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	913-Payroll Taxes Load	13,158	0	0	0	0	0	0	0	0	0	0	0	0	0	13,158	
		914-Pension and Benefits Load	28,145	0	0	0	0	0	0	0	0	0	0	0	0	0	28,145	
		915-Injuries and Damages Load	2,141	0	0	0	0	0	0	0	0	0	0	0	0	0	2,141	
919-San Juan AR-Labor	0	921-Stores / Purchasing Load	5,983	0	0	0	0	0	0	0	0	0	0	0	0	0	5,983	
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	0	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	Cost Sum	746,748	0	0	0	0	0	0	0	0	0	0	0	0	0	746,748	
		825-Clearings	-746,748	0	0	0	0	0	0	0	0	0	0	0	0	0	-746,748	
		Clr Sum	-746,748	0	0	0	0	0	0	0	0	0	0	0	0	0	-746,748	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03		2017														
Project	96832114	Year	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	110-Straight Time-General		149,074	0	0	0	0	0	0	0	0	0	0	0	0	149,074
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		100,000	0	0	0	0	0	0	0	0	0	0	0	0	100,000
	370-Outside Services		306,516	0	0	0	0	0	0	0	0	0	0	0	0	306,516
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		27,800	0	0	0	0	0	0	0	0	0	0	0	0	27,800
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		107,655	0	0	0	0	0	0	0	0	0	0	0	0	107,655
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		6,278	0	0	0	0	0	0	0	0	0	0	0	0	6,278
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		13,158	0	0	0	0	0	0	0	0	0	0	0	0	13,158
	914-Pension and Benefits Load		28,145	0	0	0	0	0	0	0	0	0	0	0	0	28,145
	915-Injuries and Damages Load		2,141	0	0	0	0	0	0	0	0	0	0	0	0	2,141
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		5,983	0	0	0	0	0	0	0	0	0	0	0	0	5,983
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		746,748	0	0	0	0	0	0	0	0	0	0	0	0	746,748
	825-Clearings		-746,748	0	0	0	0	0	0	0	0	0	0	0	0	-746,748
	Clr Sum		-746,748	0	0	0	0	0	0	0	0	0	0	0	0	-746,748
	Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96832314 DM Interface Upgrade***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 8/18/2014  
Estimated Completion Date 6/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project upgrades two-way interfaces between the Document Management system and PeopleSoft and Tibco systems. These upgrades should have taken place during the DM upgrade project, but due to resource limitations had to be deferred until a later date.

Project Alternatives

None. Upgrade of these interfaces is required so we finish all necessary work and move to completely automated processes, verses having to continue to run time-consuming manual processes between these three systems.

Cognizant provided vendor support to us on this project from both an application development and testing activities. Cognizant is on multi-year contract with us for application and testing support, and was well-versed on all of the internal systems we needed to integrate as part of this project.

Technical Aspects

Design and implementation of new interfaces. Implementation includes all phases of Quality Assurance testing before systems are placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year 2015											
Project	96832314	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General	36,832	4,200	0	0	0	0	0	0	0	0	41,032
		120-Overline-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	101,809	2,430	3,420	0	0	0	0	0	0	0	107,659
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	779	0	0	0	0	0	0	0	0	0	779
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights	0	33	0	0	0	0	0	0	0	0	33
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	3,043	423	5	9	0	0	0	0	0	0	3,480
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	3,256	369	0	0	0	0	0	0	0	0	3,625
		914-Pension and Benefits Load	7,180	721	0	0	0	0	0	0	0	0	7,901
		915-Injuries and Damages Load	439	89	0	0	0	0	0	0	0	0	528
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	647	0	0	0	0	0	0	0	0	0	647
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	153,985	8,266	3,425	9	0	0	0	0	0	0	165,685
		825-Clearings	0	-162,251	0	-3,434	0	0	0	0	0	0	-165,685
		Clr Sum	0	-162,251	0	-3,434	0	0	0	0	0	0	-165,685
		Proj Net	153,985	-153,985	3,425	-3,425	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96832314	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	41,032	0	0	0	0	0	0	0	0	0	0	0	0	41,032
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overtime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services			107,659	0	0	0	0	0	0	0	0	0	0	0	0	107,659
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			779	0	0	0	0	0	0	0	0	0	0	0	0	779
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights			33	0	0	0	0	0	0	0	0	0	0	0	0	33
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			3,480	0	0	0	0	0	0	0	0	0	0	0	0	3,480
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			3,625	0	0	0	0	0	0	0	0	0	0	0	0	3,625
914-Pension and Benefits Load			7,901	0	0	0	0	0	0	0	0	0	0	0	0	7,901
915-Injuries and Damages Load			528	0	0	0	0	0	0	0	0	0	0	0	0	528
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			647	0	0	0	0	0	0	0	0	0	0	0	0	647
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			165,685	0	0	0	0	0	0	0	0	0	0	0	0	165,685
825-Clearings			-165,685	0	0	0	0	0	0	0	0	0	0	0	0	-165,685
Clr Sum			-165,685	0	0	0	0	0	0	0	0	0	0	0	0	-165,685
Proj Net			0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
96832314	BegBal	41,032	0	0	0	0	0	0	0	0	0	0	0	0	41,032
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-Overline-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		107,659	0	0	0	0	0	0	0	0	0	0	0	0	107,659
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		779	0	0	0	0	0	0	0	0	0	0	0	0	779
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		33	0	0	0	0	0	0	0	0	0	0	0	0	33
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		3,480	0	0	0	0	0	0	0	0	0	0	0	0	3,480
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		3,625	0	0	0	0	0	0	0	0	0	0	0	0	3,625
914-Pension and Benefits Load		7,901	0	0	0	0	0	0	0	0	0	0	0	0	7,901
915-Injuries and Damages Load		528	0	0	0	0	0	0	0	0	0	0	0	0	528
916-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		647	0	0	0	0	0	0	0	0	0	0	0	0	647
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		165,685	0	0	0	0	0	0	0	0	0	0	0	0	165,685
825-Clearings		-165,685	0	0	0	0	0	0	0	0	0	0	0	0	-165,685
Clr Sum		-165,685	0	0	0	0	0	0	0	0	0	0	0	0	-165,685
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0

PNMR Corporate Tier Level 3 Capital Projects

# PNM Exhibit SMM-4

Is contained in the following 49 pages.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

**Electronic Instructions:**

To view detailed costs for each project, click project to highlight then Press “CTRL” and left click on mouse.

