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)	Case No. 15-00261-UT
NOTICE NO. 513)	
PUBLIC SERVICE COMPANY OF NEW MEXICO,)))	
Applicant)	
)	

DIRECT TESTIMONY AND EXHIBITS

OF

ERIK C. BUCHANAN

NMPRC CASE NO. 15-00261-UT INDEX TO THE DIRECT TESTIMONY OF ERIK C. BUCHANAN WITNESS FOR PUBLIC SERVICE COMPANY OF NEW MEXICO

1.	INT	ROD	UCTION A	ND PURPOSE	1
II.				PITAL PROJECTS INCLUDED IN THE TEST PERI	
III.	TH	E CAI	PITAL BUD	GETING PROCESSES	10
	A.				
	В.			zation	
	C.	_	•	Reforecasts (Project Trade-Offs)	
IV.	TH	E HYI	PERION SY	STEM AND ITS USE IN BUDGET DEVELOPMEN	√T 16
	A.	Intr	roduction		16
	В.	Cap	pital Forecas	t Calculations and Adjustments	17
		1.	Electric Pla	ant Account Allocations	19
		2.	Cost of Re	moval	23
		3.	Retirement	S	25
		4.	Capital Lo	ads	26
V.	AL	LOWA	ANCE FOR	FUNDS USED DURING CONSTRUCTION	28
	A.	Intr	oduction		28
	В.	Cal	culation of A	AFUDC	28
VI.	REI	MOV	AL OF PNM	I'S 132 MW INTEREST IN THE SAN JUAN	30
VII.	CO	NCLU	JSION		32
DNIM	EVU	іріт і	ECB-1	Résumé of Erik C. Buchanan	
			ECB-1	Electric Plant Account Allocations	
PNM	EXH	IBIT I	ECB-3	Cost of Removal	
			ECB-4	Retirements	
PNM	EXH	IBIT I	ECB-5	Calculation of Allowance for Funds Used During Construction Rates	

AFFIDAVIT

1		I. INTRODUCTION AND PURPOSE
2	Q.	PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.
3	A.	My name is Erik C. Buchanan. I am the Director, Corporate Budget for PNM
4		Resources, Inc. ("PNMR"). My address is 414 Silver Avenue, SW, Albuquerque,
5		New Mexico 87102.
6		
7	Q.	PLEASE DESCRIBE YOUR RESPONSIBILITIES AS DIRECTOR,
8		CORPORATE BUDGET.
9	A.	As Director, Corporate Budget, I am responsible for compiling the Annual
10		Operating Plan (AOP), and quarterly reforecast budgets of PNMR, and its
11		subsidiaries including Public Service Company of New Mexico ("PNM" or
12		"Company"). These responsibilities include budgeting for the capital of the
13		Company. A copy of my resume is attached as PNM Exhibit ECB-1.
14		
15	Q.	HAVE YOU PREVIOUSLY TESTIFIED IN UTILITY REGULATION
16		PROCEEDINGS?
17	A.	No.
18		
19	Q.	WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS
20		PROCEEDING?
21	A.	The purpose of my testimony is to:

I	(1) Summarize the capital projects cleared to plant in service during the Capital
2	Investment Period ¹ as well as the construction balances included in rate base
3	at the end of the Test Period.
4	(2) Present and support the capital budgeting process as it relates to the Capital
5	Investment Period, and quarterly reforecast (project trade-off) processes;
6	(3) Support and explain the Hyperion® budgeting system ("Hyperion ² "),
7	including a discussion of Hyperion system calculations and adjustments
8	necessary to complete the capital budget such as:
9	(a) Calculation and allocation of budgeted capital clearings to the Federal
10	Energy Regulatory Commission ("FERC") electric plant accounts;
11	(b) Calculation of forecasted cost of removal ³ ;
12	(c) Calculation of forecasted electric plant retirements, and;
13	(d) Removal of the ownership interest in San Juan Generation Station ("San
14	Juan") associated with PNM's forecasted additional 132 MW ownership
15	interest in unit 4 and related common facilities.
16	(4) Support and explain the calculation of forecasted Allowance for Funds Used
17	During Construction ("AFUDC") rates.
18	

¹ 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.

² As discussed later in my testimony, Hyperion is an Oracle software product that provides centralized budgeting and financial forecasting capability.

As discussed later in my testimony, cost of removal means the demolition, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto.

I	Q.	PLEASE LIST THE RULE 530 SCHEDULES THAT YOU ARE
2		SPONSORING.
3	A.	I am sponsoring the following Rule 530 Schedules: B-1, B-2, B-4 through B-6, J-
4		1, J-2, P-2, and P-3 as these schedules pertain to linkage data and the Test Period.
5		These Rule 530 Schedules are being provided in executable electronic format on a
6		DVD-ROM, but are neither fully functional nor required to be filed as fully
7		functional under the FTY Rule. Each of these schedules was prepared by me or
8		under my direct supervision. Information in these schedules pertaining to the
9		base period is sponsored by PNM Witness Peters.
10		
11 12	П	SUMMARY OF CAPITAL PROJECTS INCLUDED IN THE TEST PERIOD REVENUE REQUIREMENTS
13	Q.	PLEASE SUMMARIZE HOW CAPITAL PROJECTS WERE
14		FORECASTED, HOW THE COMPANY HAS SUPPORTED ITS
15		REQUEST FOR THESE PROJECTS, AND WHICH PNM WITNESSES
16		WILL SUPPORT THE COMPANY'S REQUESTED CAPITAL
17		ADDITIONS IN THIS CASE.
18	A.	The Company issues capital targets to the various business segments (i.e.,
19		transmission and distribution, generation, and corporate) annually for a five year
20		forecast period. Business segments identify and prioritize capital projects and
21		provide expenditure and clearing information which is captured by the Hyperion
22		system. Additional calculations and adjustments to forecasted capital activities
23		are made to complete the capital budget. These calculations result in adjustments

1		to forecast the clearing of construction to the electric plant accounts, cost of
2		removal, and retirements. In addition, other adjustments were made to remove
3		PNM's forecasted 132 MW ownership in San Juan and to remove AFUDC on
4		certain projects included in rate base at the end of the Test Period. The Company
5		has filed specific documentation to support its request for capital additions in the
6		testimonies of PNM Witnesses Johnson, Olson, and Mendez.
7		
8	Q.	PLEASE SUMMARIZE THE DOCUMENTATION PROVIDED TO
9		SUPPORT CAPITAL ADDITIONS AND HOW IT IS ORGANIZED FOR
10		THIS CASE.
11	A.	For purposes of this case, the Company categorized capital project additions into
12		Tier 1, Tier 2 and Tier 3 based on the size of project clearings during the Capital
13		Investment Period and the Capital Clearing Period ⁴ . While all capital projects are
14		explained and supported, the Tier 1 projects are discussed in more detail because
15		they represent the largest projects and the greatest percentage of capital additions.
16		
17		PNM Table ECB-1 below outlines project Tiers for both PNM (Generation and
18		transmission and distributions ("T&D") and corporate segment projects.
19		, and corporate beginning projects.
1)		

⁴ 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".

1

Table ECB-1

Tier		Description
Tier 1	8	Generation and T&D projects with clearings equal to or greater than \$750K
	•	Corporate projects with clearings equal to or greater than \$500K
Tier 2	•	Generation and T&D projects with clearings between \$100 – \$750K
		Corporate projects with clearings between than \$100K - \$500K
Tier 3	9	All projects with clearings less than or equal to \$100K

2

3

4

5

6

7

8

9

Tier 1 contains those projects with the greatest amount of clearings during the Capital Clearings Period. These projects require the most explanation and include a *project estimate approach* section which provides an overview of how the estimated cost for the project was developed. Tier 2 projects provide the same level of documentation as Tier 1 projects but do not include the *project estimate approach* discussion. Tier 3 projects contain projects with the least clearings during the Capital Investment Period and include a general discussion of the projects.

11

12

13

14

10

- Q. PLEASE DESCRIBE THE CAPITAL BUDGET DOCUMENTATION
 DEVELOPED TO SUPPORT THE CAPITAL PROJECTS ADDRESSED
 IN THIS CASE.
- 15 A. The capital budget documentation provides basic information on each project 16 including Project ID, Name, Business Segment (referred to as Company on the 17 documentation), Location, Project Need Justification, Project Alternatives, 18 Technical Aspects, and for Tier 1 projects the Project Estimate Approach

1		discussion. In addition, monthly spend and clearing data is provided by cost type
2		for each capital project. Monthly spend and clearing data were provided for these
3		specific projects from April 2015 through calendar year 2017, if applicable
4		Projects for which documentation is not provided are those cleared to plant in
5		service by March 31, 2015, which is the end of the Base Period.
6		
7	Q.	PLEASE SUMMARIZE PROJECTED CAPITAL ADDITIONS THROUGH
8		THE CAPITAL INVESTMENT PERIOD.
9	A.	PNM has included in this filing plant additions related to 460 individual capital
10		projects which includes plant additions net of retirements during the Linkage and
11		Test Period of \$783.9 million and \$78.2 million related to certain individual
12		capital projects with clearings to plant in service from the end of the Test Period
13		through February 2017. This amount also includes adjustments for "Other" items
14		as discussed below.
15		
16		PNM Table ECB-2 below provides a summary of capital additions by business
17		segment and describes "Other" adjustments necessary to obtain gross additions to
18		plant in service during the period April 1, 2015 and September 30, 2016.
19		

Table ECB-2

TOTAL MANAGEMENT CONTRACTOR OF THE CONTRACTOR OF	Linkage and Test Period									
Business Segment	Tier 1		Tier 2		Tier 3		Other ¹		Total	
Generation	\$ 451	,403,342	\$ 1	5,367,076	\$ 1,8	331,211	\$	114,610,340	\$58	3,211,968
T&D	\$ 191	,296,033	\$ 2	7,137,748	\$ 1,9	910,481	\$	18,211,772	\$2 3	8,556,035
Corporate	\$ 13	,803,456	\$	9,254,392	\$ 4	167,512	\$	_	\$ 2	3,525,360
Business Segment Totals	\$ 656	,502,831	\$ 5	1,759,216	\$ 4, 2	209,204	\$	132,822,112	\$84	5,293,364
Remove San Juan 132MW	\$	-	\$	-	\$	-	\$	(16,975,136)	\$ (1	(6,975,136)
Cost of Removal	\$	-	\$	-	\$	-	\$	(13,373,400)	\$ (1	3,373,400)
Generation & T&D Retirements	\$	_	\$	-	\$	-	\$	(30,229,586)	\$ (3	30,229,586)
Corporate Retirements	\$	-	\$	<u>-</u>	\$	_	\$	(790,458)	\$	(790,458)
Sub-Total	\$	-	\$	-	\$	-	\$	(61,368,580)	\$ (6	51,368,580)
Grand Total	\$ 656	,502,831	\$ 5	1,759,216	\$ 4,2	209,204	\$	71,453,533	\$78	3,924,784

Generation and T&D "Other" includes adjustments to gross plant in service as well as an acquisition adjustment to record acquired plant at its original depreciated basis in accordance with FERC guidelines. Generation "Other" includes adjustments to record plant in service and an acquisition adjustment for the purchase of PV2 leased assets of \$53,379,589 and \$61,230,751 million, respectively. T&D "Other" includes \$18,211,772 to record plant in service related to the acquisition of EIP transmission line assets. See additional discussion of these adjustments in the testimonies of PNM Witness Peters. "Other" also includes adjustments to remove PNM's forecasted incremental 132 MW interest in San Juan, forecasted cost of removal, and forecasted retirements which are discussed later in my testimony.

As shown above, \$583.2 million represent capital clearings for generation. PNM Witness Olson addresses capital investments for generation. Included in the generation projects is the purchase of the 64 MW interest in Palo Verde Nuclear Generating Station ("PVNGS"). This purchase is discussed further in the testimonies of PNM Witnesses Eden and Olson. T&D projects make up the second largest component of capital clearings which total \$238.6 million and include the purchase of the Eastern Interconnect Project ("EIP") transmission line. PNM Witness Johnson addresses capital investments for T&D. The balance of capital projects, \$23.5 million, is related to corporate capital investments which are discussed in PNM Witness Mendez's testimony. The amounts provided in "Other" are discussed by PNM Witness Peters and in my testimony below. PNM

1		Witness Peters also discusses acquisition adjustments related to the PVNGS and
2	٠	EIP purchases. My testimony discusses the adjustments to the capital investments
3		to remove the forecasted 132 MW interest in San Juan, cost of removal, and
4		retirements.
5		
6	Q.	HAS THE COMPANY INCLUDED ANY CONSTRUCTION WORK IN
7		PROGRESS ("CWIP") BALANCES AT THE END OF THE TEST
8		PERIOD IN THIS FILING?
9	A.	Yes. As discussed by PNM Witness Monroy, the Company included CWIP
10		balances in its Test Period rate base request. PNM included the CWIP balance as
11		of September 30, 2016, for any project that has an estimated clearing from
12		October 2016 through February 2017. PNM included the lesser of the CWIP
13		balance as of September 30, 2016, or the estimated clearings for the capital
14		project through February 2017.
15		
16	Q.	PLEASE SUMMARIZE THE PROJECTED CWIP REQUESTED IN THE
17		TEST PERIOD.
18	A.	As discussed in the testimony of PNM Witness Monroy, the Company has
19		included certain capital projects with CWIP balances at September 30, 2016.
20		PNM included the lesser of CWIP balances at the end of the Test Period or
21		clearings thereafter through February 2017 of approximately \$78.2 million. PNM
22		Table ECB-3 below provides a summary of these capital projects by business
23		segment.

Table ECB-3

			1970 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974 - 1974		CWIP		
Business Segment	Tier 1		Tier 2		Tier 3	 Other ¹	Total
Generation	\$ 26,607,292	\$	578,720	\$	201,464	\$ -	\$ 27,387,476
Transmission & Distribution	\$ 22,506,415	\$	4,569,003	\$	233,794	\$ _	\$ 27,309,212
Corporate	\$ 23,319,844	\$	2,087,713	\$	341,374	\$ -	\$ 25,748,931
Business Segment Totals	\$ 72,433,551	S	7,235,436	\$	776,633	\$	\$ 80,445,620
Remove San Juan				Φ.		 (4 0 - 0 - 0 - 0)	
132MW	\$ -	\$	_	\$	-	\$ (1,279,703)	\$ (1,279,703)
AFUDC	\$ _	\$	_	\$		\$ (1,013,483)	\$ (1,013,483)
Other Totals	\$ -	\$	<u>-</u>	\$	<u>-</u>	\$ (2,293,186)	\$ (2,293,186)
Grand Total	\$ 72,433,551	\$	7,235,436	S	776,633	\$ 2,293,186	\$ 78,152,433

¹ "Other" includes adjustments to remove capital additions on the additional 132 MW interest PNM will acquire in San Juan, and to remove AFUDC for the period July 1, 2016 through February 2017 on CWIP projects included in rate base at September 30, 2016. The AFUDC adjustment includes approximately \$289,155 and \$724,328 for T&D and Generation projects, respectively. Additional discussion of these adjustments is provided later in my testimony and in the testimony of PNM Witness Monroy.

The development of project costs and forecasted clearings provided in Tiers 1
through 3 in the table above are discussed further in the testimonies of PNM
Witnesses Olson, Johnson, and Mendez. The amounts provided in "Other" are
discussed in more detail later in my testimony below.

6

7

8

Q. HAS THE COMPANY ALSO PROVIDED CAPITAL BUDGET DOCUMENTATION FOR CWIP BALANCES INCLUDED IN RATE

9 BASE AT THE END OF THE TEST PERIOD?

10 **A.** Yes. This documentation that has been provided for projects completed during
11 the Capital Investment Period has been provided for CWIP included in rate base
12 as of September 30, 2016.

13

III. THE CAPITAL BUDGETING PROCESSES

2 A. Introduction

1

3	О.	HOW ARE CAPITAL PROJECTS PLANNI	ED. AND APPROVED
,	V.	HOW THE CHILITIES INCOME IS I MINING	

- The annual capital budgeting process starts with initiatives identified during the 4 A. 5 business financial planning process. The business financial planning process 6 develops capital targets which are communicated to the various business segments 7 of PNMR, including PNM. Business segments (T&D, generation, and corporate) 8 utilize these targets to develop their portfolios of capital projects. Estimated 9 capital expenditures and clearings related to each project are loaded into 10 Hyperion. Capital expenditure and clearings information from Hyperion is 11 reviewed and approved by the Resource Council (comprised of the Chief 12 Operations Officer, Chief Financial Officer, Chief Information Officer and Vice 13 President Controller, Vice President of New Mexico Operations, Vice President 14 of Generation, and Director of Supply Chain) and the PNMR Board of Directors 15 ("Board").
- 16 Q. PLEASE EXPLAIN HOW CAPITAL TARGETS ARE DEVELOPED AND
 17 UTILIZED IN THE CAPITAL BUDGETING PROCESS.
- The capital planning cycle consists of four distinct, but related, planning efforts.

 The first is PNM's Integrated Resource Plan ("IRP") which defines how future power needs in New Mexico will be addressed. PNM filed its 2014-2033 IRP Report with the Commission in July 2014. The second component of the planning cycle is the development of a Long Range Plan ("LRP") based on

1		modeling and analysis of economic, operational, and financial scenarios, typically
2		over a five-year planning horizon. The final two components entail business
3		planning and budgeting. Business planning and budgeting activities are
4		conducted on an annual basis and are the basis for PNM's AOP, or budget, which
5		is finalized in the last quarter of each calendar year.
6		
7		The AOP process provides individual business segments with five-year capital
8		targets. These targets are based on numerous factors, including strategic
9		objectives set by senior management, environmental compliance requirements,
10		equipment reliability, expected load and customer growth, and system reliability.
11		The targets serve as a guide to the individual business segments to enable them to
12		more accurately plan future capital projects.
13		
14		B. Capital Prioritization
15	Q.	PLEASE EXPLAIN HOW THE POTENTIAL CAPITAL PROJECTS ARE
16		RANKED BY EACH BUSINESS SEGMENT FOR INCLUSION IN THE
17		BUDGET.
18	A.	Based on the five-year capital expenditure targets and the factors listed above,
19		each business segment identifies the capital projects that must be completed in
20		order to accomplish their strategic and business objectives. In order for a project
21		to be considered, it must align with the Company's strategic and operational
22		performance improvement objectives. Projects are prioritized based upon key

metrics which include regulatory compliance, safety, customer and stakeholder value, corporate responsibility, and operational improvement. Key metrics include sub metrics such as customer satisfaction, impacts to government and regulatory relationships. Cost estimates are then developed using guidelines for key materials costs, labor costs, warehouse materials, permitting, land rights, and any other items necessary to complete the project. Finally, capital overhead or "loads" are applied to determine the final forecasted cost estimate.

Projects are also categorized into order of importance. The highest priority or most important projects are those PNM must do because they are already underway or they are required due to equipment failure, or regulatory, environmental, or contractual obligations. The second highest priority projects are projects PNM should do because they have clear beneficial economic or operational outcomes from a cost or reliability perspective, or because not completing these projects could lead to increased economic or operational risk. The last category contains projects assigned the lowest priority. These projects are those PNM would like to do and can be justified due to other factors such as expected performance improvements, cost savings, or the extension of the useful life of an asset. The results of the above steps are loaded to Hyperion and are ultimately approved for inclusion in the capital budget by the PNMR Board of Directors.

1	Q:	PLEASE EXPLAIN HOW THE CAPITAL BUDGET IS REVIEWED AND
2		APPROVED FOR INCLUSION IN THE AOP.
3	A.	PNM's Resource Council reviews the capital requests of each business segment.
4		The Resource Council can request adjustments to proposed project plans. For
5		example, the Resource Council can request changes to ranking of projects or to
6		the amount of capital to be allocated to each business segment over the five year
7		period. If necessary, each business segment updates their capital plan based on
8		Resource Council review and finalizes the list of projects that will receive
9		funding. The Resource Council reconvenes to approve the adjusted budget, if
10		any. Finalized capital budget information for the five-year period is submitted to
11	·	the PNMR Board for approval which includes a review of all projects in excess of
12		\$25 million. Once approved by the PNMR Board, the five-year capital plan is
13		formally included in the AOP.
14		
15	Q.	DO PROJECTS REQUIRE ADDITIONAL APPROVAL AFTER THE
16		CAPITAL BUDGET IS FINALIZED IN THE AOP?
17	A.	Yes. Prior to the commencement of a capital project, project managers must
18		submit formal documentation, a Capital Approval Process ("CAP") form, before
19		capital funds will be released. This form contains project specific information
20		including a description of the project, background, performance analysis, risk
21		analysis, and a final recommendation that has considered potential alternatives
22		and justification for the project. Due to the ownership structure at San Juan, and
23		Luna Generating Stations, which are owned jointly by PNM and other owners,

PNM utilizes the Capital Budget Item ("CBI") form which is necessary to obtain participant owner approval of projects. The CBI form also includes the requirements of the CAP form utilized for other PNM projects. Upon approval of the CAP/CBI form, the capital spend is authorized and the funds are released for the project. Due to the nature of the capital process, CAP forms are submitted near the time of project commencement; therefore a CAP may not yet be available for all 2015 or 2016 projects.

A.

Q. ARE CAPITAL PROJECTS EVALUATED AFTER CAPITAL HAS BEEN

RELEASED TO FUND THE PROJECT?

It is ultimately the responsibility of the project manager to monitor the status of a specific project, including adherence to the approved budget, scope, and schedule. Though the project manager is responsible for the successful delivery of a project, each business segment has a budget oversight and project monitoring team that continuously evaluates capital projects to ensure expenditures and clearings are within the project guidelines. Project managers are also required to report any capital projects that have a projected budget over-run of more than 10%. If a project falls into this category, the project manager must submit a Request for Additional Funds ("RFAF") document outlining the rationale for the cost overruns, the additional capital needed in order to complete the project, and any project tradeoffs necessary to ensure approved capital targets are not exceeded. Upon submission of this form, management reviews the rationale for the cost overruns and determines if the project will be provided with additional capital.

1		
2	Q.	DOES THE COMPANY MONITOR CAPITAL PROJECTS IN ANY
3		OTHER WAY DURING THE YEAR?
4	Ą.	Yes. Beyond the individual business segments, monthly and quarterly
5		management reviews of spend and clearings on capital projects are also
6		conducted. During these reviews, management analyzes any differences between
7		budgeted and actual results, and, if necessary, has the authority to alter planned
8		capital projects.
9		
10		C. Capital Budget Reforecasts (Project Trade-Offs)
11	Q.	HOW OFTEN DOES THE COMPANY UPDATE ITS CAPITAL
12		BUDGET?
13	A.	Factors outside of PNM's control, including but not limited to, equipment
14		delivery delays, unforeseen scope changes, or new must do projects that emerge
15		due to storm damage, wild fires, regulatory compliance and other factors, may
16		require updates to the capital project list during the year. The Company must
17		respond to these changes as necessary and the capital budget is updated each
18		calendar quarter.
19		
20		Due to the long-term nature of many capital projects, updates made during the
21		quarterly reforecast often impact several years of budgeted expenditures and
22		clearings to plant in service. For example, an unexpected must do project can be

1		funded by shifting an existing project to a later year. Similarly, funds allocated to
2 .		a cancelled project can be utilized by shifting projects from subsequent years to
3		the current year or by funding a project which had not previously been allocated
4		funds. Trade-offs between projects are identified and captured in the budget to
5		ensure annual capital spending is in line with approved targets.
6		
7 8		IV. THE HYPERION SYSTEM AND ITS USE IN BUDGET DEVELOPMENT
9		A. Introduction
10	Q.	PLEASE PROVIDE AN OVERVIEW OF HYPERION, THE COMPANY'S
11		CAPITAL BUDGETING SYSTEM.
12	A.	The Company utilizes Hyperion to compile its capital budgets. Hyperion is an
13		Oracle software product that provides centralized budgeting and financial
14		forecasting capability. For capital projects, information is populated to Hyperion
15		through the use of capital templates, or directly through 'ad hoc' updates.
16		Information in Hyperion is aggregated into basic account strings which contain,
17		business segment, company, funding project, cost type, location, home center, and
18		amount, as well as the month in which forecasted transactions will occur.
19		
20	Q.	DOES HYPERION CONTAIN CAPITAL INFORMATION OTHER THAN
21		FORECASTED CAPITAL?
22	A.	Yes. Actual information from other financial systems such as the general ledger
23		can be brought into the Hyperion system. Actual information can either replace

1		budgeted information in order to include actual ending balances or transactions to
2		support new budget cycles or it can be brought into Hyperion while maintaining
3		budgeted information to support financial reporting or analysis which compares
4		actual to budgeted results. For purposes of this filing, actual capital balances at
5		the end of the Base Period were used as the starting point for the capital forecast.
6		
7	Q.	HOW IS INFORMATION IN HYPERION ACCESSED TO SUPPORT
8		THE COMPANY'S LINKAGE AND TEST PERIOD FORECASTED
9		CAPITAL INFORMATION?
10	A.	Information in Hyperion is accessed and extracted through the use of the Essbase
11		querying tool ("Essbase"). Essbase can query information from the various
12		sources in the Hyperion system at the aggregated account string level (e.g.
13		business segment, company, funding project, cost type, etc.).
14		
15		B. Capital Forecast Calculations and Adjustments
16	Q.	WHAT CALCULATIONS DOES HYPERION PERFORM TO
17		COMPLETE THE CAPITAL BUDGET?
18	A.	In addition to compiling budgeted data, the Hyperion system performs numerous
19		calculations necessary to complete the budget. For capital, system calculations
20		include items such as the allocation of budgeted capital clearings to the various
21		electric plant accounts (e.g., to accounts 353, station equipment, or other electric
22		plant accounts as defined by the FERC Uniform System of Accounts), calculation

of capital loads, and the clearing of construction to plant in service. In some cases, additional adjustments not performed by system calculation processes are needed to complete the budget.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

A.

1

2

3

Q. PLEASE DESCRIBE NON-SYSTEMATIC ADJUSTMENTS NECESSARY

TO COMPLETE THE CAPITAL BUDGET.

As previously discussed, additional non-systematic adjustments are necessary to complete the capital budget and are made to reflect assumptions about future activity not otherwise captured during the capital budgeting process. example, Hyperion has limited ability to allocate capital to the electric plant accounts using allocation rates. Such allocation rates are input by system locations which provide only a general identification of the type of construction (e.g., distribution, transmission, generation, or corporate). Hyperion does not have the ability to perform the allocation at a level of detail lower than the location. Therefore, additional adjustments are made to more accurately allocate capital to the various electric plant accounts. In addition, Hyperion does not perform any system calculations to forecast retirements or cost of removal which are transactions typical of most capital projects. Finally, other adjustments that cannot be systematically performed are necessary to align forecasted capital information with PNM's rate case request. These include such adjustments as removing AFUDC on certain project balances included in rate base at the end of the Test Period, and the removal of PNM's forecasted additional 132 MW ownership interest in the San Juan.

_	
1	

2

4

1. Electric Plant Account Allocations

3 Q. PLEASE EXPLAIN WHY IT IS NECESSARY TO ALLOCATE PLANT

ADDITIONS TO THE ELECTRIC PLANT ACCOUNTS.

Capital budget information is loaded to Hyperion at the general ledger account level. Similarly, clearings to plant in service are performed by transferring construction to plant in service at the general ledger account level (e.g. reduce account 107 and increase account 101). It is necessary to allocate activity to the various electric plant accounts to forecast how construction will actually be added to plant in service or to calculate depreciation expense which requires a combination of both the location and the electric plant account.

12

14

15

16

17

18

19

20

21

22

13 Q. PLEASE DESCRIBE THE PROCESS TO ALLOCATE PLANT

ADDITIONS TO THE ELECTRIC PLANT ACCOUNTS.

A. Based on historical clearings to plant in service, allocation rates are loaded to the system by general ledger location. As previously discussed, general ledger locations define at a summary level the kind of work being performed (e.g., distribution, transmission, generating facility, or corporate support functions such as IT hardware, telecom, etc.). Hyperion uses "default" rates to perform a system calculation which allocates clearings at each location to the appropriate electric plant accounts. In many cases the "default" or location level allocation of clearings to the electric plant accounts reasonably reflects anticipated future

capital additions and no additional adjustments are needed. In other cases, more
refinement is necessary to better allocate forecasted additions to the various
electric plant accounts.

A.

5 Q. HOW DID THE COMPANY DETERMINE THE "DEFAULT" OR

LOCATION ALLOCATION RATES UTILIZED BY HYPERION TO

ALLOCATE BUDGETED CLEARINGS TO THE ELECTRIC PLANT

ACCOUNTS?

The Company reviewed historical additions to plant in service by major operating unit (i.e., distribution, transmission, generating facility, and corporate), and funding project type to determine rates used to allocate clearings to the electric plant accounts. PNM utilized a five-year period ending December 31, 2014, to determine average allocation rates to apply to forecasted capital additions in the generation and corporate segments. Capital expenditures and clearings for the T&D segment have increased significantly in recent years. Therefore, the Company utilized a shorter, two year, period ending December 31, 2014 to determine electric plant account allocation rates for the T&D segment. The resulting allocation rates were entered into Hyperion by location to perform the systematic allocation of forecasted clearings to the electric plant accounts. The "default" electric plant account allocation rates for each segment or generating facility are provided in PNM Exhibit ECB-2.

1	Q.	WHAT REFINEMENT IS PROVIDED BY ADJUSTING "DEFAULT" OR
2 .		LOCATION LEVEL ALLOCATION RATES?
3	A.	In some cases, the allocation of clearings at the location level is too broad to
4		reasonably reflect the type of work being performed. For example, certain
. 5		clearings at a distribution location may be specific to distribution pole
6		replacements. Clearings for this type of work should not be allocated to electric
7		plant accounts not associated pole replacements. In some cases, capital work
8		specific to certain activities can be identified by the funding project type. An
9		evaluation of capital clearings in such funding projects (such as pole replacements
10		as previously discussed) is performed and the "default" results from the system
11		calculation are adjusted to refine more accurately allocated forecasted capital
12		additions to the appropriate account.
13		
14	Q.	PLEASE DESCRIBE HOW THE COMPANY DETERMINES THE
15		ALLOCATION OF CLEARINGS TO CERTAIN PROJECT TYPES.
16	A.	The allocation of forecasted clearings for certain projects is performed in a
17		manner similar to the "default" or location allocation rates. That is, certain
18		allocation rates for project types utilized the same historical periods as were used
19		for the "default" allocation rates.

20

1	Q.	PLEASE DESCRIBE WHICH UTILITY PROJECT TYPES WERE
2		ADJUSTED TO MORE ACCURATELY ALLOCATE CLEARINGS TO
3		THE ELECTRIC PLANT ACCOUNTS.
4	A.	The Company uses blanket funding projects to perform some capital work.
5		Blanket projects include work with limited scope such as transformer
6		replacements, meter replacements, or pole replacements. Forecasted expenditures
7		in these types of projects should not be allocated to unrelated electric plant
8		accounts. For example, planned capital expenditures in the transformer
9		replacement blanket project type should not be to electric plant accounts not
10		related to transformer replacements. PNM performs T&D capital blanket work in
11		funding project types numbered 001 to 013 (funding project types are identified
12		by the middle three digits of each 8 digit project ID). Adjustments were made to
13		results of the "default" allocation to more accurately forecast the allocation of
14		capital additions in these project types to the electric plant accounts. PNM
15		Exhibit ECB-2 separately identifies forecasted capital additions that were
16		allocated by projects type.
17		
18	Q.	WERE ANY OTHER ALLOCATIONS TO THE ELECTRIC PLANT
19		ACCOUNTS ADJUSTED?
20	A.	Yes, the Company also adjusted the allocation of capital additions to the electric
21		plant accounts for specific large funding projects. The Company made
22		adjustments to the "default" allocation for capital addition related to the La Luz
23		Generating Facility, 2015 40 MW Solar generating facility, the PVNGS 64 MW

leased asset acquisition, the San Juan Selective Non-Catalytic Reduction ("SNCR"), the EIP transmission line purchase. The allocation of expenditures in these capital projects were determined based upon information provided by company personnel. PNM Exhibit ECB-2 separately identifies these funding projects and the allocation rates used to forecast additions to the electric plant accounts.

A.

2. Cost of Removal

9 Q. PLEASE DESCRIBE COST OF REMOVAL AND WHY IT IS
10 NECESSARY TO ADJUST FOR COST OF REMOVAL IN THE CAPITAL
11 BUDGET.

As defined in the FERC Uniform System of Account ("USOA") Definitions, cost of removal means the demolition, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto. The majority of capital projects are performed to replace existing capital assets and it is not appropriate to abandon retired assets in place. Instead, these assets are removed and disposed and the cost of these activities reflects the cost of removal. The Company does not separately budget removal costs. Instead, anticipated cost of removal is budgeted in Hyperion as a component of CWIP and, like CWIP, is cleared to plant in service at forecasted completion dates. Therefore, it is necessary to reduce plant in service to reflect anticipated removal costs.

1 Q. PLEASE DESCRIBE HOW PLANT IN SERVICE IS ADJUSTED IN THE

BUDGET FOR FORECASTED COST OF REMOVAL.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

A.

Forecasted cost of removal is determined using an estimated cost of removal rate (percentage) associated with capital expenditures by operating unit (i.e., distribution, transmission, individual generating plants, and corporate) based on historical experience, adjusting for changes in capital spend patterns if necessary. The historical periods used are the same as those used to calculate the allocation of clearings to the electric plant accounts. Cost of removal is applied using "contra" funding projects. "Contra" funding projects reflect activities and balances to offset, or reduce, other budgeted activities. For cost of removal, the "contra" serves to reduce forecasted additions to plant in service and the provision for accumulated depreciation which reflects how forecasted cost of removal will actually be recorded (i.e., as a component of accumulated depreciation). Similar to other clearings to plant in service, the cost of removal "contra" must be allocated to the electric plant accounts which is accomplished using the allocation to electric plant accounts process previously discussed. Corporate assets typically do not have cost of removal due to the nature of capital projects at the corporate entity. There are typically limited costs associated with removing a software system, or removing office equipment. Therefore, the budget does not include a forecast for cost of removal for the corporate segment. For the Linkage and Test Period, the reduction to PNM's plant in service and accumulated reserve for cost of removal is \$13,373,400. PNM Exhibit ECB-3 provides historical CWIP and

1		cost of removal expenditures (reflected in the exhibit as "RWIP") used to
2		calculate forecasted cost of removal rates.
3		
4	3.	Retirements
5	Q.	PLEASE DESCRIBE RETIREMENTS AND WHY IT IS NECESSARY TO
6		ADJUST FOR RETIREMENTS IN THE CAPITAL BUDGET.
7	A.	A retirement occurs when an item of plant in service which, when retired, with or
8		without replacement, is accounted for by crediting the book cost to the electric
9		plant account in which it is included. In other words, a retirement occurs when an
10		assets is removed from plant in service regardless of replacement. The Company
11		does not generally forecast the retirement of specific assets as part of its capital
12		budgeting process. Instead, historical retirement activity is used as a basis for
13		forecasting future retirements.
14		
15	Q.	PLEASE DESCRIBE HOW THE COMPANY HAS ADJUSTED PLANT IN
16		SERVICE FOR RETIREMENTS.
17	A.	PNM determined estimated average retirements (dollar amounts) by major
18	,	operating unit (i.e., distribution, transmission, individual generating plants and
19		corporate) based on historical experience, adjusting as necessary for changes in
20		retirement patterns. The historical periods used are the same as those used to
21		calculate the allocation of clearings to the electric plant accounts and for cost of
22		removal. However, for general plant asset (i.e., plant accounts 390 - 399) in

1		distribution, transmission, generation and corporate, forecasted retirements are
2		assumed to occur when assets are fully depreciated. Similar to cost of removal,
3		retirements are applied using "contra" funding projects as reductions to electric
4		plant in service and accumulated depreciation. For the Linkage and Test period,
5		forecasted retirements at PNM total \$30,229,586 (the total of lines 47 and 151 in
6		PNM Exhibit ECB-4) and at Corporate total \$790,458. PNM Exhibit ECB-4
7		provides the calculation of forecasted retirements that were applied to the Linkage
8		and Test Period.
9		
10	4.	Capital Loads
11	Q.	WHAT IS A CAPITAL LOAD?
12	A.	As discussed by PNM Witness Peters, a capital load, normally referred to as a "load"
13		or a "load factor", is the percentage of additional costs to be applied to base
14		construction costs to reflect company indirect costs incurred in support of the
15		construction project.
16		
17	Q.	HOW DOES HYPERION CALCULATE CAPITAL LOADS ON
18		FORECASTED CAPITAL PROJECTS?
19	A.	Each type of capital load rate is entered into the Hyperion system on an annual
20		basis. The Hyperion system applies these load rates to the various types of capital
21		expenditures to determine capital load amounts. Generally, capital load rates are
22		applied to associated capital expenditures to determine the dollar amount of

1		capitalized loads. For example, payroll load rates are applied to forecast capital
2.		payroll expenditures. In this way, capital load rates are applied to capital
3		expenditures to determine the dollar amount of capital loads in the forecast.
4		
5	Q.	WHY ARE CAPITAL LOADS APPLIED TO CAPITAL PROJECTS?
6	A.	As discussed by PNM Witness Peters, direct costs are charged to each project
7		during the construction phase. In addition to these direct costs, the Company
8		incurs costs in support of these construction activities that cannot be applied
9		directly to the project. These costs are applied to construction projects based on a
10		load factor which is applied to direct costs. These load factors include payroll
11		loads, material loads, engineering and supervision ("E&S") loads, capitalized fleet
12		load, and A&G loads. In addition, the company applies AFUDC loads to capital
13		projects using an AFUDC rate as discussed later in my testimony.
14		
15	Q.	HOW ARE CAPITAL LOAD RATES USED BY THE HYPERION
16		SYSTEM TO FORECAST CAPITAL LOADS?
17	A.	Capital load rates are entered into Hyperion as miscellaneous account entries.
18		These "misc" accounts provide Hyperion with the information necessary to apply
19		the load rate to direct project charges. Hyperion applies the rate entered for each
20		type of capital load to the associated direct capital expenditures. For example,
21		Hyperion applies capital load rates associated with direct capital payroll charges
22		to calculate the value of payroll loads. Similarly, Hyperion applies A&G load
23		rates to the appropriate direct capital expenditures to calculate the value of the