To return back to index from detailed costs, click “CTRL” and “Home”

Thursday, August 06, 2015  
12:03:59 PM

**PNM EXHIBIT SMM-4 PNM Corporate Tier Level 3 Capital Projects**

**Contents**

	Link/Test	CWIP	Total
General Services.....	\$0	\$80,427	\$80,427 ..... 2
Project No:97733116 Graphics Equipment .....	\$0	\$80,427	\$80,427 ..... 2
Technology Projects .....	\$467,512	\$260,947	\$728,460 ..... 6
Project No:92428814 Banner Enhancements .....	\$0	\$33,076	\$33,076 ..... 6
Project No:96828116 Requirements Management Tool .....	\$100,000	\$0	\$100,000 ..... 10
Project No:96828216 Enporium Replacement .....	\$85,000	\$0	\$85,000 ..... 13
Project No:96828323 Host-Based Intrusion Detection System .....	\$100,000	\$0	\$100,000 ..... 18
Project No:96828517 Next Generation Mobility .....	\$39,081	\$0	\$39,081 ..... 22
Project No:96828914 Event Monitoring Tools .....	\$0	\$96,822	\$96,822 ..... 26
Project No:96829415 GRC Tools .....	\$0	\$46,180	\$46,180 ..... 30
Project No:96829516 Information Security Platform Upgrade .....	\$0	\$30,060	\$30,060 ..... 34
Project No:96829815 DM Deletion Tool .....	\$88,171	\$0	\$88,171 ..... 38
Project No:96832115 Tech Apps NM 1 .....	\$55,260	\$0	\$55,260 ..... 42
Project No:99328015 Career Management .....	\$0	\$54,810	\$54,810 ..... 46

Totals for Report .....\$467,512 .....\$341,374 .....\$808,887



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

## General Services

### *Project No: 97733116 Graphics Equipment*

Company: 007-PNMR Services Co  
Location: 977-Corp Alloc Downtown Buildings

Project Information  
Construction Start Date 4/1/2016  
Estimated Completion Date 12/31/2016

List Interim In-Service Dates  
0

#### Project Need Justification

This project is for replacement of the MICR check printer and the paper cutter located in the Albuquerque Downtown Headquarters' Graphics/Mailroom operation. This check printer is used to print checks and the paper cutter is used for all cutting. If this equipment is inoperable, this would make it difficult to complete projects in an efficient and cost-effective manner as the work would have to be outsourced. It is anticipated that the current equipment will be out-of-date with changing technology and incompatible with current software versions at the time of the proposed replacement.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

The alternatives are to repair the equipment and perform breakdown maintenance, or have an outside vendor assume responsibility for the service. These options were not selected because the potential long-term costs of maintaining aged equipment would be greater than the cost of purchasing new equipment. In addition, new equipment would be more reliable and reduce the need to rely on an outside vendor if equipment failure occurred.

#### Technical Aspects

This project encompasses equipment replacement of the MICR check printer and the paper cutter.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	97733116	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		Cost Type											
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	0	0	0	0	0	0	0	0	0	0	0
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	0	0	0	0	0	0	0	0	0	0	0
		825-Cleanings	0	0	0	0	0	0	0	0	0	0	0
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0
		Proj Net	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	97733116	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Type															
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		0	0	0	10,000	0	0	30,000	0	0	40,000	0	0	0	80,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	0	0	12	0	23	58	94	96	145	194	0	0	622
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	0	0	10,012	23	30,058	94	96	40,145	194	0	0	0	80,622
	825-Cleanings		0	0	0	0	0	0	0	0	0	0	-80,621	0	0	-80,621
	Clr Sum		0	0	0	0	0	0	0	0	0	0	-80,621	0	0	-80,621
	Proj Net		0	0	0	10,012	23	30,058	94	96	40,145	-80,427	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	97733116	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services			80,000	0	0	0	0	0	0	0	0	0	0	0	0	80,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-It Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			622	0	0	0	0	0	0	0	0	0	0	0	0	622
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			80,622	0	0	0	0	0	0	0	0	0	0	0	0	80,622
825-Cleanings			-80,621	0	0	0	0	0	0	0	0	0	0	0	0	-80,621
Clr Sum			-80,621	0	0	0	0	0	0	0	0	0	0	0	0	-80,621
Proj Net			1	0	0	0	0	0	0	0	0	0	0	0	0	1

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Technology Projects

Project No: 92428814 Banner Enhancements

Company: 007-PNMR Services Co  
Location: 924-Corp Alloc Customer Count

Project Information		
<u>Construction Start Date</u>	2/22/2016	<u>Estimated Completion Date</u> 12/31/2019
<u>List Interim In-Service Dates</u>	12/15/2016, 12/15/2017, 12/15/2018, 12/15/2019	

Project Need Justification

This project is for on-going annual enhancements to our Banner Customer Service system to include Charge Calc, new reports and forms, courtesy letter process, deposit/refund/payment applications, new meter and billing exceptions, etc. These are considered required system enhancements to better align us to our customer's needs, Customer Service business areas requirements, and NMPRC requirements and reporting.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

These are on-going enhancements that need to be performed to our customer's demands and NMPRC requirements. Solution alternatives will be assessed as enhancement design requirements are identified and understood. Specific solutions will be selected by us finding the most efficient and lowest cost alternatives to meet these enhancement needs.

Technical Aspects

Banner system software customizations and enhancements. Implementation will include the necessary level of Quality Assurance testing before being introduced into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015												
Project	92428814	Cost Type	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services		57,665	0	0	0	0	0	0	0	0	0	57,665
		374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor		3,848	0	0	0	0	0	0	0	0	0	3,848
		391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest		876	0	0	0	0	0	0	0	0	0	876
		908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load		240	0	0	0	0	0	0	0	0	0	240
		922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNM&R D&V		0	0	0	0	0	0	0	0	0	0	0
		Cost Sum		62,628	0	0	0	0	0	0	0	0	0	62,628
		825-Clearings		-62,628	0	0	0	0	0	0	0	0	0	-62,628
		Clr Sum		-62,628	0	0	0	0	0	0	0	0	0	-62,628
		Proj Net		0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	92428814	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal		0	0	0	0	0	0	0	0	0	0	0	0	0
110-Straight Time-General				0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General				0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental				0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major				0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services		57,665		0	0	0	0	0	0	0	15,000	18,000	18,000	22,000	25,000	155,665
374-Outside Svcs Legal		0		0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		3,848		0	0	0	0	0	0	0	0	0	0	0	0	3,848
391-Jt Proj Bills to PNM-Non-Labor		0		0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0		0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0		0	0	0	0	0	0	0	0	0	0	0	610	610
805-Land and Land Rights		0		0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0		0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0		0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		876		0	0	0	0	0	0	0	18	58	101	152	207	1,412
908-Luna AR - Labor		0		0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0		0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		0		0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load		0		0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load		0		0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor		0		0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		240		0	0	0	0	0	0	0	0	0	0	0	0	240
922-Minor Material Load		0		0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0		0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0		0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0		0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0		0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0		0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V		0		0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		62,628		0	0	0	0	0	0	0	15,018	18,058	18,101	22,152	25,817	161,774
825-Cleanings		-62,628		0	0	0	0	0	0	0	0	0	0	0	-99,146	-161,774
Clr Sum		-62,628		0	0	0	0	0	0	0	0	0	0	0	-99,146	-161,774
Proj Net		0		0	0	0	0	0	0	0	15,018	18,058	18,101	22,152	-73,329	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	92428814	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	155,665	0	0	0	0	0	0	0	0	0	0	0	0	0	155,665
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	3,848	0	0	0	0	0	0	0	0	0	0	0	0	0	3,848
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	610	0	0	0	0	0	0	0	0	0	0	0	0	0	610
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	1,412	0	0	0	0	0	0	0	0	0	0	0	0	0	1,412
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	240	0	0	0	0	0	0	0	0	0	0	0	0	0	240
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM& D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	161,774	0	0	0	0	0	0	0	0	0	0	0	0	0	161,774
	825-Cleanings	-161,774	0	0	0	0	0	0	0	0	0	0	0	0	0	-161,774
	Clr Sum	-161,774	0	0	0	0	0	0	0	0	0	0	0	0	0	-161,774
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96828116 Requirements Management Tool***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 2/15/2016  
Estimated Completion Date 5/30/2016