1		A&G load. The majority of capital loads are calculated by applying the			
2		forecasted load rate to the associated direct capital expenditure. However,			
3		AFUDC load rates are applied to average construction balances by individual			
4		project to determine the value of AFUDC loads.			
5					
6	V. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION				
7	\boldsymbol{A}	. Introduction			
8	Q.	WHAT IS AFUDC AND HOW DOES HYPERION APPLY AFUDC TO			
9		CAPITAL PROJECTS?			
10	A.	AFUDC reflects the cost of borrowed funds used for construction purposes and a			
11		reasonable rate of return on other funds used for construction. In other words, it			
12		represents capitalized interest cost and a reasonable return on capital expenditures			
13		during the construction period. The Company records AFUDC on its			
14		jurisdictional construction and nuclear fuel in process assets in accordance with			
15		FERC Order No. 561.			
16					
17	В	Calculation of AFUDC			
18	Q.	PLEASE DESCRIBE HOW AFUDC RATES WERE CALCULATED			
19		DURING THE LINKAGE AND TEST PERIODS.			
20	A.	AFUDC rates are calculated using the AFUDC rate formula provided under Order			
21		No. 561 which provides that rates be calculated using average balances of			

1		construction expenditures and short-term as well as long-term debt and equity
2		balances at the end of the prior year including rates associated with debt and
3		equity balances. The capital forecast calculates AFUDC rates on a calendar year
4		basis. The inputs and results of the Company's AFUDC rate calculation are
5		provided in PNM Exhibit ECB-5
6		
7	Q.	PLEASE DESCRIBE HOW THE HYPERION SYSTEM DETERMINES
8		THE AMOUNT OF CAPITALIZED AFUDC.
9	A.	At a summary level, AFUDC is calculated by applying the rate to capital
10		construction and nuclear fuel in process average balances by individual project.
11		The Hyperion system applies the rates to the average monthly balances by
12		individual project to determine the amount of capitalized AFUDC recorded during
13		the Linkage and Test Periods.
14		
15	Q.	DID THE COMPANY MAKE ANY ADJUSTMENTS TO THE HYPERION
16		CALCULATION OF AFUDC?
17	A.	Yes. The Company removed forecasted AFUDC subsequent to July 1, 2016 on
18		projects included in this filing's request for CWIP at the end of the Test Period.
19		
20	Q.	HOW WAS THE REDUCTION TO CWIP FOR AFUDC AT THE END OF
21		THE TEST PERIOD DETERMINED?
22	A.	The Company has requested that rates become effective July 1, 2016. It would
23		not be appropriate to continue accruing AFUDC on CWIP balances included in

1		the Company's requested revenue requirement after request rates have taken
2		effect. Therefore, the Company removed AFUDC on CWIP balances for projects
3		included in rate base subsequent to the requested date of rates under this case or
4		July 1, 2016. This adjustment resulted in the removal of \$1,013,483 of AFUDC
5		from CWIP at September 30, 2016.
6		
7	V	I. REMOVAL OF PNM'S 132 MW INTEREST IN THE SAN JUAN
8	Q.	WHY DOES THE BUDGET INCLUDE AN ADDITIONAL 132 MW OF
9		CAPITAL IN THE SAN JUAN?
10	A.	The Company assumed in its forecast for 2015 and 2016 capital expenditures
11		related to an additional 132 MW interest in San Juan. The approval of this
12		additional capacity is currently pending in NMPRC Case No. 13-00390-UT.
13		
14	Q.	HAS PNM EXCLUDED THE FORECASTED CAPITAL EXPENDITURES
15		AND ADDITIONS FOR THE ADDITIONAL 132 MW INTEREST IN SAN
16		JUAN FOR PURPOSES OF THIS CASE?
17	A.	Yes. As discussed earlier in my testimony forecasted capital expenditures reflect
18		PNM's ownership interest in San Juan. Without adjustment, forecasted capital
19		expenditures and clearings include PNM's ownership interest in an additional 132
20		MW in San Juan Unit 4, plant common to both Units 3 and 4, and plant common
21		to all units. PNM is not asking for recovery of the portion of capital investment
22		related to the 132 MW in San Juan in this proceeding as the acquisition of the 132

1		MW in San Juan Unit 4 is still pending approval before the Commission. This is
2		also discussed in PNM Witness Monroy's testimony.
3		
4	Q.	PLEASE EXPLAIN HOW PNM'S 132 MW INTEREST WAS REMOVED
5		FROM FORECASTED CAPITAL EXPENDITURES AND ADDITIONS.
6	A.	PNM's additional ownership in San juan Unit 4, Unit 3 and 4 common, and
7		overall common related to the 132 MW increased by 40.4%, 31.6%, and 21.1%,
8		respectively. Corresponding reductions to forecasted construction and associated
9		clearings to plant in service during the Linkage and Test Period, as well as CWIP
10		included in rate base at September 30, 2016, were made to reduce PNM's
11		forecasted capital investment in the facility. This reduction includes all capital
12		loads associated with projects at San Juan. The reduction to future capital
13		clearings was recorded as a "contra" funding project similar to the process for
14		cost of removal and retirements.
15		
16		PNM Table ECB-4 provides the adjustment to reduce forecasted clearings related
17		to PNM's 132 MW ownership interest in the facility.
18		Table ECB-4

Table ECB-4

Removal of San Juan Generating Station 132 MW Interest					
	FERC	Amount			
Plant in Service Reduction for 132MW Interest					
San Juan Unit 4 - SNCR	101	\$	(13,131,595)		
San Juan Unit 4 - Other	101	\$	(2,547,763)		
San Juan Common - All Units	101	\$	(1,295,778)		
Total		\$	(16,975,136)		

VII. CONCLUSION

2 Q. WHAT ARE YOUR GENERAL CONCLUSIONS?

A. The Company forecasts capital additions based upon capital targets and the capital expenditures and clearing assumptions provided by the various business segments. Hyperion applies capital load rates, including AFUDC, to forecasted capital expenditures to determine the total cost of capital projects and to determine total capital additions to plant in service. To complete the capital budget, adjustments are made to allocate capital additions to various electric plant accounts, to reflect forecasted cost of removal and retirement activities, and to align certain items, such as PNM's additional 132 MW ownership in the San Juan, with the Company's rate case request. Together, the above items provide a reasonable basis for the forecasted capital construction and plant in service additions, accumulated depreciation balances, and the calculation of depreciation expense.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

GCG#520336

Resume of Eric C. Buchanan

PNM Exhibit ECB-1

Is contained in the following 1 page.

ERIK C. BUCHANAN **EDUCATION AND PROFESSIONAL SUMMARY**

Name:

Erik C. Buchanan

Address:

PNM Resources, Inc.

MS 0915

414 Silver Avenue, SW Albuquerque, NM 87102

Position:

Director, Corporate Budget

Education:

Bachelor of Business Administration, University of New Mexico, 2003 Certified Public Accountant in the State of New Mexico, October 2005.

Employment: Employed with the Public Service Company of New Mexico since 2008.

Positions held within the Company include:

Director, Corporate Budget

Senior Manager, General Accounting Manager, Corporate Accounting

Project Manager, SEC Reporting and GAAP Analysis

Testimony Filed:

None.

Plant Utility Accounts Allocations

PNM Exhibit ECB-2

Is contained in the following 5 pages.

									***************************************																		_		Ī	T	Π			T	***************************************	T	T	-							
Σ				ž to N																															***************************************								P.	hibit I age 1 e 15-0 UT	of 5 0026
,				Linkage & Test Period Forecasted Allocation Amounts					11,480,881	5,527,844	5,155,843	786,757,6	2,460,817	028,652,2	1 800 842	1 268 430	1.056.356	36.503.214			2,217,303	581,835	533,831	407,180	188,504	3,928,653		306 303 30	28 499 459	114.106.763			Techtocic	15/00/13	000 130	157,859	126.341	03.001	8.292,720		162,831,350				
~				Alfocation Rate					31.45%	15.14%	14.12%	8.7.2	6.74%	2/0/0	76507	76LP E	2.89%	100.00%			56.44%	14.81%	13.59%	10.36%	4.80%	100.00%		75 0767	24.98%	100.00%		7000 000	2,00,00	7352	25192	1.90%	152%	7 1 1 20 7	100.00%						
				2-Year Average 5-Year Average Annual Additions Annual Additions					***************************************		***************************************																																		
-				2- Year Average Annual Additions						3,833,743		150,555,051	1,706,558	1,000,004				25.316.187			2,162,775	567,526	520,703	397,166	183,869	3,832,040		2 143 077	713.434	2,856,410		000	73, 44, 47, 6	-	77. 250				38						
Ŧ				2014 Actual Additions	ness Segment)				7,171,793	2,404,316	5,608,590	4,18/,/83	3,413,294	(400 010 E)	2 711 374	707 107	(1,290,060)	24.509.930			447,469	951,707	514,877	794,333	85,289	2,793,675		270 036 6	1 359 359	5,810,336		202 244 200	11 050 050	22,672	1 679 817	1.225.278	251 200	457,633	48.329.389						
ь				2013 Actual Additions	on by Location (Busi				8,752,949	5,263,169	1,542,905	374,318	67	20,209	286.583	1 057 694	2.755.296	26,122,444			3,878,082	183,346	526,529	,	282,449	4,870,406		(165,033)	67.507	(97,515)		200	707/4-6/27	3 3 2 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	264 903	249,439	929.072	416 748	29,140,954						
_				2012 Actual Additions	Plant Utility Account Allocation - "Default" Allocation by Location (Business Segment)																																								
				2011 Actual Additions	y Account Allocation																																	***************************************							
٥				2010 Actual Additions	Plant Utilit				***************************************													-																							
J						FERC			362	367	365	354	166	36.1	397	366	394				362	364	365	390	367			353	355			15.0	250	352	356	354	391	397							
89						Electric Plant Account			Station Equip	Underground Conductors & De	Overhead Conductors & Davic	Poles, Lowers & Fixtures	Comp Haroware	Christian & Improve mark	1-Communication Fouring	Underground Conduit	Tools, Shop & Garage Equip	Total		***************************************	Station Equip	Poles, Towers & Fixtures	Overhead Conductors & Devic	Structures & Improvement	Underground Conductors & De	Total	The second secon	Station Series	Poles & Fixtures	Total			Section Equip	Structures & Improvement	Overhead Conductors & Davic	Towers & Fixtures	Off Furn & Ea, Comp Hardwar	Comminication Found	Total		T&D "Default" Allocation Total				
A	PNM Exhibit ECB-2	2 Electric Plant Account Allocation Rates				T&D			100	100	100	007	007	100	100	100	100				155	155	155	155	155				650					220											
-	<u>آ</u>	7 Ek	m	4	15	9	7	80	6	3	= =	71:	5 5	12	16	12	188	19	20	21	22	23	24	25	56	2	82 58	2 5	31	32	33	34	25	312	38	39	8	41	42	63	44	45			-

1	Additional Additional	2014 Actual Adultions Annual Additions Annual Additions Annual Additions 2, 83, 213, 280 2, 23, 23, 23, 23, 24, 25, 23, 24, 25, 23, 24, 25, 23, 24, 25, 23, 24, 25, 23, 24, 25, 23, 24, 25, 23, 24, 25, 23, 24, 25, 25, 25, 25, 25, 25, 25, 25, 25, 25	5-Year Average 5-Year Average 506.289 506.289 188,503 246.874 246.874 246.874 250.131 350.647	Lihage & Tast Enceated Alleado
Utility Account FRIC	Additions Addi	280 200 200 200 200 200 200 200 200 200	5 Yest Average 506,289 506,289 188,503 2,006,742 246,585 246,585 250,687 250,688 250,289 250,889 250,289	Inhape & Ter
Utility Account FEBC		280 280 233 2533 268 268 268 268 268 268 268 268 268 268	\$16,289 \$106,782 \$2,00,742 \$2,	
Dulity Account		213,280 5,530,686 482,072 5,590,583 364,794 475,515 47		
Structure & Improvement 341 60,355 187,103 Contracture & Improvement 341 60,355 136,310 Constraint Constraint 342 60,555 136,310 Constraint Constraint 344 60,655 136,310 Constraint Constraint		213,280 2,590,986 482,072 482,072 482,073 482,073 425,613 822,466 920,546 1,10,87) 1		
Contention Contents Ac		5,502,968 48,207 48,207 48,207 48,509,533 366,794 41,509,533 41,138 41,1		
Total		482,072 425,615 425,615 425,615 802,405 802,405 802,405 802,405 1,0,097 1,0		
STATE STAT		366,794 425,615 622,177 623,177 623,177 623,177 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67) 1,10,67,174 1,10,67) 1,10,67,174 1,10,6		
Structures & Improvement-Ut 311, 557,552 28,693		425,615 672,417 672,405 300,646 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087) 1,0087,7080 2,827,642 2,827,642 2,827,642 1,0087,708 2,827,642 1,0087,708 2,827,642 1,0087,708 2,827,642 1,0087,708		
Structures & Improvement-U: 311.1 517.55.27 28.63.3		425,613 623,177 623,177 872,406 10,0546 1,1057) 611,337 611,337 611,337 611,337 623,726 824,452 867,642 1,256,274 1,25		
Structures & Improvement		623,177 872,405 10,505 1,00,505		
Total Convertor Control Cont		200,546 1,1087) 1,148,004 (617,796) 3,814,123 655,128 655,128 655,128 655,128 655,128 1,055,128 1,155,079 1,155,079 1,155,073		
New Publish		1,434,804 61,1387 (61,1387 (61,1387 (61,1287 (61,1287 (61,1287 (61,1287 (61,1287) (61,		
Miscellaneous Power Plant E 316 7205		611.337 (4517.706) 3.84.4.53 659.128 659.128 867.642 7,068.576 7,068.576 9,44.637 9,44.637 7,058.638 1,159.64 7		
Table Equip 353 1911,599 100,244 100		(457,786) 3,814,152 659,128 2,824,986 2,824,986 7,085,716 4,786,231 4,786,231 2,786,241 2,786,241 2,786,241 2,786,832 1,286,832 1,		
Generators 344 220,834 347,305 111,000 111,0		659,128 2,824,986 567,642 7,065,376 4,766,231 2,756,231 2,756,231 2,756,232 1,159,572 1,159,572 1,150,832 1,21,183 1,21,		
Introduction State State		2,826,986 867,642 867,642 7,065,376 4,766,231 4,756,231 9,759,975 1,109,944 12,1,158 122,1,158 10,55,43 1		
Ceneration 344 220.634 34.705		2,824,988 567,642 7,065,376 4,766,231 2,756,073 2,756,073 2,756,073 2,756,073 1,236,073 1,236,183 1,231,188 1,		
Introfible Phi-Software 303 262,278 2,641,222 Streetic Plant Reactor Plant 322 165,143 13,321,15 Reactor Plant Reactor Plant 322 16,144,30 13,444 Lubopteur trito Unit 323 15,12,509 2,955,544 Accessor Flectric Eurip 324 1,122,509 2,955,544 Turbopteur trito Unit 323 1,122,509 2,955,544 Turbopteur trito Unit 323 1,122,509 2,955,544 Turbopteur trito Unit 313 1,122,509 2,955,544 Turbopteur trito Unit 314 3,123 3,955,544 Turbopteur trito Unit 314 3,123 3,955,544 Turbopteur trito Unit 314 3,123 3,955,544 Releasing Flectric Equipmen 314 3,123 3,955,544 Turbopteur trito Unit 314 3,123 3,955,544 Turbopteur trito Unit 3,12 3,124,23 3,124,53 Turbopteur trito Unit 3,12 3,124,53 3,124,53 Turbopteur trito Unit 3,12 3,124,53 3,124,53 Soline Piculity 3,12 3,124,53 3,124,53 Soline Piculity 3,12 3,124,53 3,124,53 Soline Piculity 3,12 3,124,53 3,124,53 Turbopteur Flent 3,12 3,124,53 3,134,53 Turbopteur Flent 3,12 3,124,53 3,134,53 Soline Piculity 3,134,53 3,134,53 Turbopteur Flent 3,134,53		567,542 7,065,236 4,765,231 2,756,037 9,766,637 2,766,637 2,766,637 2,766,632 122,158 305,543 236,832		
Structure & Improvement 21 2,002,407 1,324,115 Retect From the file provided & 1,324,115 Retect From the file provided & 1,324,115 Retect From the file provided & 1,324,115 Retect From the file file file file file file file fil		7,066,576 4,782,281 4,782,281 2,786,79 944,637 9,463 7,138,675 7,138,675 325,138 390,543 231,877 231,877		
The control of the		4,786,211 2,786,079 244,637 1,128,541 27,054,832 127,158 305,543 231,877 231,877		
Accessive Electric Etulp 354 44,4000 216,2775		94,637 94,637 1,128,615 1,128,611 27,054,832 122,158 309,543 231,877		
Mincellaneous Power Plant E 3525 1,122,537 (2,31,157)		1,785,675 1,138,941 27,054,832 12,158 302,548 231,877		
Total		27,054,832 122,158 309,543 231,877		
Turbiglity 312 10,354,543 6,835,054 Turbiglity 313 10,354,543 6,835,054 Accessory Electric Equipmen 314 1,422,779 2,387,106 Accessory Electric Equipmen 314 1,422,779 3,327,006 Generatory Electric Equipmen 344 -		122,158 309,543 231.877	Ì	
Turbegenento Uni-Utility 314 4.282,79 2.387,105 Accessory Electric Equipmen 315 1.4282,79 2.387,105 Total 1.468,91 3.39		309,543		-
Total		231.877 i		
Miscelineous Power Plant E 344		663,578	6,420,859 100	7.83% 173,077 100.00% 2,209,075
Miscellaneous Power Plant E		770 000		
Total		296,215	59,243 44	23.35% /84,44,65% 631,429
Structures & Improvement-Ut 311 865,109 7,177,514 Structures & Improvement-Ut 312 33,675,109 7,177,514 Solute Pic-Lillipy 312 33,675,100 497,550 Solute Pic-Lock 312 314,439 655,796 Solute Pic-So2 312 314,439 655,796 Turbeparance Unit-Utility 314 314,975 139,376 Accessory Recrit Equipmen 315 2,741,46 833,992 Mixcelleneaus Power Plant E 315 2,741,49 833,992 Solution Equipmen 315 2,741,40 833,992 Solution Equipmen 315 36,011,790 21,335,004 Station Equipmen 355 36,011,790 21,335,004 Generation Fadiliy "Default" Total 315 32,011,790 21,335,004 Generation Fadiliy "Default" Total 315 32,011,790 31,335,004 Generation Fadiliy "Default" Total 315 32,011,790 31,335,004 Control of the Control		663,432		
Structure & Improvement-Was 311 10 497,509 Bolier Pi-Uilly 312 336,613,100 310,478 Bolier Pi-Envoir 312 336,613,100 310,478 Bolier Pi-Envoir 312 1184,339 155,736 Christoperator Uni-Uilly 314 314 314 315,78 315,78 Christoperator Uni-Uilly 314 314 314,78 315,78 Christoperator Uni-Uilly 315 316,78 316,78 Christoperator Uni-Uilly 315 316,78 316,78 Christoperator Uni-Uilly 315 316,78 Christoperator Uni-Uilly 316,78 Christoper		3,332,923		
Solin Pictury 312 2,184,78 5,104,78		32,043		
Tribogene Price 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,578 11,139,579		5,880,689		
Tubogenerate Unit-Utility 314 900.020 6.577,86 Accessory Fleetic Equipmen 315 2.741,67 833,907 Miscelleneus Power Plant E 315 2.741,67 833,907 Station Equip 315 2.741,67 833,907 Cotal 316 316 316 316 316 Station Equip 316 316 316 316 Station Equip 317 318 320 Station Equip 318 Station Equip 318	7,899 954,835	269,781	1,232,286 3.	3.81% 413,472
Miscellaneous Province 315 41,223 1,306,586 2,306,586		450,268		
Striot Equip 3553 7.28 8.29 1.026.355 Total Station Equip 3553 2.011,790 21,389,204 Generation Facility "Default" Total 2,000 2,00		221,519		
355 24,047,070 21,897,040		175,182		
Station Equip Generation Facility "Default" Total		12,529,073		
Generation Facility" Default" Total			- 1	100% 200,496
				77 070 781
Paralles Assessed				
216				
999 Office Furniture & Equip				10,20% 2,400,680
Grand Total "Default" Allocation				263,427,491