List Interim In-Service Dates  
0

#### Project Need Justification

The project procures and implements a low-cost Requirements Management Tool that will be used by all IT Business Analysts during IT capital project business, functional and technical requirements gathering and documentation stages. These requirements need to be collected and documented for all IT projects that are launched, and many of these requirements that are collected and documented are common and repetitive. Implementing this standard, low-cost tool to manage these requirements will allow us to cut and paste requirements for re-use where applicable, which will greatly improve our IT Business Analyst's efficiency and reduce rework costs.

#### Project Alternatives

Procure and implement this Requirements Management Tool, or do nothing and continue to inefficiently manage requirements by not having a centralized location to store, manage and track repetitive requirements for reuse between projects.

Three off-the-shelf products alternatives were assessed:

Blue Print Software Systems Inc.  
eDev Technologies Inc.  
JAMA Software Inc.

The eDev software solution was chosen, based on the product's ability to meet our specific business requirements for this system and low cost.

#### Technical Aspects

Software procurement and implementation. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01													
Project	96828116	Year	2015										
	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	
	370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
	Cost Sum	0	0	0	0	0	0	0	0	0	0	0	
	825-Clearings	0	0	0	0	0	0	0	0	0	0	0	
	Clr Sum	0	0	0	0	0	0	0	0	0	0	0	
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828116	Year	2016	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type																
	110-Straight Time-General	0	0	0	5,000	0	5,000	5,000	5,000	0	0	0	0	0	0	0	20,000
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	30,000	0	0	0	0	0	0	0	0	0	30,000
	370-Outside Services	0	0	0	5,000	5,000	5,000	5,000	10,000	0	0	0	0	0	0	0	25,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-JF Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	17,565	0	0	0	0	0	0	0	17,565
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	13	77	138	189	0	0	0	0	0	0	0	0	0	417
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	440	440	440	440	440	440	0	0	0	0	0	0	0	1,760
	914-Pension and Benefits Load	0	0	859	859	859	859	859	859	0	0	0	0	0	0	0	3,436
	915-Injuries and Damages Load	0	0	106	106	106	106	106	106	0	0	0	0	0	0	0	424
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	1,401	0	0	0	0	0	0	0	0	0	0	0	1,401
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	11,418	42,883	11,543	34,159	0	0	0	0	0	0	0	0	0	100,003
	825-Clearings	0	0	0	0	0	-100,000	0	0	0	0	0	0	0	0	0	-100,000
	Clr Sum	0	0	0	0	0	-100,000	0	0	0	0	0	0	0	0	0	-100,000
	Proj Net	0	0	11,418	42,883	11,543	-65,841	0	0	0	0	0	0	0	0	0	3

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828116	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	20,000	0	0	0	0	0	0	0	0	0	0	0	0	20,000
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	30,000
	370-Outside Services	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	17,565	0	0	0	0	0	0	0	0	0	0	0	0	0	17,565
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	417	0	0	0	0	0	0	0	0	0	0	0	0	0	417
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	1,760	0	0	0	0	0	0	0	0	0	0	0	0	0	1,760
	914-Pension and Benefits Load	3,436	0	0	0	0	0	0	0	0	0	0	0	0	0	3,436
	915-Injuries and Damages Load	424	0	0	0	0	0	0	0	0	0	0	0	0	0	424
	916-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	1,401	0	0	0	0	0	0	0	0	0	0	0	0	0	1,401
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	100,003	0	0	0	0	0	0	0	0	0	0	0	0	0	100,003
	825-Cleanings	-100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	-100,000
	Clr Sum	-100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	-100,000
Proj Net		3	0	0	0	0	0	0	0	0	0	0	0	0	0	3

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828216 Enporium Replacement***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 9/15/2015  
Estimated Completion Date 12/31/2015

List Interim In-Service Dates  
0

Project Need Justification

This project builds in-house functionality to replace the data transformation services provided by a company called Enporion, for purchase orders and invoices sent from and received in PeopleSoft eProcurement and Passport systems. Implementing this in-house solution will allow PNM to terminate the services contract with Enporion and achieve \$80,000 in cost savings per year.

Project Alternatives

Design and implement an in-house solution to replace Enporion functionality, or do nothing and continue to pay an unnecessary \$80,000 for continuing Enporion support/services.

This capability will be designed and implemented using existing in-house systems, which we feel is the most efficient and lowest cost solution. Work will be performed by mainly internal staff, with the exception of needing some basic design and testing support from a few Cognizant resources. Cognizant is currently on multi-year contract to provide PNM IT application and testing support.

Technical Aspects

Develop and implement a software solution that builds current Enporium functionality into our existing PeopleSoft financial system. Implementation will include all phases of Quality Assurance testing before this system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828216	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type												
	110-Straight Time-General	0	0	0	0	0	0	0	15,000	15,000	15,000	10,000	55,000
	120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	0	0	0	0	0	0	0	10,000	10,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	4,133	4,133
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	26	77	129	191	423
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	1,319	1,319	1,319	879	4,836
	914-Pension and Benefits Load	0	0	0	0	0	0	0	2,576	2,576	2,576	1,717	9,445
	915-Injuries and Damages Load	0	0	0	0	0	0	0	318	318	318	212	1,166
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	0	0	19,239	19,290	19,342	27,132	85,003
	825-Clearings	0	0	0	0	0	0	0	0	0	0	-85,000	-85,000
	Clr Sum	0	0	0	0	0	0	0	0	0	0	-85,000	-85,000
	Proj Net	0	0	0	0	0	0	0	19,239	19,290	19,342	-57,868	3

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project 96828216

Year 2016

Cost Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	55,000	0	0	0	0	0	0	0	0	0	0	0	0	55,000
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	10,000	0	0	0	0	0	0	0	0	0	0	0	0	10,000
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	4,133	0	0	0	0	0	0	0	0	0	0	0	0	4,133
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	423	0	0	0	0	0	0	0	0	0	0	0	0	423
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	4,836	0	0	0	0	0	0	0	0	0	0	0	0	4,836
914-Pension and Benefits Load	9,445	0	0	0	0	0	0	0	0	0	0	0	0	9,445
915-Injuries and Damages Load	1,166	0	0	0	0	0	0	0	0	0	0	0	0	1,166
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	85,003	0	0	0	0	0	0	0	0	0	0	0	0	85,003
825-Cleanings	-85,000	0	0	0	0	0	0	0	0	0	0	0	0	-85,000
Clr Sum	-85,000	0	0	0	0	0	0	0	0	0	0	0	0	-85,000
Proj Net	3	0	0	0	0	0	0	0	0	0	0	0	0	3

Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828216	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	55,000	0	0	0	0	0	0	0	0	0	0	0	0	55,000
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services			10,000	0	0	0	0	0	0	0	0	0	0	0	0	10,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			4,133	0	0	0	0	0	0	0	0	0	0	0	0	4,133
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
425-Capitalized Interest			423	0	0	0	0	0	0	0	0	0	0	0	0	423
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			4,836	0	0	0	0	0	0	0	0	0	0	0	0	4,836
914-Pension and Benefits Load			9,445	0	0	0	0	0	0	0	0	0	0	0	0	9,445
915-Injuries and Damages Load			1,166	0	0	0	0	0	0	0	0	0	0	0	0	1,166
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMNR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			85,003	0	0	0	0	0	0	0	0	0	0	0	0	85,003
825-Clearings			-85,000	0	0	0	0	0	0	0	0	0	0	0	0	-85,000
Clr Sum			-85,000	0	0	0	0	0	0	0	0	0	0	0	0	-85,000
Proj Net			3	0	0	0	0	0	0	0	0	0	0	0	0	3



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96828323 Host-Based Intrusion Detection System***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 3/14/2016  
Estimated Completion Date 09/30/2015

List Interim In-Service Dates  
0

Project Need Justification

This project procures and implements Host-Based Intrusion Detection System software and hardware. Implementation of this system will reduce the risk of system compromise and potential impact to data Confidentiality, Integrity, and availability, and will add an additional level of server protection that currently does not exist. This system will help us meet the growing internet threat trend, and will enable improved capability to prove compliance with regulatory requirements (SOX, HIPAA, etc.)

Project Alternatives

None. This system is needed to ensure our systems and data are not compromised thru cyber-attacks. Varying products on the market will be assessed for their alignment with our IT architecture and standards, alignment with the specific product functional and technical requirements we are looking to achieve, product cost and complexity to deploy. Depending on the product chosen, our IT Security team may need outside vendor assistance in implementing the chosen solution, depending on system complexity.

Technical Aspects

Procurement and implementation of new hardware and software designed to secure IT systems and data. Implementation will include all phases of Quality Assurance testing before being placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828323	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		Cost Type											
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	0	0	0	0	0	0	0	0	0	0	0
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		425-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	0	0	0	0	0	0	0	0	0	0	0
		825-Clearings	0	0	0	0	0	0	0	0	0	0	0
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0
		Proj Net	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828323	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal														
110-Straight Time-General		0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	0	30,000
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint+Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	20,000	0	0	0	0	0	0	0	0	20,000
370-Outside Services		0	0	0	0	7,500	7,500	7,500	7,500	7,500	0	0	0	0	0	37,500
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0	0	0	0	0	0	0	0	945	1,393	0	0	0	0	2,338
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		0	0	0	0	16	72	128	162	198	228	0	0	0	0	804
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		0	0	0	0	440	440	440	440	440	440	0	0	0	0	2,640
914-Pension and Benefits Load		0	0	0	0	859	859	859	859	859	859	0	0	0	0	5,154
915-Injuries and Damages Load		0	0	0	0	106	106	106	106	106	106	0	0	0	0	636
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load		0	0	0	0	0	934	0	0	0	0	0	0	0	0	934
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		0	0	0	0	13,921	34,911	14,033	14,067	15,048	8,026	0	0	0	0	100,006
825-Cleanings		0	0	0	0	0	0	0	0	0	-100,000	0	0	0	0	-100,000
Clr Sum		0	0	0	0	0	0	0	0	0	-100,000	0	0	0	0	-100,000
Proj Net		0	0	0	0	13,921	34,911	14,033	14,067	15,048	-91,974	0	0	0	0	6

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project 96828323

Cost Type	2017											
	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
110-Straight Time-General	30,000	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint+Rental	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	20,000	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services	37,500	0	0	0	0	0	0	0	0	0	0	0
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	2,338	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	804	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	2,640	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load	5,154	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load	636	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	934	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM/D&V	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	100,006	0	0	0	0	0	0	0	0	0	0	0
825-Cleanings	-100,000	0	0	0	0	0	0	0	0	0	0	0
Clr Sum	-100,000	0	0	0	0	0	0	0	0	0	0	0
Proj Net	6	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96828517 Next Generation Mobility***

Company: 007-PNM Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/27/2015  
Estimated Completion Date 12/15/2017

List Interim In-Service Dates  
0

#### Project Need Justification

This project delivers mobility and virtualized platforms into the PNM IT infrastructure to increase adaptability to business needs for mobile devices (smart phones, tablets, mini-laptops, etc.). Key drivers for implementing this project include the need for mobility to increase productivity, increased adaptability to business needs, better communication with business users over mobile devices, building a stable, efficient mobile computing environment with high availability features, security policies and security patching processes.

#### Project Alternatives

None. Our supported business areas are driving towards using more mobile technology in daily business operations, and in order to align IT with these growing demands for mobile technology-use, we need to implement this project to build a secure and supported mobile platform from which business users can access and manage their work from a myriad of mobile devices.

There are many products on the market that provide capabilities for the management/administration of mobile devices. Specific alternatives will be assessed and decided on, as we get a better understanding of the specific technologies we will procure and implement within our mobile computing environment.

#### Technical Aspects

Software and hardware procurement and implementation. Implementation will include all phases of Quality Assurance testing before these systems are placed into production.

**PNM EXHIBIT SMM-4**

Page 2

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828517	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	255,849	0	0	0	0	0	0	0	0	0	0	0	0	255,849
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint+Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		29,247	0	0	0	0	0	0	0	0	0	0	0	0	29,247
	370-Outside Services		668,946	0	0	0	0	0	0	0	0	0	0	0	0	668,946
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		55,198	0	0	0	0	0	0	0	0	0	0	0	0	55,198
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		433	0	0	0	0	0	0	0	0	0	0	0	0	433
	610-Expenses - General		753,294	0	0	0	0	0	0	0	0	0	0	0	0	753,294
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		76,609	0	0	0	0	0	0	0	0	0	0	0	0	76,609
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		22,094	0	0	0	0	0	0	0	0	0	0	0	0	22,094
	914-Pension and Benefits Load		51,826	0	0	0	0	0	0	0	0	0	0	0	0	51,826
	915-Injuries and Damages Load		2,279	0	0	0	0	0	0	0	0	0	0	0	0	2,279
	916-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		8,497	0	0	0	0	0	0	0	0	0	0	0	0	8,497
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,924,271	0	0	0	0	0	0	0	0	0	0	0	0	0	1,924,271
	825-Cleanings	-1,924,271	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,924,271
	Clr Sum	-1,924,271	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,924,271
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828517	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	255,849	0	0	0	0	0	0	0	0	0	0	0	0	255,849
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			29,247	0	0	0	0	0	0	0	0	0	0	0	0	29,247
370-Outside Services			668,946	0	0	0	0	0	0	0	0	0	0	0	0	668,946
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			55,198	0	0	0	0	0	0	0	0	0	0	0	0	55,198
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			433	0	0	0	0	0	0	0	0	0	0	0	0	433
610-Expenses - General			753,294	0	0	0	0	0	0	0	0	0	0	0	0	753,294
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			76,609	0	0	0	0	0	0	0	0	0	0	0	0	76,609
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			22,094	0	0	0	0	0	0	0	0	0	0	0	0	22,094
914-Pension and Benefits Load			51,826	0	0	0	0	0	0	0	0	0	0	0	0	51,826
915-Injuries and Damages Load			2,279	0	0	0	0	0	0	0	0	0	0	0	0	2,279
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			8,497	0	0	0	0	0	0	0	0	0	0	0	0	8,497
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		1,924,271	0	0	0	0	0	0	0	0	0	0	0	0	0	1,924,271
825-Cleanings		-1,924,271	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,924,271
Clr Sum		-1,924,271	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,924,271
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96828914 Event Monitoring Tools***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/1/2016  
Estimated Completion Date 12/15/2016