	В	١	۵	4	_	9	E	-	7	4	_	ě
March State Act State Ac												
1985 1985												
The control of the			2010 Actual Additions	2011 Actual Additions	2012 Actual Additions	2013 Actual Additions	2014 Actual Additions		5-Year Average Annual Additions	Allocation Rate	Unkage & Test Period Forecasted Allocation Amounts	
Page 3 4/2 Case 15-000000000000000000000000000000000000				Electric Plant Accou	unt Allocation - Allo	cation by Project Typ						
Process and Security		FERC										
Protect 145		964				200	230 131	000000		12 0007	001, 050	
Page 1 of 2 Control 15-000001 Control 15	Devic	365				156,916	148.770	152,843		10.18%	249.338	
Page 942 Control Page 142 Control Page 14		366				119,718	256,261	187,990		12.52%	306,674	
Page of 52	rs & De	367				279,402	1,624,585	951,993		63.42%	1,553,023	
Page of at 2 Control 1986 1987 19						811,562	2,190,667	1,501,114		100.00%	2,448,825	
Page 5 of 25 Control 1,000,000 1,0		364				326,276	377,427			14.80%	560,014	
Page of 57 Control 13 (1978) 1970 Control 13 (Devic	365				199,823	222,005			8.87%	335,695	
Page 9 of 2 Control 1997 199		398				227,113	532,741			15.98%	604,599	
Page of 5 Case 13-000061-1-1 Page 13-00061-1-1	s & De	367				937,220	1,931,580			60.34%	2,283,019	
1936 1934						1,690,433	3,063,752	İ		100,00%	3,783,426	
2015 1975		364				72,713	93,509	83,111		19.34%	119,008	
Page 9 of 2 Conserved Cons	Devic	365				4,496	9,975	7,235		1.68%	10,360	
Page 2 of 2 Care of 17,556 1,500	Sy	373				398,629	279,982	339,306		78.97%	485,860	
Page 2 of 2 Case 13-000261-7						475,838	383,466	429,652		100.00%	615,228	
Page 2 of 2 Case 12-000261-7	5	364				4,011,485	3,101,308	3,556,397		45.42%	4.368.324	
250 20 20 20 20 20 20 20	& Devic	365				2,903,816	1,693,401	2,298,609		29.35%	2,823,383	
1,125,420 1,12		366				209,312	438,297	323,805		4.14%	397,729	***************************************
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,	ctors & De	367				1,408,099	1,895,559	1,651,829		21.09%	2,028,943	
Page 3 of 5 Case 15-000263-7 List 2015 List 20						0,356,13	1,146,360	650,050,7		100.00%	s/c'ere's	
8 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	ures	364				1,787,430	5,467,735	3,627,582		61.58%	850,060,2	
Page 3 of 2 Page 3 of 2	ors & Devic	365				530,518	1,199,051	864,784		14.68%	1,213,426	
Page 3 of 2 Case 12-000 (2010) 2	it the property of the propert	366				144,565	181,677	163,121		2.77%	228,884	
Page 3 of 2 Case 12-0005(3)-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	200	000				3.450.262	8.332.325	5.891.293	***************************************	100.00%	1,734,028 R. 266 394	
1969 1964,487 1968,487 19								,				
Page 2 of 2 de 2 d		369				4,641,582	3,269,552	3,955,567		75.00%	7,045,525	
Page 3 of 2 Case 12	59	369				198,638	2,438,383	1,318,510		25.00%	2,348,487	
Page 3 of 2 2,345,952 2,346,855 2,344,855 2,						4,840,220	5,707,6	5,2/4,0/8		300.00%	9,394,012	
Page 3 of 2 Case 12-0005(91-7) Safe and a control of the control		368				5,331,922	5,485,905	5,908,913		100%	9,478,102	
Page 3 of 2 Curse 12-0002(91-7) 365 367 368 369 369 369 369 369 369 369		370				3,466,855	2,345,865	2,906,360		100%	2,883,591	
Page 3 of 5 Case 15-00263-L Ref 15-002						100		400				
Page 3 of 2 Case 12-003061-C	A & Device	365				320,565	115,727	60,1093		30,03%	1,744,892	
Page 3 of 5 Case 15-00261-L 10191001 1019100						343,575	1,037,005	690,290		100.00%	1,939,292	***************************************
Page 3 of 5 Case 15-0002051-1-18-1001												
Page 3 of 5 Case 15-00261-L 818 (197) (198) (19	1	366				1,131,041	1,245,161	1,188,101		24.41%	343,610	
Page 3 of 5 Case 15-00261-L ST 17-007-1 ST	tors & Ue	36/				4,003,580	3,353,078	3,678,329		75.59%	1,063,808	
Page 3 of 5 Case 15-00263-L						2,134,621	4,336,239	4,865,430		100.00%	1,407,418	
Page 3 of 5 Case 15-00261-L	Allocation										49,834,667	
Page 3 of 5												
Page 3 of 5												
Page 3 of 5												
3 of 5												Page
f 5					•							3 o
												f 5

	Γ	Γ			-				I		Ī	_	-		T	Γ												_													
Σ					Notes				***************************************	***************************************						THE RESERVE THE PROPERTY OF THE PERSON NAMED IN																					c	Pa	ibit ge 4 L5-D	of S	5
				Linkage & Test Period	Forecasted Allocation Amounts			55,342,122	37 754 036		29,712,435	13,321,435	10,753,778	24,141,916	77,929,564	184,637	59,655,399	90,863,622	31,622,945	16,124,978	18,458,009	216,909,589		1,419,018	12,299,136	5,909,529	45,706	6,216,629	25,890,018	453,825,320		757,087,477									
×					Allocation Rate F			100.00%	100%		38.13%	17.09%	13.80%	30.98%	100.00%	%50:0	27.50%	41.89%	14.58%	7.43%	8.51%	100%		5.48%	47.51%	22.83%	0.18%	24.01%	100.00%												
-				5-Year Average	Annual Additions																																				
-				2- Year Average	Annual Additions																																				
r				2014 Actual	Additions	cated																																			
9				2013 Actual	Additions	Electric Plant Account Allocations - Projects Specifically Allocated																												ó							
4				2012 Actual	Additions	int Allocations - Proj																												Juan facility locations, excluding the switchyard, are shown as location 760							
ш				2011 Actual	Additions	Electric Plant Accou																												the switchyard, are s							
٥				2010 Actual	Additions																													locations, excluding							
J							FERC	344	776		311	312	315	316		320	321	322	323	324	325			352	353	354	355	356						San Juan facility !							
rsa.				-			Utility Account	Generators	Generatore		Structures & Improvement-Ut	Boller PIt-Utility	Accessory Electric Equipmen	Miscellaneous Power Plant E		Land	Structures & Improvement	Reactor Plant	Turbogenerator Unit	Accessory Electric Equip	Miscellaneous Power Plant E			Structures & Improvement	Station Equip	Towers & Fixtures	Poles & Fixtures	Overhead Conductors & Devic		Total Specifically Allocated Projects		Grand Total All Allocations		Note 1: Facilities are shown by generic location. For example, all San							
¥	1 PNM Exhibit ECB-2	2 Electric Plant Account Allocation Rates	3		4		168 Project	169 40MW natural gas peaker 2016 COD	170 171 Heller State Solar 40 MM	172	173 SJ SNCR - All Units	174 SJ SNCR - All Units	175 SI SNCR - All Units	176 SJ SNCR - All Units	177 178	179 PV Asset Lease Purchase	180 PV Asset Lease Purchase	181 PV Asset Lease Purchase	182 PV Asset Lease Purchase	183 PV Asset Lease Purchase	184 PV Asset Lease Purchase	185	136	187 EIP Purchase 40%	188 EIP Purchase 40%	189 EIP Purchase 40%	190 EIP Purchase 40%	191] EIP Purchase 40%	192 193	194	195	196	197		[66]	200					****

					Ţ		T							Ī				Ī	Γ	Γ	Τ	Γ	Τ	Γ				 ***************************************	T	I	I	***************************************	T						
Σ			2400					***************************************	***											***************************************																	hibit age ! 15-0	of 5	5
7		A	Linkage & Test Period																																				
×			diese and an analysis																																				
_			5-Year Average																										***************************************	***************************************									
_			2- Year Average																																				
π			2014 Actual																***************************************												***************************************								
9			2013 Actual																-																				
٠.			2012 Actual																																••••				
ш			2011 Actual																																				
0			2010 Actual				-																																,
J																					-										-			-					
В						And the second s	An annual control of the second control of t									s(Company 3)		v 3)			***************************************									***************************************	***************************************								
A	1 PNM Exhibit ECB-2	2 Electric Plant Account Allocation Rates		Location Abbreviations	100 - Distribution (Company 1)	155, Distribution (Company 94)	220 - Transmission (Company 34)	The state of the s	650 - Iransmission (company 2)	046 - Rio Bravo Generating Station (Company 3)	357 - Bulk Power Building Allocator (Company 3)	703 - Lordsburg Generating Station (Company 3)	707 - Afton Generating Station (Company 3)	713 - Reeves Generating Station (Company 3)	715 - Four Corners Generating Station (Company 3)	720 - Palo Verde Nuclear Generating Station all Units	744 - Luna Generating Station (Company 3)	760 - San Juan Generating Station All Units (Company 3)	779 - San Juan Switchvard (Company 3)	999- All Corporate Locations (Company 7)		THE RESIDENCE OF THE PROPERTY	**************************************	**************************************	والمراجعة والمرا		***************************************						***************************************						

Cost of Removal

PNM Exhibit ECB-3

Is contained in the following 2 pages.