List Interim In-Service Dates  
0

#### Project Need Justification

This project implements and integrates event monitoring systems to enable PNM to analyze, detect, and respond to unauthorized use or intrusion into corporate systems. This capability does not currently exist in our Corporate network environment. Implementation of this project will reduce the risk of security incidents that could result in lost productivity and regulatory impact.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

Implement Event Monitoring Tools or do nothing. Implementation of these tools is considered standard proactive IT maintenance, and will improve system productivity, increase the reliability of the systems, and quite possibly save money in IT support costs by reducing possible downtime from cyber security threats. There currently are not any capabilities within our current systems to provide this needed functionality. There are, however, many Event Monitoring Tools available on the market, and we will procure and implement tools, based on Requests for Proposals from varying vendors. Solutions selected will be cost-effective and best meet our business, technical and functional requirements.

#### Technical Aspects

Procurement and implementation of Event Monitoring Tools. Implementation will include interfacing these tools with other corporate systems, and will also include all phases of Quality Assurance testing before systems are placed into production.

Some of the features we expect to implement from these tools include monitoring all server event logs, monitoring for proper Anti-virus updates, activity monitoring for backup statuses, monitoring firewall activity and hack/spam relay attempts, and monitoring system bottlenecks (system processes, processor/ram utilization, etc.)

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96828914	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		Cost Type											
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	0	0	0	0	0	0	0	0	0	0	0
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMIR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	0	0	0	0	0	0	0	0	0	0	0
		825-Cleanings	0	0	0	0	0	0	0	0	0	0	0
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0
		Proj Net	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96828914	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0	0	0	0	0	0	0	0	25,000	36,500	35,000	36,500	36,000	46,000	215,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	1,636	1,636
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	0	29	103	190	278	369	467	1,436
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	0	0	0	25,029	36,603	35,190	36,778	36,369	48,103	218,072
	825-Cleanings	0	0	0	0	0	0	0	0	0	0	0	0	0	-218,072	-218,072
	Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0	0	-218,072	-218,072
Proj Net		0	0	0	0	0	0	0	0	25,029	36,603	35,190	36,778	36,369	-169,969	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96828914	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services			215,000	0	0	0	0	0	0	0	0	0	0	0	0	215,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			1,636	0	0	0	0	0	0	0	0	0	0	0	0	1,636
805-Land and Land Rights			0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			1,436	0	0	0	0	0	0	0	0	0	0	0	0	1,436
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			218,072	0	0	0	0	0	0	0	0	0	0	0	0	218,072
825-Clearings			-218,072	0	0	0	0	0	0	0	0	0	0	0	0	-218,072
Clr Sum			-218,072	0	0	0	0	0	0	0	0	0	0	0	0	-218,072
Proj Net			0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

### ***Project No: 96829415 GRC Tools***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 7/11/2016  
Estimated Completion Date 12/15/2016

List Interim In-Service Dates  
0

#### Project Need Justification

This project implements new Governance, Risk Management and Compliance (GRC) tools to improve efficiency, enable more effective information sharing/reporting to avoid wasteful overlaps and duplications of tasks by different groups in the Company. Overlapping and duplicated GRC activities negatively impact both operational costs and GRC metrics.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

#### Project Alternatives

Procure and implement select GRC tools or do nothing and continue to manage governance, risk management and compliance using varying and inconsistent techniques and processes. Top performing companies understand and realize the benefits that can be gained from implementing a standard GRC platform: cost savings from the reduction of legal fines due to compliance, cost savings from streamlined financial/operational processes due to improved reporting accuracy and employee productivity, and better business insight from improved reporting and analysis strategies.

There are many GRC tools available on the market. The project team will clearly define specific business, functional and technical requirements and specifications needed from the GRC tools, and will send out Request for Proposals (RFP) with these requirements and specifications to a down-selected list of vendors whose products appears to best meet our needs. The project team will then assess all RFP responses and make a product selection based on cost and product alignment to our needs.

#### Technical Aspects

Procurement and implementation of GRC-specific hardware and software. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		Year		2015											
Project	96829415	Cost Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
		110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0		
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0		
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0		
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0		
		370-Outside Services	0	0	0	0	0	0	0	0	0	0	0		
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0		
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
		610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0		
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
		426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0		
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0		
		914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0		
		915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0		
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
		921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0		
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0		
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0		
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0		
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0		
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
		961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0		
		Cost Sum	0	0	0	0	0	0	0	0	0	0	0		
		825-Clearings	0	0	0	0	0	0	0	0	0	0	0		
		Clr Sum	0	0	0	0	0	0	0	0	0	0	0		
		Proj Net	0	0	0	0	0	0	0	0	0	0	0		

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829415	Year	2016	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type																
	110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	6,000	6,000	10,000	6,000	6,000	34,000
	120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	15,000	5,000	0	0	20,000
	370-Outside Services	0	0	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	30,000
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	1,201	607	1,808
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0	0	0	0	0	0	0	0	0	6	27	77	139	186	217	552
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	527	527	879	527	527	2,987
	914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	1,030	1,030	1,717	1,030	1,030	5,837
	915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	127	127	212	127	127	720
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	701	234	0	0	935
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	0	0	0	0	0	0	0	0	0	5,006	12,711	28,462	23,181	14,071	13,508	96,939
	825-Clearings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-96,941	-96,941
	Clr Sum	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-96,941	-96,941
	Proj Net	0	0	0	0	0	0	0	0	0	5,006	12,711	28,462	23,181	14,071	-83,433	-2

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project 96829415

Project	96829415	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal														
	110-Straight Time-General	34,000		0	0	0	0	0	0	0	0	0	0	0	0	34,000
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	20,000		0	0	0	0	0	0	0	0	0	0	0	0	20,000
	370-Outside Services	30,000		0	0	0	0	0	0	0	0	0	0	0	0	30,000
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	1,808		0	0	0	0	0	0	0	0	0	0	0	0	1,808
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	652		0	0	0	0	0	0	0	652	0	0	0	0	652
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	2,987		0	0	0	0	0	0	0	0	0	0	0	0	2,987
	914-Pension and Benefits Load	5,837		0	0	0	0	0	0	0	5,837	0	0	0	0	5,837
	915-Injuries and Damages Load	720		0	0	0	0	0	0	0	0	0	0	0	0	720
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	935		0	0	0	0	0	0	0	0	0	0	0	0	935
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	96,939		0	0	0	0	0	0	0	0	0	0	0	0	96,939
	825-Clearings	-96,941		0	0	0	0	0	0	0	0	0	0	0	0	-96,941
	Clr Sum	-96,941		0	0	0	0	0	0	0	0	0	0	0	0	-96,941
Proj Net		-2		0	0	0	0	0	0	0	0	0	0	0	0	-2



Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

*Project No: 96829516 Information Security Platform Upgrade*

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information		
<u>Construction Start Date</u>	8/1/2016	<u>Estimated Completion Date</u> 12/31/2016
<u>List Interim In-Service Dates</u>	12/31/2016; 12/31/2017; 12/31/2018	

Project Need Justification

This project involves the annual evaluation, purchase and implementing of enhanced IT security tools and platforms to ensure our operational systems remain secure, stable, and running optimally. Without implementing this project, the company's IT systems are more vulnerability to cyber-attacks and security breaches that could result in additional operational costs for system restores and data recovery.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

None. These security tools need to be refreshed regularly to keep our IT systems aligned with new security gaps and threats that constantly change. Implementation of these new tools and systems will help mitigate our risk for having cyber security attacks, system disruptions or outages, and potential lost data.

The project team will evaluate current IT security systems and develop specific business, functional and technical requirements and specifications needed to enhance our Information Security Platform. These requirements will be sent out with Request for Proposals (RFP) to a down-selected list of vendors whose product appears to best meet our needs. The project team will then assess all RFP responses and make a product selection based on cost and product alignment to our needs.

Technical Aspects

Hardware and software procurement and implementation. Implementation will include all phases of Quality Assurance testing before these systems are placed in production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96829516	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
			0	0	0	0	0	0	0	0	0	0	0
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		0	0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNMR-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		0	0	0	0	0	0	0	0	0	0	0
	825-Clearings		0	0	0	0	0	0	0	0	0	0	0
	Clr Sum		0	0	0	0	0	0	0	0	0	0	0
	Proj Net		0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	96829516	Year	2016	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost Type																	
110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	40,000	0	0	40,000
370-Outside Services		0	0	0	0	0	0	0	0	0	0	10,000	20,000	25,000	65,000	80,000	200,000
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,175	1,175
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	12	48	153	316	489	1,018
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	1,868	0	0	1,868
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM&R D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		0	0	0	0	0	0	0	0	0	0	10,012	20,048	67,021	65,316	81,664	244,061
825-Clearings		0	0	0	0	0	0	0	0	0	0	0	0	0	0	-244,061	-244,061
Clr Sum		0	0	0	0	0	0	0	0	0	0	0	0	0	0	-244,061	-244,061
Proj Net		0	0	0	0	0	0	0	0	0	0	10,012	20,048	67,021	65,316	-152,397	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96829516	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			40,000	0	0	0	0	0	0	0	0	0	0	0	0	40,000
370-Outside Services			200,000	0	0	0	0	0	0	0	0	0	0	0	0	200,000
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense			0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General			0	0	0	0	0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights			1,175	0	0	0	0	0	0	0	0	0	0	0	0	1,175
807-Non Refundable Contribution			0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest			1,018	0	0	0	0	0	0	0	0	0	0	0	0	1,018
908-Luna AR - Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
914-Pension and Benefits Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
915-Injuries and Damages Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
918-San Juan AR-Labor			0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load			1,868	0	0	0	0	0	0	0	0	0	0	0	0	1,868
922-Minor Material Load			0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads			0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg			0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular			0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum			244,061	0	0	0	0	0	0	0	0	0	0	0	0	244,061
825-Clearings			-244,061	0	0	0	0	0	0	0	0	0	0	0	0	-244,061
Clr Sum			-244,061	0	0	0	0	0	0	0	0	0	0	0	0	-244,061
Proj Net			0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96829815 DM Deletion Tool***

Company: 007-PNMR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 2/11/2015  
Estimated Completion Date 7/30/2015

List Interim In-Service Dates  
0

Project Need Justification  
Document Management (DM) libraries consume huge amounts of storage, particularly Tier 1 storage. A customized tool was developed in 2014 as a Proof of Concept to delete records on a large scale, using multiple devices simultaneously. This project fully develops and implements this tool that will be used by our Customer Service (CS) department to manage their records.

In addition to complying with our Company Record Retention Schedule, this tool will reduce storage demands both now and in the future. Current Tier 1 storage savings estimated at 5 Terabytes for the in-focus for CS records. DM storage growth requirements would be reduced by approx. 1 Terabyte per year for CS records alone.

Project Alternatives  
Develop this DM Deletion Tool or do nothing, and continue to store and manage outdated records and pay unnecessary costs for Tier 1 storage to house these records. Given there is no known commercial off-the-shelf product available that can provide this DM record deletion capability, in-house development of this tool is required.

Development and implementation of this tool will be performed by two in-house, contractor DM system experts from Cognizant and Manpower. Cognizant and Manpower are preferred vendors on multi-year IT support contracts with PNM.

Technical Aspects  
Develop and implement this DM Deletion Tool. Implementation will include all phase of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96829815	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		Cost Type											
		110-Straight Time-General	651	0	0	0	0	0	0	0	0	0	651
		120-OverTime-General	0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental	0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services	17,047	20,000	15,000	15,000	15,000	0	0	0	0	0	82,047
		374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General	0	0	0	0	4,534	0	0	0	0	0	4,534
		805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest	81	75	122	163	210	0	0	0	0	0	551
		908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load	57	0	0	0	0	0	0	0	0	0	57
		914-Pension and Benefits Load	112	0	0	0	0	0	0	0	0	0	112
		915-Injuries and Damages Load	14	0	0	0	0	0	0	0	0	0	14
		918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load	105	0	0	0	0	0	0	0	0	0	105
		922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNMNR D&V	0	0	0	0	0	0	0	0	0	0	0
		Cost Sum	18,067	20,075	15,122	15,163	19,744	0	0	0	0	0	88,171
		825-Clearings	0	0	0	0	-88,171	0	0	0	0	0	-88,171
		Clr Sum	0	0	0	0	-88,171	0	0	0	0	0	-88,171
		Proj Net	18,067	20,075	15,122	15,163	-68,427	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project 96829815