PNM EXHIBIT ECB-3 PAGE 1 OF 2

Control Earth Human Main Council Engineer Cou	A	В	C	Q	Е	ш	9	Н	_	ſ	×
Count (107000) 1200 2011 2013 2014 Cost (o) Friend Additions Count (107000) 1200 Expeditures Expeditures Expeditures Expeditures Expeditures Expeditures Expeditures Friend Additions Count (107000) 1200 <th>PNM Exhibit ECB-3</th> <th></th>	PNM Exhibit ECB-3										
Control Cont	calculation of Cost of Removal Rate										
Location Expeditures Exped			2010	2011	2012	2013	2014	Total	Cost of	Linkage & Test Period Additions Subject to Cost	
Continuity Con	Operating Units	Location	Expeditures	Expeditures	Expeditures	Expeditures	Expeditures	Expenditures	Removal Rate	of Removal	of Removal
Account 100000 110	ransmission & Distribution (1)										
Cocurt 100000 155 437,08 48,947,08 48,947,08 41,958,022 4,199 15,639,02 3 Cocurt 100000 155 155 15,856,02 15,854,02 15,856,02 15,856,02 15,857,00 15,	Construction Work in Progress (Account 107000)					57,961,691	70,624,210	128,585,901			
CECHI (188000) 1555 (G29 652 1,101,1031 1,160,1618 9,778 10,066,839 (L1 CHECHI (100000) 1250 (G29 652 1,101,1031 1,160,1618 9,778 10,106,839 (L1 CHECHI (100000) 1250 (G29 652 1,101,1031 1,160,1618 1,160,1031 1	Retirement Work in Progress (Account 108000)					2,151,544	3,477,708	5,629,252	4.19%		(3,423,303
Account 1070000 1555 1,355,272 1,355,273 1,3	Construction Work in Progress (Account 107000)					6,373,752	8,808,690	15,182,442			
Account 100000 220 (17.85) 26 (17	Retirement Work in Progress (Account 108000)					629,682	1,011,003	1,640,685	9.75%		(1,069,742
Account 1000000 550	Construction Work in Progress (Account 107000)	_				1,385,525	7,502,371	8,887,896			
Account 107000 650 4,651,971 67,335,337 11,021,968 0,651,78 14,106,783 16 Account 107000 707 9,381,379 1,383,900 658,408 2,031,462 1,325,609 0,617 1,410,703 1,411,021,908 0,617 1,544,106,763 16 Account 107000 707 9,381,379 1,383,900 658,408 2,037,131 1,665,413 2,377,131 1,665,413 2,377,131 1,665,413 2,377,131 1,665,413 2,377,131 1,665,413 2,377,131 1,665,413 2,377,131 1,665,413 2,377,131 1,665,413 2,377,131 1,665,413 2,409,499 2,100,073 2,409,499 2,409,499 2,409,499 2,409,607 2,337,607 2,337,607 3,709,499 2,409,607 3,709,499 3,709,	Retirement Work in Progress (Account 108000)					(17,868)		269,968	2.95%		(244,465
Column 1070000 707 9-381,379 1,353,900 6-684.08 2,031,462 332,236 427,125 2,1449 2,337,867 48,566 332,236 427,125 2,1449 2,337,867 2,337,87 2	Construction Work in Progress (Account 107000)	+				43,691,971		111,021,908	0		1000
Account 107000) 707 9,381,379 1,333,900 658,408 2,031,462 6,127,540 13,552,689 1,447,141,141,141,141,141,141,141,141,14	Retirement Work in Progress (Account 108000) otal Transmission & Distribution	050				319,802	585,296	905,098	0.81%		(5,660,235
Work in Progress (Account 107000) 707 9381,379 1,353,900 658,408 2,031,462 6,127,540 19,552,689 1,188 Work in Progress (Account 108000) 707 7,564 1,0617 3,237 1,188 2,337,131 1,188 2,337,131 1,188 2,337,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,317,131 1,188 2,318 2,318 2,318 2,318 2,318 2,318 2,318 3,											
707 9,381,379 4,084,08 2,034,462 6,127,540 1355,689 2,337,867 707 9,381,379 1,065,808 2,377,131 1,065,431 2,347,135 2,147,135 2,147,135 2,147,135 2,147,137 2,337,867 3,378 3,378 2,337,867 3,378 3,378 2,337,867 3,378 3,256,863 3,778 2,209,078 3,449,669 3,378 3,249,863 3,278 3,209,078 3,278,496,678 3,178 2,209,078 3,278,496 3,449,616 3,249,666 3,278 3,209,078 3,249,606 3,278,777 3,0989,078 8,160 3,249,678 3,436,567 1,156,808 3,448,481 6,527,777 2,0989,078 8,160 1,100 3,177,77<	Production (2)										
707 11,733,865 9,102,74 1,65,431 1,65,431 1,65,431 2,133,867 2,137,867 713 285,664 9,102,73 1,707,43 1,505,431 1,005,55 1,707,57 2,109,075 2,109,075 713 285,664 1,77,677 1,707,49 1,207,77 2,009,075 3,72% 2,209,075 714 5,312,866 3,283,72 4,332,024 4,332,024 3,106,44 8,16% 13,596,863 715 5,842,568 4,003,489 6,920,904 2,310,644 8,16% 13,596,863 721 5,61,691 2,704,77 7,099,768 3,233,729 3,435,662 1,741,682 6,315,561 16,124,450 3,435,676 6,315,561 16,124,450 3,435,676 6,011,090 3,233,729	Construction Work in Progress (Account 107000)	4	9,381,379	1,353,900	658,408	2,031,462	6,127,540	19,552,689	1		
713 11,732,54 17,677 1,003,716 3.72% 2,000,075 715 21,732,566 3,175,77 338,572 4,137,323 4,32,022 8,950,904 26,016,655 3.72% 2,000,075 715 814,686 3,285,644 793,533 4,33,022 8,950,904 26,016,655 3.72% 2,000,075 721 5,812,586 3,654,034 1,645,893 3,448,400 6,322,777 20,989,768 8,169 3,23% 3,456,562 722 1,399,335 1,445,031 (40,928) 232,777 20,989,768 3,23% 3,466,562 722 1,399,335 1,445,031 (40,928) 232,301 1,446,001 3,23% 3,466,562 723 4,985,585 1,446,615 3,443,61 4,437 4,	Retirement Work in Progress (Account 108000)	+	7,644	10,617	27,970	48,566	332,328	427,125	2.14%		(49,979
715 5,312,386 3,283,521 4,333,323 4,332,022 8,950,904 2,016,655 8.106 7,100	Refirement Work in Progress (Account 10/000)	_	785 664	9,102,734	338 570	170,749	79 915	1 002 576	3 77%		(87 188
715 6814,698 400,349 793,353 70,407 231,838 2,310,644 8.16% 13,596,883 721 361,255 3,654,031 1,645,894 3,448,810 6,332,777 20,989,788 31,396,833 721 361,631 1,75,652 2,892,220 1,741,682 6,315,561 16,124,50 3,338,582 722 1,399,335 3,775,652 2,892,220 1,744,682 6,315,561 16,124,50 3,338,582 6,011,090 723 49,88,585 1,496,615 3,083,589 6,688,199 123,003 859,922 3,237,729 724 1,240,693 15,988,585 1,496,615 1,260,94 1,246,39 1,247,639 1,247,639 1,247,639 1,247,430 1,247,430 1,247,839 1,247,639 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,430 1,247,434 1,247,434 1,247,434 1,247,434	Construction Work in Progress (Account 107000)	+	5.312.586	3.283.751	4.137.323	4.332.092	8.950.904	26.016.655	2/1/15		05,10
721 5,882,256 3,654,031 1,645,884 3,424,810 6,322,777 20,989,768 3,23% 3,436,562 722 4,385 1,399,335 6,61,631 1,404,328 1,446,633 1,446,633 1,446,633 1,446,634 1,446,634 1,446,634 1,446,634 1,446,637 1,446,638 1,446,407 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,438 1,446,448 1,446,448 1,446,448 1,446,448 1,446,448 1,446,448 1,446,448 1,446,448 1,446,448 <td< td=""><td>Retirement Work in Progress (Account 108000)</td><td>_</td><td>814,698</td><td>400,349</td><td>793,353</td><td>70,407</td><td>231,838</td><td>2,310,644</td><td>8.16%</td><td></td><td>(1,109,088</td></td<>	Retirement Work in Progress (Account 108000)	_	814,698	400,349	793,353	70,407	231,838	2,310,644	8.16%		(1,109,088
721 361,691 270,866 (144,503) (40,928) 253,808 700,934 3.23% 3,436,562 722 1,398,335 3,775,652 2,892,220 1,744,682 6,513,561 16,124,450 6,611,090 723 401,885 231,586 1,496,615 3,083,589 6,688,159 1,213,561 3,034 6,011,090 724 402,88,585 1,496,615 3,083,589 6,688,159 1,221,390 16,04,017 5,05% 6,011,090 724 12,440,693 15,989,525 1,486,615 1,285,030 15,034,01 25,381,785 6,533,773 761 1,800,044 1,540,940 2,164,588 1,285,047 8,393,714 25,381,785 6,728,070 762 2,705,883 3,430,344 13,386,442 6,14,200 1,458,88 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988 1,541,988	Construction Work in Progress (Account 107000)		5,882,256	3,654,031	1,645,894	3,484,810	6,322,777	20,989,768			
722 1,399,335 3,75,552 2,892,220 1,741,882 6,315,561 16,124,450 6,124,450 723 4,0895 1,496,615 3,892,327 1,440,300 1857,733 5,05% 6,011,090 723 4,9885,855 1,496,615 3,083,589 6,688,139 (122,390) 16,034,017 3,083,789 6,611,090 724 4,988,585 1,496,615 12,6438 12,5203 3,539,584 5,332,729 1,406,017 3,237,729 6,011,090 724 4,988,525 1,488,505 12,6438 12,883,467 1,548,507 3,538,745 0,83% 25,381,785 6,312,774 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,507 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607 1,548,607	Retirement Work in Progress (Account 108000)		361,691	270,866	(144,503)	(40,928)	253,808	700,934	3.23%		(111,053
722 401,895 231,358 144,376 (55,27) 144,030 887,733 5,05% 6,011,090 723 4,986,585 1,496,615 3,083,589 6,688,159 (122,930) 16,034,017 3.26% 6,011,090 724 12,440,693 15,989,525 14,855,050 12,261,918 12,851,667 68,399,834 3.26% 5,333,729 724 12,440,693 15,989,525 14,855,050 12,262,918 12,851,667 68,399,834 3.26% 5,333,729 761 1,802,042 10,294,77 1,540,940 2,166,178 12,851,072 9.83,77 29,370,724 0.83% 25,381,785 (6,881,785) (7,832,71) 1,540,940 2,166,178 12,920,781 2,538,729 2,538,729 2,538,729 2,538,728,70 12,528,070 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728,70 12,538,728	Construction Work in Progress (Account 107000)		1,399,335	3,775,652	2,892,220	1,741,682	6,315,561	16,124,450			
723 4,885,855 1,996,615 3,088,548 (15,84,199) (122,1930) 16,034,017 (15,1930) 18,034,017 (15,1930) 18,034,017 (15,1930) 18,034,548 (15,1940) 18,035 (15,103) 1	Retirement Work in Progress (Account 108000)		401,895	231,358	144,376	(53,927)	134,030	857,733	2.05%		(303,606
723	Construction Work in Progress (Account 107000)	_	4,988,585	1,496,615	3,083,589	6,688,159	(222,930)	16,034,017			
724 46,957 161,488 (12,960) 182,602 1501,004 15,381,785 25,381,785 761 1,802,042 11,029,447 1,540,940 2,166,178 12,832,117 29,370,724 0.83% 25,381,785 761 7,879 402,047 1,540,940 2,166,178 12,832,117 29,370,724 0.83% 25,381,785 762 2,705,883 3,430,344 13,488,941 1,352,402 943,207 21,650,781 6.28% - 763 17,956,291 4,783,971 18,364,799 1,541,888 1,543,846 6.58% - - 763 1,031,887 38,442 61,780 14,753 1,543,647 3,545,643 4,17% 503,425 764 7,530,428 2,907,197 2,998,096 12,050,241 8,057,645 33,543,607 47,299,409 (2 764 975,332 (12,525) 230,281 881,021 34,064 2,108,173 5,91% 47,299,409 (2 8 1,050,323 1,050,225 <td>Construction Mark in Progress (Account 108000)</td> <td>-</td> <td>12,291</td> <td>5,348</td> <td>14 855 050</td> <td>(154,638)</td> <td>(35,203)</td> <td>539,952</td> <td>3.26%</td> <td></td> <td>(1/3,439</td>	Construction Mark in Progress (Account 108000)	-	12,291	5,348	14 855 050	(154,638)	(35,203)	539,952	3.26%		(1/3,439
761 1,802,042 11,029,447 1,540,940 2,166,178 12,832,117 29,370,724 5.23% 45,728,070 (2 761 78,794 903,576 67,980 98,557 470,994 1,619,601 5.23% 45,728,070 (2 762 2,705,883 3,400,344 13,488,941 1,352,402 943,212 21,920,781 6.58% - 763 17,956,201 4,783,971 18,364,799 1,541,988 7,554,643 4.17% 503,425 764 7,530,428 2,907,197 2,998,096 12,050,241 8,057,645 33,543,607 47,729,409 (2,729,409 764 975,332 (12,525) 230,281 881,021 34,064 2,108,173 5,91% 47,299,409 (2,98,732) 8 7530,428 10,650,241 8,057,645 33,543,607 2,91% 47,299,409 (2,98,732) 8 13,541,887 34,064 2,108,173 5,91% 47,299,409 (2,90,418) 8 10,541,887 4,064	Retirement Work in Progress (Account 108000)		46,957	161,488	(12,960)	182,602	196,158	574,245	0.83%		(211,316
761 78,794 903,576 67,980 98,257 470,994 1,619,601 5.23% 45,728,070 762 2,705,883 3,430,344 13,488,941 1,352,402 943,212 21,920,781 6.58% 763 17,956,291 4,783,971 18,364,799 1,541,898 7,534,846 6.58% 763 1,7956,291 4,783,971 18,364,799 1,541,988 7,554,643 4,17% 503,425 764 975,332 (12,525) 2,998,096 12,050,241 8,057,645 33,543,607 47,299,409 764 975,332 (12,525) 230,281 881,021 34,064 2,108,173 5.91% 47,299,409 764 975,332 (12,525) 230,281 881,021 34,064 2,108,173 5.91% 47,299,409 764 975,332 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400 10,000,400	Construction Work in Progress (Account 107000)		1,802,042	11,029,447	1,540,940	2,166,178	12,832,117	29,370,724			
762 2,705,883 3,430,344 13,588,941 1,352,402 943,212 21,920,781 762 2,83,011 219,739 834,458 61,780 144,886 1,543,846 6.58% - 763 1,956,291 4,789,371 18,364,72 14,31,388 1,541,388 4,156,643 4,17% 503,425 763 1,081,887 38,442 614,127 104,753 16,974 1,886,133 4,17% 503,425 764 975,332 (12,525) 2,998,096 12,050,241 8,057,645 33,543,607 47,299,409 764 975,332 (12,525) 230,281 881,021 34,064 2,108,173 5.91% 47,299,409 8ee page 2 for notes and abbreviations relevant to this page. 881,021 34,064 2,108,173 5.91% 47,299,409	Retirement Work in Progress (Account 108000)	761	78,794	903,576	086'29	98,257	470,994	1,619,601	5.23%		(2,389,819
762 283,011 219,739 834,458 6,1780 144,858 1,543,846 6,58% - 763 1,525,231 4,789,371 18,364,799 1,541,888 7,593 42,654,643 8,17% 503,425 764 7,530,428 2,907,197 2,998,096 12,050,241 1,659,47 1,856,183 4,17% 503,425 764 975,332 (12,525) 2,30,281 881,021 34,064 2,108,173 5,91% 47,299,409 See page 2 for notes and abbreviations relevant to this page. 881,021 34,064 2,108,173 5,91% 47,299,409	Construction Work in Progress (Account 107000)		2,705,883	3,430,344	13,488,941	1,352,402	943,212	21,920,781			
763 1/320,291 4,783,971 18,584,799 1,341,388 7,595 44,054,644 763 1,081,887 2,907,197 2,998,096 12,050,241 8,057,645 33,543,607 764 7,530,428 2,907,197 2,998,096 12,050,241 8,057,645 33,543,607 764 7,530,428 2,907,197 2,998,096 12,050,241 8,057,645 33,543,607 764 7,530,428 2,907,197 2,998,096 12,050,241 8,057,645 2,108,173 5,91% 47,299,409 See page 2 for notes and abbreviations relevant to this page.	Retirement Work in Progress (Account 108000)	-	283,011	219,739	834,458	61,780	144,858	1,543,846	6.58%	1	1
764 7,530,428 2,907,197 2,998,096 12,050,241 8,057,645 33,543,607 47,299,409 764 975,332 (12,525) 230,281 881,021 34,064 2,108,173 5.91% 47,299,409 See page 2 for notes and abbreviations relevant to this page.	Construction Work in Progress (Account 10/000) Retirement Work in Progress (Account 108000)		1,956,291	4,783,971	18,364,799	1,541,988	16.974	1.856.183	4.17%		(20 994
764 975,332 (12,525) 230,281 881,021 34,064 2,108,173 5.91% 47,299,409 See page 2 for notes and abbreviations relevant to this page.	Construction Work in Progress (Account 107000)	-	7,530,428	2,907,197	2,998,096	12,050,241	8,057,645	33,543,607			
Page 1 of 2 Case 15-00261-UT	Retirement Work in Progress (Account 108000)		975,332	(12,525)	230,281	881,021	34,064	2,108,173	5.91%		(2,796,924
Page 1 of 2 Case 15-00261-UT											
Page 1 of 2			See page 2 for no	otes and abbreviati	ons relevant to th	is page.					
Page 1 of 2											
Page 1 of 2											
ge 1 of 2											Pag
2											ge 1 of
											2

PNM EXHIBIT ECB-3 PAGE 2 OF 2

tures Expeditures	V		,		3			7	-		-
Controlled or Control Plane	1 PNM Exhibit ECB-3	0	,	ò	,	-	,	:		,	<u> </u>
Control background Control	-										
Control to the control of the cont	1										
Construction to be contact at the										Linkage & Test Period Additions	Linkage & Test Period
Reference for Work in Progress Account 19000000000000000000000000000000000000		Location	2010 Expeditures	2011 Expeditures	2012 Expeditures	2013 Expeditures	2014 Expeditures	Total Expenditures	Cost of Removal Rate	Subject to Cost of Removal	Forecasted Cost of Removal
Refinement Work in Progress Account 1000000 765 777,548 5,445,640 760,546 760,546 760,546 777,546 775,546		T	500,512	1,764,510	2,145,405	1,830,974	557,391	6,798,791			
Continue view for Progress (Account 198000) 786 1477,183 5,445,100 1,125,639 1,603,802 5,507,589 1,803,802 1			14,694	53,935	25,493	2,047	68,765	164,934	2.37%		(13,187)
Contraction Work in Pages Account 190000 765 84435 1444,559 1444,			1,777,833	5,645,703	5,451,601	1,326,039	1,603,846	15,805,022			
Contruction who is registered by the control of the		-	8,433	43,028	283,025	401,960	140,912	877,358	5.26%		(446,610)
Reference March in Progress (Account 1900) 759 764,335 1,05,366 1,47% 9,472 1,43% 1,61,106 1,47% 9,472 1,43% 1,61,106 1,47% 9,472 1,43% 1,61,106 1,47% 1,43% 1			725,184	1,389,798	1,463,303	1,844,859	294,623	5,717,768			
Contraction Work for Progress (Account 19000) 779 78-54.70 58-57.70		-	50,983	9,816	4,415	17,414	(723)	81,906	1.41%		(134)
The French Mark In Progress Account 180000) 779 33,5559 3,444 18,590 19,900 19,72 186,573 2,41% 200,550 The French Mark In Progress and reformed on a rate of fuo-year historical reflectment work in progress and reforment work in progress and refore		4	764,333	1,055,706	588,773	208,999	159,197	2,777,008			
Notes: Note of the move of th	ř	779	33,959	1,448	18,490	10,901	3,722	68,521	2.41%	200,496	(4,828)
Understand cost of removal is based on a rate of two-year historical retirement work in progress and retirement of company 3) 7.12 - Part Verde Wulder Generating Station (Company 3) 7.22 - Part Verde Wulder Generating Station (Company 3) 7.23 - Part Verde Wulder Generating Station (Company 3) 7.24 - Part Verde Wulder Generating Station (Company 3) 7.25 - Part Verde Wulder Generating Station (Company 3) 7.26 - Part Verde Wulder Generating Station (Company 3) 7.27 - Part Verde Wulder Generating Station (Company 3) 7.28 - Part Verde Wulder Generating Station (C											(13 373 400)
Notes: Constitution of temporal is based on a rate of hea-per historial retirement work in progress and retirement work in the retirement work in											(0.000000000000000000000000000000000000
1. Eccentated cost of removal is based on a rate of flow-year National Processes and retirement work in progress applied to plant in service additions. Local International Company 3											
Contracted cost of removal is based on a rate of five-year historical restrement work in progress and restrement (company 3) 713 - Restrement (company 3) 713 - Four Corner (company 3) 714 - Four Corner (company 3) 715 - Four Corner (company 3) 715 - Four Corner (company 3) 716 - Four Corner (company 3) 717 - Four Corner (company 3) 718 - Four Corner (company 3) 719 - Four Corner (company 3) 710 - Four Corner (company 3) 710 - Four Corner (company 3) 7110 - Four		two-vear his		vork in progress t	o construction wo	rk in progress and	retirement work in	progress applied	to plant in service	e additions.	
Location Abbreviations 100		five-vear his	torical retirement v	vork in progress to	construction wo	rk in progress and	retirement work in	nrogress applied	to plant in service	additions.	
Continue Matthew (Company 1)								90.4			
150 - Dictribution (Company 1) 150 - Dictribution (Company 34) 150 - Transmission (Company 34) 150 - Transmission (Company 34) 150 - Transmission (Company 34) 151 - Rev Centre Selected (Company 34) 152 - Pair Or Centre Selected (Company 34) 153 - Rev Centre Selected (Company 34) 154 - Rev Centre Selected (Company 34) 155 - Pair Or Verde Nuclear Generating Station Unit 1 (Company 34) 157 - Pair Or Centre Selected (Selected Unit 2 (Company 34) 157 - Pair Or Centre Selected (Selected Unit 2 (Company 34) 158 - San Juan Generating Station Unit 1 (Company 34) 159 - San Juan Generating Station Common Units 482 (Company 34) 159 - San Juan Generating Station Common MI Units (Company 34) 159 - San Juan Generating Station Common MI Units (Company 34) 159 - San Juan Generating Station (Company 34) 159 - San Juan Generating Station Common MI Units (Company 34) 159 - San Juan Switchyard (Company 34) 159 - San Juan Switchyard (Company 34) 159 - San Juan Switchyard (Company 34) 150 - San Juan Switchyard (Company 34) 150 - San Juan Switchyard (Company 34) 150 - San Juan Switchyard (Company 34) 151 - San Juan Switchyard (Company 34) 152 - San Juan Switchyard (Company 34) 153 - San Juan Switchyard (Company 34) 154 - San Juan Switchyard (Company 34) 155 - San Juan Switchyard (Company 34) 155 - San Juan Switchyard (Company 34) 156 - San Juan Switchyard (Company 34) 157 - San Juan Switchyard (Company 34) 157 - San Juan Switchyard (Company 34) 158 - San Juan Switchyard (Company 34) 159 - San Juan Switchyard (Company 34) 150 - San Juan Switchyard (Company 34) 150 - San Juan Switchyard (Company 34) 151 - San Juan Switchyard (Company 34) 152 - San Juan Switchyard (Company 34) 153 - San Juan Switchyard (Company 34) 155 - San Juan Switchyard (Company 34) 155 - San Juan Switchyard (Company 34) 156 - San Juan Switchyard (Company 34) 157 - San Juan Switchyard (Company 34) 157 - San Juan Switchyard (Company 34) 158	<u>L</u>										
155 - Dutrbution (Company 34)	_										
200 - Transmission (Company 35) 200 - Transmission (Company 35) 201 - Caramistion (Company 31) 100 - After Generating Station (Company 31) 202 - Arten Generating Station (Company 31) 121 - Four Center Generating Station (Company 31) 202 - Law Caregorities (Company 31) 272 - Pall overtee Muldear Generating Station Unit 2 (Company 31) 203 - Pall of Station (Company 31) 273 - Pall of Vertee Muldear Generating Station Unit 2 (Company 31) 204 - Pall of Vertee Muldear Generating Station Unit 3 (Company 31) 274 - Pall of Vertee Muldear Generating Station Unit 3 (Company 31) 765 - San Juan Generating Station Common (Lompany 31) 765 - San Juan Generating Station Unit 3 (Company 31) 765 - San Juan Generating Station Common MI Units (Company 31) 765 - San Juan Generating Station Common MI Units (Company 31) 765 - San Juan Generating Station Common MI Units (Company 31) 7779 - San Juan Generating Station Units 3 Adv (Company 31) 767 - San Juan Generating Station Units 3 Adv (Company 31) 7779 - San Juan Switchyard (Company 31)	<u> </u>										
13- Reverse Generating Station (Company 3) 1713 - Reverse Generating Station (Company 3) 1713 - Reverse Generating Station (Company 3) 1715 - Palo Verde Hurdera Cenerating Station (Company 3) 1715 - Palo Verde Hurdera Generating Station (Incompany 3) 1715 - Palo Verde Hurdera Generating Station Unit 3 (Company 3) 1715 - Palo Verde Hurdera Generating Station Unit 3 (Company 3) 1715 - Palo Verde Hurdera Generating Station Unit 3 (Company 3) 1715 - Palo Verde Hurdera Generating Station Unit 3 (Company 3) 1715 - Palo Verde Hurdera Generating Station Unit 3 (Company 3) 1715 - San Juan Generating Station Unit 3 (Company 3) 1715 - San Juan Generating Station Unit 4 (Company 3) 1715 - San Juan Generating Station Common Mil Units (Company 3) 1715 - San Juan Generating Station Common Mil Units (Company 3) 1715 - San Juan Generating Station Unit 3 344 (Company 3) 1715 - San Juan Switchyard (Company 3) 1											
707 - Afton Generating Station (Company 3) 713 - Four Corners Generating Station (Company 3) 714 - Four Corners Generating Station (Company 3) 715 - Four Corners Generating Station unit 1 (Company 3) 721 - Palo Verde Nuclear Generating Station unit 2 (Company 3) 723 - Palo Verde Nuclear Generating Station unit 2 (Company 3) 724 - Palo Verde Nuclear Generating Station unit 2 (Company 3) 725 - San Usan Generating Station unit 3 (Company 3) 762 - San Usan Generating Station unit 4 (Company 3) 763 - San Usan Generating Station curron unit 4 (Company 3) 765 - San Usan Generating Station units 4 (Company 3) 765 - San Usan Generating Station units 4 (Company 3) 767 - San Usan Generating Station units 4 (Company 3) 767 - San Usan Generating Station units 4 (Company 3) 767 - San Usan Switchyard (Company 3)											
713. Reveex Gomerating Station (Company 3) 715. Reveex Gomerating Station (Company 3) 721. Fall Verdex Generating Station (Longary 3) 721. Pall Verdex Vucties Generating Station Unit 1 (Company 3) 722. Pall Verdex Nuclear Generating Station Unit 3 (Company 3) 723. Pall Verdex Nuclear Generating Station Unit 3 (Company 3) 723. Pall Verdex Nuclear Generating Station Unit 3 (Company 3) 764. San Juan Generating Station Unit 3 (Company 3) 762. San Juan Generating Station Unit 3 (Company 3) 765. San Juan Generating Station Common Units (Company 3) 765. San Juan Generating Station Common Units (Company 3) 766. San Juan Generating Station Common Units (Company 3) 767. San Juan Generating Station Common Units (Company 3) 767. San Juan Generating Station Common Units (Company 3) 7779 - San Juan Generating Station Common Units (Company 3) 7779 - San Juan Generating Station Common Units (Company 3)											
721 Palo Verde Nuclear Generating Station Unit 1 (Company 3) 722 Palo Verde Nuclear Generating Station Unit 2 (Company 3) 723 Palo Verde Nuclear Generating Station Unit 1 (Company 3) 724 Palo Verde Nuclear Generating Station Unit 2 (Company 3) 724 Palo Verde Nuclear Generating Station Unit 2 (Company 3) 727 Palo Verde Nuclear Generating Station Unit 2 (Company 3) 727 Palo Verde Nuclear Generating Station Unit 2 (Company 3) 728 San Juan Generating Station Unit 2 (Company 3) 728 San Juan Generating Station Unit 3 (Company 3) 729 San Juan Generating Station Unit 3 (Company 3) 729 San Juan Generating Station Unit 3 (Company 3) 739 San Juan Generating Station Unit 3 (Company 3) 739 San Juan Generating Station Unit 3 (Company 3) 739 San Juan Generating Station Unit 3 (Company 3) 739 San Juan Generating Station Unit 3 (Company 3) 739 San Juan Switchyard (Company 3)	4										
721 - Plo Verde Nuclear Generating Station Until (Company 3) 722 - Palo Verde Nuclear Generating Station Until 3 (Company 3) 723 - Palo Verde Nuclear Generating Station Until 3 (Company 3) 724 - Palo Verde Nuclear Generating Station Until 3 (Company 3) 724 - San User Generating Station Until 1 (Company 3) 725 - San User Generating Station Until 2 (Company 3) 725 - San User Generating Station Until 4 (Company 3) 726 - San User Generating Station Until 4 (Company 3) 727 - San User Generating Station Common Units 1&2 (Company 3) 727 - San User Generating Station Common Units 2 (Company 3) 727 - San User Generating Station Common All Units (Company 3) 727 - San User Generating Station Common All Units (Company 3) 727 - San User Generating Station Common All Units (Company 3) 727 - San User Generating Station Common All Units (Company 3) 728 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 729 - San User Generating Station Common All Units (Company 3) 720 - San User Generating Station Common All Units (Company 3) 720 - San User Generating Station Common All Units (Company 3) 720 - San User Generating Station Common All Units (Company 3) 720 - San User Generating Station Common All Units (Company 3) 720 - San User Generating Station Common All Units (Company 3) 721 - San User Generating Station Unit (Company 3) 722 - San User Generating Station Unit (Company 3) 723 - San User Generating Station Unit (Company 3) 724 - San User Generating Station Unit (Company 3) 725 - San User Generating Station Unit (Company 3) 725 - San User Generating Station Unit (Company 3) 726 - San Use		3)									
7.2.7 - Falo Verde Nuclear Generaling Station Unit 2 (Company 3) 7.2.7 - Falo Verde Nuclear Generaling Station Unit 3 (Company 3) 7.2.7 - Falo Verde Nuclear Generaling Station Unit 3 (Company 3) 7.2.5 - Falo Verde Nuclear Generaling Station Unit 3 (Company 3) 7.2.5 - San Juan Generaling Station Unit 4 (Company 3) 7.2.5 - San Juan Generaling Station Unit 4 (Company 3) 7.2.5 - San Juan Generaling Station Common Unit 1 82 (Company 3) 7.2.5 - San Juan Generaling Station Common Unit 1 82 (Company 3) 7.2.5 - San Juan Generaling Station Common Unit 1 82 (Company 3) 7.2.5 - San Juan Switchyard (Company 3)		1 (Company	3)								
732 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 734 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 764 - San Luan Generating Station Unit 2 (Company 3) 765 - San Luan Generating Station Unit 4 (Company 3) 765 - San Luan Generating Station Unit 4 (Company 3) 765 - San Luan Generating Station Unit 4 (Company 3) 765 - San Luan Generating Station Unit 4 (Company 3) 765 - San Luan Generating Station Unit 3 & (Company 3) 765 - San Luan Generating Station Common Mil Units (Company 3) 765 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 779 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San Luan Generating Station Units 3 & (Company 3) 770 - San		2 (Company	3)								
724 - Palo Verde Nuclear Generating Station Common (Company 3) 762 - San Juan Generating Station Unit 2 (Company 3) 763 - San Juan Generating Station Unit 3 (Company 3) 763 - San Juan Generating Station Unit 3 (Company 3) 764 - San Juan Generating Station Common Unit 3 (Company 3) 765 - San Juan Generating Station Common Unit 3 (Company 3) 767 - San Juan Generating Station Common Unit 3 (Company 3) 779 - San Juan Switchyard (Company 3) 779 - San Juan Switchyard (Company 3)		3 (Company	3)								
765 - San Juan Generating Station Unit 3 (Company 3) 765 - San Juan Generating Station Unit 3 (Company 3) 765 - San Juan Generating Station Unit 4 (Company 3) 764 - San Juan Generating Station Common Unit 1 (San Juan Generating Station Unit 2 (San Juan Switchyard (Company 3) 779 - San Juan Switchyard (Company 3)		mon (Compa	υ λ 3}								
762 - San Juan Generating Station Unit 2 (Company 3) 763 - San Juan Generating Station Unit 2 (Company 3) 764 - San Juan Generating Station Unit 4 (Company 3) 765 - San Juan Generating Station Unit 4 (Company 3) 765 - San Juan Generating Station Common Units 182 (Company 3) 766 - San Juan Generating Station Units 384 (Company 3) 779 - San Juan Senterating Station Units 384 (Company 3) 779 - San Juan Senterating Station Units 384 (Company 3) 779 - San Juan Senterating Station Units 384 (Company 3) 779 - San Juan Senterating Station Units 384 (Company 3)	4	ıy 3)									
765 - San Juan Generating Station Unit 3 (Company 3) 764 - San Juan Generating Station Unit 4 (Company 3) 766 - San Juan Generating Station Common Units 182 (Company 3) 766 - San Juan Generating Station Common Units 282 (Company 3) 767 - San Juan Generating Station Units 384 (Company 3) 779 - San Juan Generating Station Units 384 (Company 3) 779 - San Juan Switchyard (Company 3)	_	17.3)									
764 - San Juan Generating Station Unit 4 (Company 3) 765 - San Juan Generating Station Common Units 182 (Company 3) 767 - San Juan Generating Station Common Units 384 (Company 3) 779 - San Juan Switchyard (Company 3) 779 - San Juan Switchyard (Company 3)	4	17 3)									
Age - San Juan Generating Station Common Units 342 (Company 3) Age - San Juan Generating Station Common All Units (Company 3) Age - San Juan Generating Station Common All Units 344 (Company 3) Age - San Juan Switchyard (Company 3) Age -	4	17.3)									
App San Juan Generating Station Common All Units (Company 3) 779 - San Juan Switchyard (Sompany 3) 779 - San Juan Swi		1&2 (Compa	ny 3)								
Page 2 of 2 Case 15-00261-UT 779 - San Juan Switchyard (Company 3) 779 - San Juan Switchyard (Company 3)	4	iits (compan)	(3)								
Page 2 of 2 Case 15-00261-UT	\perp	ipany 3)									
Page 2 of 2 Case 15-00261-UT	\perp										
Page 2 of 2 Case 15-00261-UT	80										
Page 2 of 2 Case 15-00261-UT	81										
Page 2 of 2 Case 15-00261-UT	82										
Page 2 of 2 Case 15-00261-UT	83										
Page 2 of 2 se 15-00261-UT											
ge 2 of 2 LS-00261-UT											Pa
2 of 2)0261-UT											ge
f 2 61-UT											2 of
JT											2
	84										