Project	96829815	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Cost Type	110-Straight Time-General	BegBal	651	0	0	0	0	0	0	0	0	0	0	0	0	651	
	120-Overtime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	370-Outside Services	82,047	0	0	0	0	0	0	0	0	0	0	0	0	0	82,047	
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	4,534	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,534
805-Land and Land Rights	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	651	0	0	0	0	0	0	0	0	0	0	0	0	0	0	651
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	57	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57
	914-Pension and Benefits Load	112	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112
	915-Injuries and Damages Load	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	921-Stores / Purchasing Load	105	0	0	0	0	0	0	0	0	0	0	0	0	0	0	105
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	88,171	0	0	0	0	0	0	0	0	0	0	0	0	0	0	88,171
	825-Clearings	825-Clearings	-88,171	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Clr Sum		-88,171	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-88,171
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03		2017														
Project	96829815	Year	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
			651	0	0	0	0	0	0	0	0	0	0	0	0	651
	110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services	82,047	0	0	0	0	0	0	0	0	0	0	0	0	0	82,047
	374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	4,534	0	0	0	0	0	0	0	0	0	0	0	0	0	4,534
	805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	651	0	0	0	0	0	0	0	0	0	0	0	0	0	651
	908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	57	0	0	0	0	0	0	0	0	0	0	0	0	0	57
	914-Pension and Benefits Load	112	0	0	0	0	0	0	0	0	0	0	0	0	0	112
	915-Injuries and Damages Load	14	0	0	0	0	0	0	0	0	0	0	0	0	0	14
	918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	105	0	0	0	0	0	0	0	0	0	0	0	0	0	105
	922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNM R D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	88,171	0	0	0	0	0	0	0	0	0	0	0	0	0	88,171
	825-Clearings	-88,171	0	0	0	0	0	0	0	0	0	0	0	0	0	-88,171
	Clr Sum	-88,171	0	0	0	0	0	0	0	0	0	0	0	0	0	-88,171
	Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Note that for all enterprise-wide projects that provide benefits for both PNMNR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 96832115 Tech Apps NM 1***

Company: 007-PNMNR Services Co  
Location: 968-Corp Alloc-IT Infrastructure

Project Information  
Construction Start Date 3/11/2015  
Estimated Completion Date 6/26/2015

List Interim In-Service Dates  
0

Project Need Justification

PNMR's ZEMA (vendor is ZE Power Group) data aggregating repository needs to be upgraded to be compliant with PNMNR's standards for Oracle databases and Windows Server Operating System. The ZEMA application must also be upgraded in order to be compatible with the upgraded operating system and database versions.

No new functionality is being requested by the business as part of this upgrade, but migration of the platform and software is required to mitigate security risks for running the current ZEMA system on an unsupported platform and operating system.

Project Alternatives

None. Continuing to use the current version of ZEMA on an unsupported platform and operating system would introduce security risks which could result in cyber security attacks, system performance degradation, downtime, and potential loss of data.

Implementation of the Oracle and Operating system upgrades will be performed by internal support resources that are responsible for the day-to-day administration of the ZEMA system. Implementation of the ZEMA application upgrade will be performed by ZE Power Group who is on contract with PNMNR to provide annual support and maintenance of the ZEMA application. Given PNMNR is on contract with ZE Power Group to provide these services, there is no cost associated with the application upgrade portion of this project.

Technical Aspects

Upgrade current ZEMA system Oracle and operating system versions, and upgrade the ZEMA application to the latest version. Implementation will include all phase of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015											
Project	96832115	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
			184	2,250	2,250	1,950	1,500	0	0	0	0	0	8,134
110-Straight Time-General			0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General			0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental			0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major			0	33,597	0	0	0	0	0	0	0	0	33,597
370-Outside Services			0	1,069	2,885	1,816	0	0	0	0	0	0	5,770
374-Outside Svcs Legal			0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		883	802	802	802	802	0	0	0	0	0	0	3,289
391-Jt Proj Bilis to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		0	0	0	0	0	152	0	0	0	0	0	152
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		3	57	119	135	145	0	0	0	0	0	0	458
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		16	198	198	171	132	0	0	0	0	0	0	715
914-Pension and Benefits Load		32	386	386	335	258	0	0	0	0	0	0	1,397
915-Injuries and Damages Load		4	48	48	41	32	0	0	0	0	0	0	172
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		6	1,569	0	0	0	0	0	0	0	0	0	1,575
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		1,128	39,975	6,688	5,251	2,218	0	0	0	0	0	0	55,260
825-Clearings		0	0	0	0	-55,260	0	0	0	0	0	0	-55,260
Clr Sum		0	0	0	0	-55,260	0	0	0	0	0	0	-55,260
Proj Net		1,128	39,975	6,688	5,251	-53,042	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project 96832115

Project	96832115	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal		0	0	0	0	0	0	0	0	0	0	0	0	8,134
	110-Straight Time-General	8,134		0	0	0	0	0	0	0	0	0	0	0	0	8,134
	120-OverTime-General	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	33,597		0	0	0	0	0	0	0	0	0	0	0	0	33,597
	370-Outside Services	5,770		0	0	0	0	0	0	0	0	0	0	0	0	5,770
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	3,289		0	0	0	0	0	0	0	0	0	0	0	0	3,289
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	152		0	0	0	0	0	0	0	0	0	0	0	0	152
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	458		0	0	0	0	0	0	0	0	0	0	0	0	458
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	715		0	0	0	0	0	0	0	0	0	0	0	0	715
	914-Pension and Benefits Load	1,397		0	0	0	0	0	0	0	0	0	0	0	0	1,397
	915-Injuries and Damages Load	172		0	0	0	0	0	0	0	0	0	0	0	0	172
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	1,575		0	0	0	0	0	0	0	0	0	0	0	0	1,575
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum	55,260		0	0	0	0	0	0	0	0	0	0	0	0	55,260
	825-Clearings	-55,260		0	0	0	0	0	0	0	0	0	0	0	0	-55,260
	Clr Sum	-55,260		0	0	0	0	0	0	0	0	0	0	0	0	-55,260

Proj Net

0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	96832115	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost Type	BegBal	0	0	0	0	0	0	0	0	0	0	0	0	0	8,134
110-Straight Time-General		8,134	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major		33,597	0	0	0	0	0	0	0	0	0	0	0	0	0	33,597
370-Outside Services		5,770	0	0	0	0	0	0	0	0	0	0	0	0	0	5,770
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		3,289	0	0	0	0	0	0	0	0	0	0	0	0	0	3,289
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		152	0	0	0	0	0	0	0	0	0	0	0	0	0	152
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		458	0	0	0	0	0	0	0	0	0	0	0	0	0	458
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		715	0	0	0	0	0	0	0	0	0	0	0	0	0	715
914-Pension and Benefits Load		1,397	0	0	0	0	0	0	0	0	0	0	0	0	0	1,397
915-Injunes and Damages Load		172	0	0	0	0	0	0	0	0	0	0	0	0	0	172
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		1,575	0	0	0	0	0	0	0	0	0	0	0	0	0	1,575
922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMIR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		55,260	0	0	0	0	0	0	0	0	0	0	0	0	0	55,260
825-Clearings		-55,260	0	0	0	0	0	0	0	0	0	0	0	0	0	-55,260
Clr Sum		-55,260	0	0	0	0	0	0	0	0	0	0	0	0	0	-55,260
Proj Net		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

***Project No: 99328015 Career Management***

Company: 007-PNMR Services Co  
Location: 993-Corp Alloc PNMR Employee Count

Project Information  
Construction Start Date 3/14/2016  
Estimated Completion Date 8/30/2016

List Interim In-Service Dates  
0

Project Need Justification

This project implements the CareerPath module into the company's PeopleSoft HR system that will allow it to create/design individual career paths and succession plans for employees within PNMR. There is currently not a standardized tool for Company employees to use to set-up and manage these activities. Implementing this module in the current PeopleSoft system will enable the company to extract more value and increase the output from the PeopleSoft system. The increased output will reduce the overall cost of ownership of the system.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period. Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Project alternatives are to implement this PeopleSoft HR CareerPath module, try to find and implement a commercial off-the shelf product with the same type of functionality, or do nothing and continue to manage career paths and succession planning in an adhoc, inconsistent manner. Given the fact that we have a business area goal to use current, in-house systems before we buy new products, developing and implementing this tool within PeopleSoft is determine to be the preferred and lowest cost solution.

Technical Aspects

Project includes software procurement and implementation. Implementation will include all phases of Quality Assurance testing before the system is placed into production.

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 01		2015												
Project	99328015	Cost Type	Year	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0
		120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0
		200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0
		350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0
		370-Outside Services		0	0	0	0	0	0	0	0	0	0	0
		374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0
		377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0
		391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0
		530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0
		610-Expenses - General		0	0	0	0	0	0	0	0	0	0	0
		805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0
		807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0
		829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0
		426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0
		908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0
		909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0
		913-Payroll Taxes Load		0	0	0	0	0	0	0	0	0	0	0
		914-Pension and Benefits Load		0	0	0	0	0	0	0	0	0	0	0
		915-Injuries and Damages Load		0	0	0	0	0	0	0	0	0	0	0
		918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0
		921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0
		922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0
		925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0
		926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0
		928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0
		929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0
		937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0
		961-Luna A&G PNM R D&V		0	0	0	0	0	0	0	0	0	0	0
		Cost Sum		0	0	0	0	0	0	0	0	0	0	0
		825-Clearings		0	0	0	0	0	0	0	0	0	0	0
		Clr Sum		0	0	0	0	0	0	0	0	0	0	0
		Proj Net		0	0	0	0	0	0	0	0	0	0	0

Note that for all enterprise-wide projects that provide benefits for both PNM utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 02

Project	99328015	Year	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal		0	0	2,500	2,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	0	57,500
110-Straight Time-General				0	0	0	0	0	0	0	0	0	0	0	0	0
120-OverTime-General				0	0	0	0	0	0	0	0	0	0	0	0	0
200-Fleet Vehicle Maint+Rental				0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major				0	0	0	0	0	0	0	0	0	0	0	0	0
370-Outside Services				0	0	0	0	0	0	0	0	0	15,000	10,000	0	25,000
374-Outside Svcs Legal				0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense				0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General				0	0	0	0	0	0	0	0	0	239	358	0	597
805-Land and Land Rights				0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution				0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment				0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest				0	0	4	11	26	48	72	96	120	162	219	0	758
908-Luna AR - Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other				0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load				0	0	220	220	659	659	659	659	659	659	659	0	5,053
914-Pension and Benefits Load				0	0	429	429	1,288	1,288	1,288	1,288	1,288	1,288	1,288	0	9,874
915-Injuries and Damages Load				0	0	53	53	159	159	159	159	159	159	159	0	1,219
918-San Juan AR-Labor				0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load				0	0	0	0	0	0	0	0	0	0	0	0	0
922-Minor Material Load				0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads				0	0	0	0	0	0	0	0	0	0	0	0	0
926-A and G Loads				0	0	0	0	0	0	0	0	0	0	0	0	0
928-AFUDC Debt Reg				0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular				0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other				0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V				0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum				0	0	3,206	3,213	9,632	9,654	9,678	9,702	9,726	25,007	20,183	0	100,001
825-Cleanings				0	0	0	0	0	0	0	0	0	0	-100,000	0	-100,000
Clr Sum				0	0	0	0	0	0	0	0	0	0	-100,000	0	-100,000
Proj Net				0	0	3,206	3,213	9,632	9,654	9,678	9,702	9,726	25,007	-79,817	0	1

Note that for all enterprise-wide projects that provide benefits for both PNMR utilities, only the project costs associated with the benefits provided to PNM ratepayers are included in the rate case.

Cost Year 03

Project	99328015	Year	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		BegBal	57,500	0	0	0	0	0	0	0	0	0	0	0	0	57,500
	110-Straight Time-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	120-OverTime-General		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	200-Fleet Vehicle Maint-Rental		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	370-Outside Services		25,000	0	0	0	0	0	0	0	0	0	0	0	0	25,000
	374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	391-JI Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	610-Expenses - General		597	0	0	0	0	0	0	0	0	0	0	0	0	597
	805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest		758	0	0	0	0	0	0	0	0	0	0	0	0	758
	908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load		5,053	0	0	0	0	0	0	0	0	0	0	0	0	5,053
	914-Pension and Benefits Load		9,874	0	0	0	0	0	0	0	0	0	0	0	0	9,874
	915-Injuries and Damages Load		1,219	0	0	0	0	0	0	0	0	0	0	0	0	1,219
	918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	925-E and S Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	926-A and G Loads		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cost Sum		100,001	0	0	0	0	0	0	0	0	0	0	0	0	100,001
	825-Clearings		-100,000	0	0	0	0	0	0	0	0	0	0	0	0	-100,000
	Clr Sum		-100,000	0	0	0	0	0	0	0	0	0	0	0	0	-100,000
Proj Net			1	0	0	0	0	0	0	0	0	0	0	0	0	1



**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

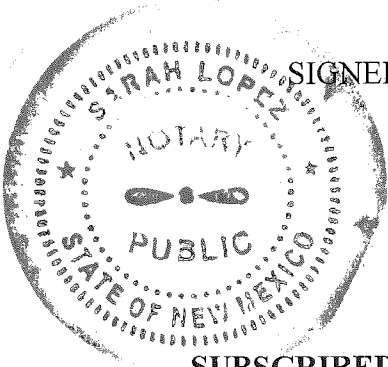
**IN THE MATTER OF THE APPLICATION OF )  
OF PUBLIC SERVICE COMPANY OF NEW )  
MEXICO FOR REVISION OF ITS RETAIL ) Case No. 15-00261-UT  
ELECTRIC RATES PURSUANT TO ADVICE )  
NOTICE NO. 513, )  
 )  
PUBLIC SERVICE COMPANY OF NEW MEXICO, )  
Applicant. )  
\_\_\_\_\_ )**

**AFFIDAVIT**

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

**SHEILA M. MENDEZ, Director of Information Technology (IT)**

**Program/Portfolio management & Quality for PNMR Services Company**, upon  
being duly sworn according to law, under oath, deposes and states: I have read the  
foregoing **Direct Testimony and Exhibits of Sheila M. Mendez** and it is true and  
accurate based on my own personal knowledge and belief.



SIGNED this 6 day of August, 2015.

Sheila Mendez  
SHEILA M. MENDEZ

SUBSCRIBED AND SWORN to before me this 6 day of August, 2015.

[Signature]  
NOTARY PUBLIC IN AND FOR  
THE STATE OF NEW MEXICO

My Commission Expires:

February 25, 2018