Retirements

PNM Exhibit ECB-4

Is contained in the following 6 pages.

	А	8	O	Д	E	Ь	Э	Ξ	- 1
1	PNM Exhibit ECB-4								
	Calculation of Forecasted Retirements								
m									Linkage & Test
				2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	Period Forecasted
4	Utility Account	Location	FERC	Retirements	Retirements	Retirements	Retirements	Retirements	Retirements
2	Transmission & Distribution								
9	Transmission & Distribution Plant (1)								
7	Structures and Improvements	100	361				(11,713)	•	(8,785)
80	Station equipment	100	362				(066'26)	(176,147)	(205,603)
6	Poles, towers and fixtures	100	364				(233,765)	(330,291)	(423,043)
10	Overhead conductors and devices	100	365				(151,168)	(247,620)	(299,091)
11	Underground conduit	100	366				(54,626)	(25,259)	(59,913)
12	Underground conductors and devices	100	367				(347,298)	(508,015)	(641,485)
13	Line transformers	100	368				(846,751)	(858,834)	(1,279,189)
14	Services	100	698				(41,936)	(22,866)	(48,602)
15	Underground Services	100	369.1				-	(53,516)	(40,137)
16	Meters	100	370				(780,069)	(716,084)	(1,122,115)
17	installations on customers' premises	100	371				(16,342)	(6,115)	(16,842)
18	Street lighting and signal systems	100	373				(111,280)	(889'66)	(158,226)
19	Station equipment	155	362				(61)	(683)	(582)
2	Poles, towers and fixtures	155	364				(190,545)	(224,822)	(311,526)
21	Overhead conductors and devices	155	365				(49,802)	(39,230)	(66,775)
22	Underground conductors and devices	155	367				(2,864)	(1,950)	(3,611)
23	Line transformers	155	368				(170,976)	(84,350)	(191,495)
24	Services	155	369				(140,106)	(131)	(105,177)
25	Meters	155	370				(155,746)	(53)	(116,850)
26	Street lighting and signal systems	155	373				(54,430)	(1,114)	(41,658)
27	Station equipment	220	353				(26,577)	(674,043)	(525,465)
28	Poles and fixtures	220	355				(020,020)	(672)	(22,306)
53	Structures and improvements	650	352				•	(5,062)	(3,796)
30	Station equipment	650	353				(1,056,148)	(345,045)	(1,050,895)
31	Poles and fixtures	650	355				(165,192)	(65,533)	(173,043)
32	Overhead conductors and devices	650	356				(1,473)	(305,515)	(230,241)
33				See page 6 for no	See page 6 for notes and abbreviations relevant to this page.	ons relevant to th	is page.		
34									
									t ECB-4 1 of 6 00261-UT
35									Г

ī	A	В	C	٥	ы	ш	9	Н	
	PNM Exhibit ECB-4								
7	Calculation of Forecasted Retirements								
m									
									Linkage & lest Period
4	Hillity Account	location	7834 C834	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	Forecasted
36									
1 6		100	391						(368,692)
8		100	393				-		(6,379)
39		100	394						(411,587)
40		100	395						(6,171)
43	1 Communication equipment	100	397						(337,706)
42	2 Miscellaneous equipment	100	398						(23,854)
43	3 Office furniture and equipment	155	391						(6,105)
44	4 Communication equipment	155	397						1
45	5 Tools, shop and garage equipment	650	394						(52,750)
46	6 Communication equipment	650	397						(3,255,592)
47	7 Total Transmission & Distribution								(11,615,288)
48	8								
49	9 Production								
50	o Steam, Nuclear & Other Production Plant (3)								
51	1 Structures and improvements	707	341	•	(93,904)	1	•	(283,719)	
52	 Fuel holders, producers and accessories 	707	342	(7,470)	t	ī	(50,000)	(285,405)	(102,863)
53	s Generators	707	344		•	(110,961)	(42,558)		
54		707	345		•	(22,082)	(157,160)	(239,214)	
55		713	311	(24,459)	•	(126,824)	(194,249)		
99	6 Boiler plant equipment	713	312	(1,138,749)	(2,077,223)	(150,874)	(1,304,619)		(1,424,975)
57	7 Turbogenerator units	713	314	(280,323)	(407,425)	(198,866)	(37,633)		(301,037)
82		713	315	(164,423)	(32,733)	•	(105,951)		
59		713	316	-	•	•	(677,242)		<u></u>
ဖြ		715	311	•	(1,978)	1	(14,130)		
61	1 Boiler plant equipment	715	312	(1,384,357)	(729,300)	1	(499,490)	(516,804)	(1
62		715	314	(301,387)	(342,905)	3	(104,780)	-	(298,521)
63		715	315	(89,617)	1	(18,991)	(9,100)		(35,312)
64	Miscellaneous powerplant equipment	715	316	(4,694)		(2,746)	(12,133)	(37,222)	(17,038)
59				See page 6 for no	ites and abbreviat	See page 6 for notes and abbreviations relevant to this page	is page.		
99									Exhibit ECB-4 Page 2 of 6 Case 15-00261-UT

1 PMM Enhibit Ed4	L	¥	8	υ	Ω	ш	ш	9	Ŧ	
Utility Account		PNM Exhibit ECB-4								
Structure and improvements Cost of the	7	Calculation of Forecasted Retirements								
Structures and improvements Structures Structures and improvements Structures Struct	m									linkage & Tect
Utility Account Execution Fire Retirements Page (1) Actual (1,458) Retirements (1,458) R										Period
Strictures and improvements Total Continue Section Section					2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	Forecasted
Structures and improvements 721 322 (26,741) (1,456) (75,250) (72,250) (1,456) (1,446)	4	5	Location	FERC	Retirements	Retirements	Retirements	Retirements	Retirements	Retirements
National Plant Equipment 721 323 (209,487) (6,158) (7,2390) (7,2409) (7,	6		7.21	321	(77/,71)	(1,4/8)	(4,850)	(2,126)	(1,860)	(11,111)
Turbogenerator units 721 323 (28,50) - (1704L) (72,66) (35,51) (1 Accessory electric equipment 721 324 (35,59) - (1759) (1,726) 1 Miscellareous powerplant equipment 722 322 (18,809) (1,264) (1,529) (1,529) Restor plant equipment 722 323 (12,8614) (1,527) (1,529) (1,529) Accessory electric equipment 722 323 (23,396) (1,527) (1,529) (1,529) Miscellareous powerplant equipment 722 324 (27,7724) (3,480) (1,529) (1,529) Miscellareous powerplant equipment 723 322 (24,129) (1,627) (7,705) (6,57) (7,705) (6,57) (7,705) (6,57) (7,705) (7,67) (7,705) (7,67) (7,705) (7,67) (7,705) (7,67) (7,705) (7,67) (7,705) (7,67) (7,705) (7,67) (7,705) (7,67) (7,705) (7,67) (7,705) (7	88		721	322	(209,487)	(6,158)	(72,290)	(260,955)	(31,504)	(174,118)
Accessory electric equipment 721 324 (59,544) - (433) (755)	69		721	323	(281,202)	•	(12,041)	(72,066)	(32,616)	(121,778)
Miscellaneous powerplant equipment 721 325 (8,853) - (25) (1,725) (1,5897) Reactor plant equipment 722 322 (338,473) (128,614) (6,57) (1,584) (7,573) (7,587) Aurosgovalectric quipment 722 323 (338,473) (128,614) (6,57) (7,582) (7,583) Auscellaneous powerplant equipment 722 322 (8,500) (1,030,578) (6,57) (7,583) (7,583) Reactor plant equipment 723 322 (8,600) (1,030,578) (7,842) (6,730) (7,748) Alksellaneous powerplant equipment 723 322 (8,600) (1,030,578) (7,842) (1,730,020) (67,748) Alksellaneous powerplant equipment 724 322 (1,692) (20,909) (1,030,032) (1,730,020) (67,748) Alksellaneous powerplant equipment 724 322 (1,692) (20,909) (1,030,032) (1,030,032) (1,030,032) (1,030,032) (1,030,032) (1,030,032) (1,030,032) (1,0	2		721	324	(59,594)	•	(433)	-	1	(18,008)
Restructive and improvements 722 321 (18,803) (13,814) (10,814) (1,514)	71		721	325	(8,363)	•	(255)	(1,725)	-	(3,103)
Reactor plant equipment 722 322 (333-68) (125,642) (3,030) (5,625) (75,897) (17,897) Accessoy electric equipment 722 324 (377,724) (1344) (1,73) (122,642) (65,415) (77,705) Accessoy electric equipment 723 323 (37,724) (1,73) (1,73) (77,705)	72		722	321	(18,803)	(623)	(1,109)	(1,954)	(1,316)	(7,142)
Turbogenerator units 722 323 (233,968) (8,144) (6,527) (122,642) (66,415) (6 Miscellaneous powerplant equipment 722 324 (377,724) (3,688) (173,907) (77,705) (7,705) Accessory electric equipment 723 321 (25,041) (1,036,578) (123,020) (673,88) (673,88) Turbogenerator units 723 323 (1,047) (10,0877) (301,032) (20,067) Accessory electric equipment 724 321 (1,276) (1,047) (10,0877) (301,032) (20,067) Structures and improvements 724 321 (1,376) (48,673) (24,682) (31,2376) Accessory electric equipment 724 321 (1,376) (48,673) (24,682) (31,2376) Accessory electric equipment 724 324 (1,376) (46,600) (60,156) (31,000,000) Accessory electric equipment 724 324 (1,282,20) (1,592,90) (31,000,000) (31,000,000)	73		722	322	(338,473)	(128,614)	(080'8)	(26,235)	(75,897)	(180,675)
Accessory electric equipment 722 324 (377/24) (13,688) (173) (57,307) (77,705) (788) Structures and improvements 723 325 (25,411) - (20,888) - (646) (678) (678) Reactor plant equipment 723 323 (26,422) (1,136,578) (7,442) (1,23,502) (677,485) (677,485) Accessory electric equipment 723 323 (1,402) (210,402) (7,542) (1,23,502) (677,485) (677,485) Accessory electric equipment 723 323 (1,502) (20,909) (7,64,527) (220,687) (67,785) (67,7	74		722	323	(233,968)	(8,144)	(6,257)	(122,642)	(66,415)	(131,228)
Miscellaneous powerplant equipment 722 325 - (546) (98) Reactor plant equipment 723 321 (25,41) - (20,88) (6,738) Reactor plant equipment 723 322 (86,000) (1,030,578) (7,842) (123,022) Turbogenerator units 723 324 (24,129) (21,047) (10,877) (32,088) Miscellaneous powerplant equipment 724 324 (1,302) - (20,909) - (1,202) Accessory electric equipment 724 323 (1,376) - (2,602) (1,372) (5,571) Accessory electric equipment 724 323 (1,376) (26,523) (1,372) (2,370) Accessory electric equipment 724 323 (1,28,23) (35,599) (1,46,400) (31,65,517) (33,706) Accessory electric equipment 761 314 (821,826) (35,599) (146,400) (33,706) (33,706) Accessory electric equipment 761 314 (821,826) (35,599) (146,400) (31,625,51)<	75		722	324	(377,724)	(3,480)	(173)	(57,307)	(20,770)	(154,916)
Structures and improvements 723 321 (25,411) - (20,888) - 6,6738 - - (6,738) - - - (6,738) - <th>76</th> <td></td> <td>722</td> <td>325</td> <td>•</td> <td>1</td> <td>1</td> <td>(646)</td> <td>(86)</td> <td>(223)</td>	76		722	325	•	1	1	(646)	(86)	(223)
Reactor plant equipment 723 322 (86,000) (1,030,578) (7,842) (1,23,020) (677,485) (7 Turbogenerator or plant equipment 723 324 (24,129) (20,903) - (22,588) (22,588) (7,20,687) (7 Miscellaneous powerplant equipment 724 325 (24,129) (20,903) - (24,527) (35,221) (7 Structures and improvements 724 322 (1,376) - (20,029) (126,527) (14,727) Accessory electric equipment 724 323 (1,376) - (26,027) (15,520) (20,027) - (2,027) Miscellaneous powerplant equipment 761 312 (1,376) (2,6592) (15,529) (15,530) (15,529) (15,530) (25,245) (20,527) Miscellaneous powerplant equipment 761 312 (2,232) (1,5592) (1,5592) (1,55,43) (1,5592) (1,55,43) (1,55,43) (1,55,43) (1,55,43) (1,55,43) (1,55,43) (1,55,43) (1,55,43) (1,55,43) (1,55,43)	77	_	723	321	(25,411)	•	(20,888)	-	(6,738)	(15,911)
Turbogenerator units 723 323 (24,129) (211,047) (108,877) (301,032) (220,687) (10,682) (220,687) (10,682) (220,687	78		723	322	(86,000)	(1,030,578)	(7,842)	(123,020)	(677,485)	(577,477)
Accessory electric equipment 723 324 - (20,909) - (20,508) (8,501) Miscellaneous powerplant equipment 724 325 (1,376) - (2,622) (14,727) Reactor plant equipment 724 322 (1,376) - (2,627) (5,527) Turbogenerator units 724 323 (1,376) - (2,627) (5,545) Miscellaneous powerplant equipment 724 324 (5,5305) (43,589) (16,569) (6,116) Miscellaneous powerplant equipment 761 311 (2,6912) (1,559) (5,18,517) (2,548) Structures and improvements 761 312 (2,085) (1,599) (1,5,589) (1,5,640) (6,116) Structures and improvements 761 312 (2,085) (1,599) (1,5,589) (1,5,651) (1,5,659) Accessory electric equipment 761 315 (2,2085) (1,016,560) (1,3165) (1,3165) (1,3165) (1,3165) Miscellaneous powerplant equipment 761 315 (2,1085) <t< td=""><th>79</th><td></td><td>723</td><td>323</td><td>(24,129)</td><td>(211,047)</td><td>(108,877)</td><td>(301,032)</td><td>(220,687)</td><td>(259,731)</td></t<>	79		723	323	(24,129)	(211,047)	(108,877)	(301,032)	(220,687)	(259,731)
Miscellaneous powerplant equipment 723 325 (1,902)	80		723	324	1	(50,909)	•	(22,588)	(8,501)	(15,600)
Structures and improvements 724 321 (274,657) (48,673) (246,825) (917,342) (58,521) (7 Reactor plant equipment 724 323 (1,376) - </td <th>81</th> <td></td> <td>723</td> <td>325</td> <td>(1,902)</td> <td></td> <td>,</td> <td>1</td> <td>(14,727)</td> <td>(4,989)</td>	81		723	325	(1,902)		,	1	(14,727)	(4,989)
Reactor plant equipment 724 322 - - (2,027) - Turbogenerator units 724 323 (1,376) - - - - Autsogenerator units 724 324 (55,303) (43,588) (46,400) (60,156) - Autscalsaneous powerplant equipment 761 311 (26,912) - (152,680) - Structures and improvements 761 312 (821,886) (255,988) 228,046 (3,162,613) (1,104,048) Boiler plant equipment 761 314 (20,912) - (1,25,988) 228,046 (3,162,613) (1,104,048) Accessory electric equipment 761 315 (22,088) (1,137) (80,483) (7,806) - - Miscellaneous powerplant equipment 761 316 (22,535) (1,102,560) (1,024,540) (1,024,540) (1,024,540) (1,024,540) (1,034) - Structures and improvements 764 312 (5,416,191) (49,537,542)	82		724	321	(274,657)	(48,673)	(246,825)	(917,342)	(58,521)	(463,805)
Turbogenerator units 724 323 (1,376) - - - - Accessory electric equipment 724 324 (55,305) (46,400) (60,156) (23,706) Miscellaneus and improvements 761 311 - (26,512) - (15,595) (51,516) - Structures and improvements 761 312 (821,826) (25,598) 228,046 (3,162,613) (1,162,080) Boiler plant equipment 761 314 - (2,065,335) (74,137) 80,483 (7,866) (7,866) Accessory electric equipment 761 315 (2,065,335) (74,137) 80,483 (7,866) (7,866) Accessory electric equipment 764 311 (2,065,335) (7,137) 80,483 (7,866) (7,188) Structures and improvements 764 311 (485,799) (1,024,540) (1,024,540) (1,024,540) (1,024,540) (1,024,540) (7,186) Accessory electric equipment 764 315 (6,032,641,610)<	83		724	322	_	ī	•	(2,027)	1	(809)
Accessory electric equipment 724 324 (55,305) (45,58) (46,400) (60,156) (23,706) Miscellaneous powerplant equipment 724 325 (128,523) (35,299) (15,959) (518,517) (25,455) (75,545) Structures and improvements 761 312 (821,826) (25,9212) (152,680) (3,162,613) (1,152,680) (1,182,613) <th>84</th> <td></td> <td>724</td> <td>323</td> <td>(1,376)</td> <td>1</td> <td>,</td> <td>•</td> <td>•</td> <td>(413)</td>	84		724	323	(1,376)	1	,	•	•	(413)
Miscellaneous powerplant equipment 724 325 (128,523) (15,599) (518,517) (25,545) (6 Structures and improvements 761 311 - (26,912) - (15,680) - (15,690)	85		724	324	(55,305)	(43,588)	(46,400)	(60,156)	(23,706)	(68,746)
Structures and improvements 761 311 - (26,912) - (152,680) - (152,680) - (26,912) - (26,912) - (26,912) - (26,912) - (25,688) - (28,046) - (3,162,613) (1,137) 80,0483 - (1,266,133) (1,137) 80,0483 - (1,866) - (1,862,134) - (1,866,134) - (1,	86		724	325	(128,523)	(35,299)	(15,959)	(518,517)	(25,545)	(217,153)
Boiler plant equipment 761 312 (821,826) (2382,220) (255,988) 228,046 (3,162,613) (1,100,600 1,1000) (1,100,600) (1,10	87		761	311	•	(26,912)	r	(152,680)	•	(53,878)
Turbogenerator units 761 314 - (2,065,335) (74,137) 80,483 (7,806) (7,806) Accessory electric equipment 761 315 (2,085) (1,016,560) (3,165) (78,826) - (1,8826) - (1,8826) - (1,3434) - (1,3434) - - (1,134) - - (1,134) - - (1,134) - - (1,134) - - (1,134) - - (1,134) - - (1,134) - - (1,134) - - - (1,134) -	88		761	312	(821,826)	(2,382,220)	(255,988)	228,046	(3,162,613)	(1,918,380)
Accessory electric equipment 761 315 (22,085) (1,016,560) (3,165) (78,826) - (78,826) - (78,826) - (78,826) - (73,834) - (16,358) - (9,134) - (9,134) - (9,134) - (9,134) - (1,6358) <th>8</th> <td></td> <td>761</td> <td>314</td> <td>1</td> <td>(2,065,335)</td> <td>(74,137)</td> <td>80,483</td> <td>(2,806)</td> <td>(620,038)</td>	8		761	314	1	(2,065,335)	(74,137)	80,483	(2,806)	(620,038)
Miscellaneous powerplant equipment 761 316 - (189) - (9,134) - Structures and improvements 764 311 - - - (1,024,540) (1,024,540) (1,024,540) (1,024,542) (3,557,202) (757,742) (3,742)	90		761	315	(22,085)	(1,016,560)	(3,165)	(78,826)	•	(336,191)
Structures and improvements 764 311 - (2,188) (136,234) (16,358) Boiler plant equipment 764 312 (5,416,191) (485,799) (1,024,540) (2,557,202) (757,742) (3) Turbogenerator units 764 314 (9,032,642) (507,258) (2,300,165) 1,116,654 (191,141) (3) Accessory electric equipment 764 315 - - (70,486) - Accessory electric equipment 5ee page 6 for notes and abbreviations relevant to this page. 6 6	91		761	316	ı	(189)	•	(9,134)	r	(2,797)
Boiler plant equipment 764 312 (5,416,191) (485,799) (1,024,540) (2,557,202) (757,742) (757,742) Turbogenerator units 764 314 (9,032,642) (507,258) (2,300,165) 1,116,654 (191,141) (6 Accessory electric equipment 764 315 - - (70,486) - - Accessory electric equipment 5ee page 6 for notes and abbreviations relevant to this page. - (70,486) - -	92		764	311	ı	•	(2,188)	(136,234)	(16,358)	(46,434)
Turbogenerator units 764 314 (9,032,642) (507,258) (2,300,165) 1,116,654 (191,141) (1,01,141) Accessory electric equipment 764 315 - - - (70,486) - See page 6 for notes and abbreviations relevant to this page. - (70,486) - -	8		764	312	(5,416,191)	(485,799)	(1,024,540)	(2,557,202)	(757,742)	(3,072,442)
Accessory electric equipment 764 315 (70,486) (70,486) (70,486) (70,486) (70,486) (70,486) (70,486) (70,486) -	94		764	314	(9,032,642)	(507,258)	(2,300,165)	1,116,654	(191,141)	(3,274,366)
Page 3 of 6 Case 15-00261-UT	95		764	315	,	ı	1		ı	(21,146)
Page 3 of 6 Case 15-00261-UT	98				See page 6 for no	tes and abbreviation	ons relevant to thi	s page.		
3 of 6 00261-UT										Page
; UT										3 of 6
	0									j

FINITE Childric EGB-4 A B C D E F C D E	-		Linkage & Test Period	Forecasted	Retirements	(19,031)	(35,129)	(086'9)	(8,046)	(245,424)	(259,254)	(128,448)	(11,234)	(200,044)	(4,189)	(137,391)	(080′9)		(148,004)	(820)	(388)	(30,385)	(27,491)	(4,716)	(14,090)	(118,540)	(10,388)	(6,219)	(19,413)	(4,169)	(0)			Exhibit ECB-4 Page 4 of 6 Case 15-00261-UT
PRIME Entitite CED-4 A B C D C D C D C D C D C D C D C D C D C D C D C D D	x				\dashv	(63,435)	(59,964)	1	•	(320,299)	(109,403)	(5,770)	(24,682)	(650,567)	(11,870)	(373,370)	1		(54,220)	-		(97,728)	(2,091)	ŧ	*	I	•	(20,729)		,	1			
PINM Exhibit ECB-4 A B C Calculation of Forecasted Retirements C Structures Boiler plant equipment 765 312 Accessory electric equipment 766 314 Accessory electric equipment 766 314 Accessory electric equipment 766 314 Accessory electric equipment 766 315 Boiler plant equipment 767 314 Turbogenerator units 767 315 Miscellaneous powerplant equipment 767 315 Structures and improvements 767 315 Station equipment 723 353 Station equipment 723 353 Station equipment 724 353 Station equipment 766 353 Station equipment 766 353 Station equipment	O			2013 Actual	Retirements	1	(17,616)	19,400	1	(319,800)	(121,802)	39,037	(12,765)	1	(2,093)	(49,129)	(20,267)		(196,254)	1	(008)	•	1	(15,719)	(39,551)	(39,310)	r	r	•	1		page.		
PINM Exhibit ECB-4 A B C Calculation of Forecasted Retirements FRC Calculation of Forecasted Retirements FRC Calculation of Forecasted Retirements FRC Structures and improvements 765 311 Boiler plant equipment 765 315 Accessory electric equipment 766 315 Accessory electric equipment 766 314 Accessory electric equipment 766 315 Boiler plant equipment 767 314 Turbogenerator units 767 314 Accessory electric equipment 767 315 Miscellaneous powerplant equipment 767 314 Transmission & Distribution Plant (3) 715 353 Station equipment 721 353 Station equipment 722 353 Station equipment 724 353 Station equipment 766 353 Station equipment 766 367 Station equipment 766 367 <tr< td=""><td>ш</td><td></td><td></td><td>2012 Actual</td><td>Retirements</td><td>•</td><td>(4,816)</td><td>1</td><td>•</td><td>(66,123)</td><td>(355,201)</td><td>(461,427)</td><td>3</td><td></td><td>•</td><td>(6,955)</td><td>1</td><td></td><td>(111,758)</td><td>(2,735)</td><td>(497)</td><td>3</td><td>•</td><td>•</td><td>(7,417)</td><td>(354,196)</td><td>(34,626)</td><td>•</td><td>(64,710)</td><td>t</td><td>-</td><td>ons relevant to this</td><td></td><td></td></tr<>	ш			2012 Actual	Retirements	•	(4,816)	1	•	(66,123)	(355,201)	(461,427)	3		•	(6,955)	1		(111,758)	(2,735)	(497)	3	•	•	(7,417)	(354,196)	(34,626)	•	(64,710)	t	-	ons relevant to this		
PINM Exhibit ECB-4 A B C Calculation of Forecasted Retirements FRC Calculation of Forecasted Retirements FRC Calculation of Forecasted Retirements FRC Structures and improvements 765 311 Boiler plant equipment 765 315 Accessory electric equipment 766 315 Accessory electric equipment 766 314 Accessory electric equipment 766 315 Boiler plant equipment 767 314 Turbogenerator units 767 314 Accessory electric equipment 767 315 Miscellaneous powerplant equipment 767 314 Transmission & Distribution Plant (3) 715 353 Station equipment 721 353 Station equipment 722 353 Station equipment 724 353 Station equipment 766 353 Station equipment 766 367 Station equipment 766 367 <tr< td=""><td>ш</td><td></td><td></td><td>2011 Actual</td><td>Retirements</td><td>l</td><td>(34,700)</td><td>1</td><td>(26,820)</td><td>(51,381)</td><td>(229,987)</td><td>1</td><td>•</td><td>. 1</td><td>1</td><td>(21,847)</td><td>-</td><td></td><td>(40,466)</td><td>•</td><td>1</td><td>(3,556)</td><td>1</td><td>1</td><td>ı</td><td>•</td><td>t</td><td>B</td><td>•</td><td>(13,897)</td><td>•</td><td>es and abbreviatic</td><td></td><td></td></tr<>	ш			2011 Actual	Retirements	l	(34,700)	1	(26,820)	(51,381)	(229,987)	1	•	. 1	1	(21,847)	-		(40,466)	•	1	(3,556)	1	1	ı	•	t	B	•	(13,897)	•	es and abbreviatic		
Calculation of Forecasted Retirements Calculation of Forecasted Retirements Structures and improvements Structures and improvements Structures and improvements Structures and improvements Boiler plant equipment Turbogenerator units Accessory electric equipment Turbogenerator units Turbogenerator units Accessory electric equipment Turbogenerator units Station equipment	۵			2010 Actual	Retirements	•	t	(42,667)	•	(60,477)	(47,789)		1	(16,245)	•	(899'9)			(90,648)	1	1	•	(89,547)	•	1	(1,628)	•	1	1	•	-	See page 6 for not		
PINM Exhibit ECB-4 Calculation of Forecasted Retirements Calculation of Forecasted Retirements Structures and improvements Boller plant equipment Turbogenerator units Accessory electric equipment Structures and improvements Boller plant equipment Turbogenerator units Accessory electric equipment Turbogenerator units Accessory electric equipment Turbogenerator units Accessory electric equipment Structures and improvements Boller plant equipment Turbogenerator units Stration equipment Station equipment	U				FERC	311	312	314	315	311	312	314	315	316	311	312	314		353	353	353	353	353	353	353	353	357	365	367	352	353			
	80				Location	765	765	765	765	992	992	992	992	766	767	767	767	-	715	721	722	723	724	761	764	992	992	992	992	767	779			
	PNW Exhibit ECR-4				5													0														201	9	 0,0

	▼	æ	U	۵	ш	ıı	U	I	_
1	PNM Exhibit ECB-4								
7	Calculation of Forecasted Retirements								
m)
									Linkage & lest Period
_	I Fillity Account	Location	7833	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	Forecasted
129			1				ciliana na		CHICHICA
130		357	390,1	r	,	(2,000)	1	(181,902)	(56,071)
131		713	392	3	-	-	(9,012)	1	(2,704)
132	Power operated equipment	713	396	ı	,	•	(10,382)	4	(3,115)
133		715	390	1	1	(2,920)	-	•	(876)
134	I Transportation equipment - Light	715	392	1	(29,863)	(273,116)		1	(90,894)
135	Transportation equipment - Heavy	715	392.1	•	•	(25,178)	-	1	(2,553)
136	Transportation equipment - Trailers	715	392.2	1	1	(3,472)	•	•	(1,042)
137	Power operated equipment	715	396	1	1	(31,401)	•	(15,281)	(14,005)
138		724	392	(2,432)	(25,458)	(234,788)	(2,743)	(2,836)	(80,477)
139	Transportation equipment - Trailers	724	392.2	•	(634)	(485)	. =	-	(336)
140	Power operated equipment	724	396	(6,797)	(1,789)	,	1	-	(2,576)
141	Structures and improvements	765	390	_	-	-	(41,804)	1	(12,541)
142	Power operated equipment	765	396	,	(44,802)	•	•	•	(13,441)
143	I Transportation equipment - Light	766	392	•	(230,823)	(16,758)	(0)	(32,595)	(84,053)
144	Transportation equipment - Heavy	266	392.1	1	1	1	(41,943)	1	(12,583)
145	Transportation equipment - Trailers	266	392.2	1	(2,538)	-	-	•	(761)
146	Power operated equipment	266	396	1	(433,085)	(6,117)	(256,863)	(64,965)	(228,309)
147	_								
148	General Plant (2)								
149	Office furniture and equipment	357	391						(86,380)
150		357	397						(68,441)
151	Total Production								(18,614,298)
152									
153	Corporate (2)								
154	Office furniture and equipment	666	391						(750,806)
155	Laboratory equipment	666	395						(33,378)
156	Miscellaneous equipment	999	398						(6,274)
157									(790,458)
158	Total Forecasted Retirements								(31,020,044)
7.0				See page 6 for no	tes and abbreviati	See page 6 for notes and abbreviations relevant to this page.	is page.		Exhibit ECB-4 Page 5 of 6 Case 15-00261-UT

ettrements Location FERC Retirements Retirements Retirements Eare based on a two-year historical average and the annual amount is converted to a monthly forecast, as the based on a two-year historical average and the annual amount is converted to a quarterly forecast applied in lune and December as are based on a five-year historical average and the annual amount is converted to a quarterly forecast applied in lune and December as are based on a five-year historical average and the annual amount is converted to a quarterly forecast applied in lune and December as are based on a five-year historical average and the annual amount is converted to a quarterly forecast applied in lune so any 35) (Company 3) (Station Unit 1 (Company 3) (Station Unit 3 & (Company 3) (Station Unit 3 & (Company 3) (Company 3)	 ∢	В	U	۵	i i	£L.	5	Ι	-
Chiculation of Forecasted Retirements Utility Account U									
Notes: Calculation of Forecasted Retirements								-	
Notice that the count the control of									
Utility Account Earlier Company 35 2010 Actual 2010 Actual 2010 Actual 2010 Actual 2014 Actual Retirements									Linkage & Test Period
Notes: (1) Forecasted retirements are based on a two-year historical average and the amual amount is converted to a monthly forecast. (2) Forecasted retirements are based on a two-year historical average and the amual amount is converted to a guarterly forecast applied in June and December. (3) Forecasted retirements are based on a live-year historical average and the amual amount is converted to a guarterly forecast applied in June and December. (4) Forecasted retirements are based on a live-year historical average and the amual amount is converted to a guarterly forecast applied in March, June, September and November 200. Destruction (Company 3) (5) Forecasted retirements are based on a live-year historical average and the amual amount is converted to a guarterly forecast applied in March, June, September and November 200. Transmission (Company 3) (5) Forecasted retirements and the amual amount is converted to a guarterly forecast applied in March, June, September 200. Forecast and the service of Company 3) (5) Forecast (Company 3) (7) Forecast (Company 3) (7) Forecast (Company 3) (7) Forecast (Company 3) (7) Forecast (Sastion (Company 3) (7) Forecast (Com	Utility Account	Location	FERC	2010 Actual	2011 Actual Retirements	2012 Actual	2013 Actual	2014 Actual	Forecasted
(2) Forecasted retirements are based on a two-year historical average and the annual amount is converted to a monthly forecast. (2) Forecasted retirements are based on a two-year historical average and the annual amount is converted to a guarantiv forecast applied in March, June September and November Control and Co	Notes:								
(2) Forecasted retirements are based on projected retirements and the annual amount is converted to a guarterly forecast applied in June and Obecember. (3) Forecasted retirements are based on a five-year historical average and the annual amount is converted to a guarterly forecast applied in March, June, September and November 100 - Distribution (Company 3) 103 - Distribution (Company 3) 104 - Distribution (Company 3) 105 - Tearwhiston (Company 3) 107 - Aftor Overe Generating Station (Lord (Company 3) 108 - Seeves Cenerating Station (Lord (Company 3) 109 - Land (Compan	(1) Forecasted retirements are based on a two-year h	historical av	erage and t	the annual amoun	nt is converted to	monthly forecast			
(3) Forecasted retirements are based on a five-year historical average and the annual amount is converted to a quarterly forecast applied in March, June, September and November Location Abbreviations 140 - Distribution (Company 3) 151 - Distribution (Company 3) 152 - Paulic Newer building (Company 3) 153 - Realic Robins (Company 3) 153 - Realic Robins (Company 3) 154 - Rour Corners Generating Station (Company 3) 155 - Faul Corners Generating Station (Lorn (Company 3) 156 - Tanamission (Company 3) 157 - Palo Verde Muclear Generating Station Unit 1 (Company 3) 158 - San Luan Generating Station Unit 2 (Company 3) 159 - San Luan Generating Station Unit 2 (Company 3) 150 - San Luan Generating Station Unit 2 (Company 3) 151 - Palo Verde Muclear Company 3) 152 - Palo Verde Muclear Company 3) 153 - Rour Corners Generating Station Unit 2 (Company 3) 154 - San Luan Generating Station Unit 4 (Company 3) 155 - San Luan Generating Station Unit 4 (Company 3) 156 - San Luan Generating Station Unit 3&4 (Company 3) 157 - San Luan Generating Station Unit 3&4 (Company 3) 159 - San Luan Generating Station Unit 3&4 (Company 3) 159 - San Luan Generating Station Unit 3&4 (Company 3) 159 - Corporate (Company 7)	(2) Forecasted retirements are based on projected re	etirements	and the ann	ual amount is cor	overted to a semia	nnual forecast app	olied in June and D.	ecember.	
100 - Distribution (Company 1) 120 - Distribution (Company 3) 120 - Instrumination (Company 3) 120 - Atlan Company 3) 121 - Selv Company 3 122 - Bello Verder Building (Company 3) 123 - Rever Generating Station (Company 3) 124 - Rever Generating Station (Lompany 3) 125 - For Uncorner Company 3) 126 - Selv Company 3 127 - Palo Verder Wicker Generating Station Unit 1 (Company 3) 127 - Palo Verder Wicker Generating Station Unit 3 (Company 3) 128 - Palo Verder Wicker Generating Station Unit 3 (Company 3) 129 - San Juan Generating Station Unit 1 (Company 3) 120 - San Juan Generating Station Unit 1 (Company 3) 120 - San Juan Generating Station Unit 1 (Company 3) 121 - San Juan Generating Station Unit 1 (Company 3) 122 - San Juan Generating Station Unit 1 (Company 3) 123 - San Juan Generating Station Unit 1 (Company 3) 124 - San Juan Generating Station Unit 1 (Company 3) 125 - San Juan Generating Station Unit 1 (Company 3) 126 - San Juan Generating Station Unit 1 (Company 3) 127 - San Juan Generating Station Unit 1 (Company 3) 128 - Corporate (Company 7) 129 - San Juan Generating Station Unit 1 (Company 3) 129 - Corporate (Company 7) 120 - San Juan Generating Station Unit 1 (Company 3) 120 - Corporate (Company 7) 1210 - San Juan Generating Station Unit 1 (Company 3) 122 - San Juan Generating Station Unit 1 (Company 3) 123 - Corporate (Company 7) 124 - San Juan Generating Station Unit 1 (Company 3) 125 - Corporate (Company 7) 126 - San Juan Generating Station Unit 1 (Company 3) 127 - San Juan Generating Station Unit 1 (Company 3) 128 - Corporate (Company 7)	(3) Forecasted retirements are based on a five-year h	historical av	erage and t	he annual amoun	it is converted to a	guarterly forecas	t applied in March,	. June, September	and November.
100- Distribution (Company 3) 1.55 - Paul Company 3 1.55 - Paul Long Generating Station Company 3 1.56 - Paul			•						
100 - Distribution (Company 3) 125 - Distribution (Company 35) 126 - Distribution (Company 35) 127 - Instrainsion (Company 35) 127 - Transmission (Company 3) 128 - Transmission (Company 3) 707 - Arthor Generating Station (Company 3) 707 - Arthor Generating Station (Company 3) 713 - Revers Generating Station Unit 2 (Company 3) 713 - Four Cornes (Semerating Station Unit 3 (Company 3) 714 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 724 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 724 - Palo Verde Nuclear Generating Station Unit 4 (Company 3) 744 - Palo Verde Nuclear Generating Station Unit 4 (Company 3) 764 - San Juan Generating Station Unit 3 (Company 3) 765 - San Juan Generating Station Unit 3 (Company 3) 765 - San Juan Generating Station Units 1 (Company 3) 767 - San Juan Generating Station Units 3 &4 (Company 3) 767 - San Juan Generating Station Units 3 &4 (Company 3) 767 - San Juan Switchyard (Company 3) 767 - San Juan Switchyard (Company 3)	Location Abbreviations								
125 - Distribution (Company 34) 126 - Distribution (Company 34) 127 - Bulk Power Building (Company 35) 127 - Bulk Power Building (Company 31) 128 - Distribution (Company 31) 128 - Distribution (Company 31) 128 - Bulk Power Building (Company 31) 129 - Bulk Power Building (Company 31) 129 - Bulk Power Building (Station (Company 31) 121 - Bulk Company 32 129 - Bulk Power Building (Station Unit 1 (Company 32) 122 - Palo Verde Nuclear Generating Station Unit 1 (Company 32) 123 - Palo Verde Nuclear Generating Station Unit 1 (Company 32) 124 - Palo Verde Nuclear Generating Station Unit 1 (Company 32) 125 - Palo Verde Nuclear Generating Station Unit 1 (Company 32) 126 - San Juan Generating Station Common All Units (Back Company 32) 127 - San Juan Generating Station Common All Units (Company 32) 128 - San Juan Generating Station Common All Units (Company 32) 128 - San Juan Generating Station Units Station Common All Units (Company 32) 128 - San Juan Generating Station Units Station Common All Units (Company 33) 128 - San Juan Generating Station Units Station Common All Units (Company 33) 128 - San Juan Generating Station Units Station Common All Units (Company 33) 128 - San Juan Generating Station Units Station Common All Units (Company 33) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units Station Common All Units (Company 34) 128 - San Juan Generating Station Units (Company 34) 128 - San Juan Generating Station Units (Company 34	100 - Distribution (Company 1)								
220 - Transmission (Company 3) 557 - Land State (Company 3) 650 - Land State (Company 3) 650 - Land State (Company 3) 650 - Land State (Company 3) 703 - Lond State (Company 3) 707 - Atton Generating Station (Company 3) 705 - Four Conners Generating Station (Company 3) 713 - Rever State (Company 3) 715 - Poli Vorder Nuclear Generating Station Unit 3 (Company 3) 722 - Palo Vorder Nuclear Generating Station Unit 3 (Company 3) 724 - Palo Verder Nuclear Generating Station Unit 3 (Company 3) 724 - Palo Verder Nuclear Generating Station Unit 3 (Company 3) 725 - Palo Verder Nuclear Generating Station Unit 3 (Company 3) 725 - San Juan Generating Station Common Units 182 (Company 3) 765 - San Juan Generating Station Common Units 384 (Company 3) 765 - San Juan Generating Station Unit 3 (Company 3) 765 - San Juan Generating Station Unit 3 (Company 3) 775 - San Juan Generating Station Units 384 (Company 3) 779 - San Juan Generating Station Units 384 (Company 3) 777 - San Juan Generating Station Units 384 (Company 3) 779 - San Juan Soutchyard (Company 7) 779 - San Juan Soutchyard (Company 7)	155 - Distribution (Company 34)								
3.7 Butk Power Building (Company 3) 650 Transmission (Company 3) 703 - Lordsburg Generating Station (Company 3) 707 - Afton Generating Station (Company 3) 707 - Afton Generating Station (Company 3) 713 - Review Rules a Generating Station Unit 1 (Company 3) 714 - Palo Verder Nuclear Generating Station Unit 2 (Company 3) 715 - Pal Verder Nuclear Generating Station Unit 3 (Company 3) 712 - Pal Verder Nuclear Generating Station Unit 3 (Company 3) 712 - Pal Verder Nuclear Generating Station Unit 4 (Company 3) 712 - Pal Verder Nuclear Generating Station Unit 4 (Company 3) 764 - San Juan Generating Station Common Units 1 (Company 3) 765 - San Juan Generating Station Common Units 1 (Company 3) 766 - San Juan Generating Station Common Units 1 (Company 3) 767 - San Juan Generating Station Common Multo 1 (Company 3) 779 - San Juan Generating Station Common Multo 1 (Company 3) 779 - San Juan Generating Station Common Multo 1 (Company 3) 779 - San Juan Generating Station Common Multo 1 (Company 3)	220 - Transmission (Company 35)								
65D - Transmission (Company 3) 703 - Lordsburg Generating Station (Company 3) 703 - Lordsburg Generating Station (Company 3) 713 - Four Corners Generating Station (Company 3) 713 - Fall Corners Generating Station Unit 1 (Company 3) 722 - Fall O Verde Nuclear Generating Station Unit 1 (Company 3) 722 - Fall O Verde Nuclear Generating Station Unit 3 (Company 3) 723 - Fall O Verde Nuclear Generating Station Unit 1 (Company 3) 724 - Fall O Verde Nuclear Generating Station Unit 4 (Company 3) 744 - San Juan Generating Station Unit 4 (Company 3) 765 - San Juan Generating Station Unit 4 (Company 3) 765 - San Juan Generating Station Unit 8 (Company 3) 765 - San Juan Generating Station Units 84 (Company 3) 765 - San Juan Generating Station Units 84 (Company 3) 779 - San Juan Generating Station Units 84 (Company 3) 779 - San Juan Generating Station Units 84 (Company 3)	357 - Bulk Power Building (Company 3)								
703 - Londsburg Generating Station (Company 3) 703 - Andro Generating Station (Company 3) 703 - Andro Generating Station (Company 3) 704 - Should Station (Company 3) 705 - Should Station (Company 3) 705 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 705 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 705 - Should Station Unit 3 (Company 3) 706 - Should Generating Station Unit 4 (Company 3) 706 - Should Generating Station Unit 4 (Company 3) 706 - Should Generating Station Unit 5 (Company 3) 707 - Should Generating Station Common Units 182 (Company 3) 707 - Should Generating Station Common Units (Station Common Units 182 (Company 3) 707 - Should Generating Station Common Units (Station Common Units 182 (Company 3) 707 - Should Generating Station Common Units (Station Common Units 182 (Company 3) 707 - Should Generating Station Common Units (Station Common Units (Statio	650 - Transmission (Company 2)								
707 - Atton Generating Station (Company 3) 713 - Revees Generating Station (Company 3) 713 - Bevees Generating Station Unit 1 (Company 3) 721 - Palo Verde Nuclear Generating Station Unit 2 (Company 3) 722 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 724 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 725 - San Juan Generating Station Unit 4 (Company 3) 765 - San Juan Generating Station Units (Company 3) 765 - San Juan Generating Station Units (Company 3) 765 - San Juan Generating Station Units (Company 3) 765 - San Juan Generating Station Units (Company 3) 765 - San Juan Generating Station Units (Company 3) 765 - San Juan Generating Station Units 3&4 (Company 3) 765 - San Juan Generating Station Units 3(Company 3) 779 - San Juan Generating Station Units 3(Company 3) 779 - San Juan Generating Station Units 3(Company 3)									
713. Revess Generating Station (Company 3) 721. Four Corners Generating Station (Company 3) 722. Palo Verde Nuclear Generating Station Unit 1 (Company 3) 722. Palo Verde Nuclear Generating Station Unit 2 (Company 3) 723. Palo Verde Nuclear Generating Station Unit 2 (Company 3) 724. Palo Verde Nuclear Generating Station Unit 2 (Company 3) 725. Palo Verde Nuclear Generating Station Unit 2 (Company 3) 726. San Juan Generating Station Common Vills 4&2 (Company 3) 765. San Juan Generating Station Common Vill Units 2 (Company 3) 765. San Juan Generating Station Common Vill Units 2 (Company 3) 765. San Juan Generating Station Common Vill Units 3 (Company 3) 765. San Juan Generating Station Common Vill Units 2 (Company 3) 769 - Corporate (Company 7)	707 - Afton Generating Station (Company 3)								
715 - Four Corners Generating Station (Company 3) 722 - Palo Verde Wucker Generating Station Unit 1 (Company 3) 723 - Palo Verde Wucker Generating Station Unit 3 (Company 3) 723 - Palo Verde Nuclear Generating Station Unit 3 (Company 3) 724 - Palo Verde Nuclear Generating Station Unit 1 (Company 3) 725 - San Juan Generating Station Unit 1 (Company 3) 726 - San Juan Generating Station Unit 1 (Company 3) 726 - San Juan Generating Station Unit 1 (Company 3) 727 - San Juan Generating Station Unit 1 (Company 3) 728 - San Juan Generating Station Unit 3 &4 (Company 3) 729 - San Juan Generating Station Unit 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3) 779 - San Juan Generating Station Units 3 &4 (Company 3)	713 - Reeves Generating Station (Company 3)								
Unit 1 (Company 3) Unit 2 (Company 3) Unit 3 (Company 3) Unit 3 (Company 3) Unit 3 (Company 3) Unit 1822 (Company 3) Unit 1822 (Company 3) Unit 1825 (Comp	715 - Four Corners Generating Station (Company 3)								
Unit 2 (Company 3) Unit 3 (Company 3) Common (Company 3) Inpany 3) Init 3 (Company 3) Init 5 (Company 3) Init 6 (Company 3) Init 7 (Company 3) Init 7 (Company 3) Init 8 (Company 3) Init 9 (Company 3) Ini	721 - Palo Verde Nuclear Generating Station Unit 1 (C	Company 3)							
Common (Company 3) Common (Company 3) Inpany 4 Inpany 4 Inpany 5 Inpany 6 Inpany	722 - Palo Verde Nuclear Generating Station Unit 2 (C	Company 3)							
Page 6 of 6 Case 15-00261-UT Data 3	723 - Palo Verde Nuclear Generating Station Unit 3 (C	Company 3)							
Page 6 of 6 Case 15-00261-UI Inits 182 (Company 3) Inits (Company 3) (Company 3) (Company 3)	724 - Palo Verde Nuclear Generating Station Commo	in (Compani	(3)						
Page 6 of 6 Case 15-00261-UI Inits 182 (Company 3) (Company 3) (Company 3)	761 - San Juan Generating Station Unit 1 (Company 3	3)							
Page 6 of 6 Case 15-00261-UT (Combany 3) (Company 3) (Company 3)	764 - San Juan Generating Station Unit 4 (Company 3	3)							
	765 - San Juan Generating Station Common Units 1&.	2 (Company	(3)						
Page 6 of 6 Case 15-00261-UT	766 - San Juan Generating Station Common All Units	(Company	3)					MANAGEMENT OF THE PARTY OF THE	
Page 6 of 6 Case 15-00261-UT	767 - San Juan Generating Station Units 3&4 (Compai	ny 3)							
Page 6 of 6 Case 15-00261-UT	779 - San Juan Switchyard (Company 3)								
Page 6 of 6	999 - Corporate (Company 7)								
Page 6 of 6	The state of the s								
Page 6 of 6									
Page 6 of 6									
Page 6 of 6						Annual Control of the			
of 6									Page 6
									of 6

Calculation of Allowance for Funds Used During Construction Rates

PNM Exhibit ECB-5

Is contained in the following 1 page.

A A	B C D E F G H I J K L M N O P
1 FNM EXHIBIT ECIS-5 2 AFUDC Rate Calculation	
0 5 4	AFUDC Summary - 2014
7 8 8 AFUDC Debt 10 AFUDC Equity 11 Total AFUDC	Annual Rate Monthly Rate 3.31% 0.28% 4.41% 0.37% 7.72% 0.63%
13 Avg. ST Deb Rate 14 T Deb Rate 15 Preferred Stock Rate 16 Common Equity Rate	
17 19 ST Debt Balance 20 CWJP Balance	Dec-13 Jan-14 Feb-14 Mar-14 Apr-14 May-14 Juh-14 Aug-14 Sep-14 Oct-14 Nov-14 Dec-14 12 month avg 13 month avg 114,600 16,500 - 27,700 - 26,875 - 26,875 - 160,227 152,720 152,886 186,251 212,563 236,009 269,439 205,991 178,871
22 Preferred stock (12/31/2013) 23 LT Debt (12/31/2013) 24 Common Equity (12/31/2013) 25 25	11,529 1,190,845 1,268,076 AFUDC Summary - 2015
27 31 32 AFUDC Debt 33 AFUDC Equity 35 Total AFUDC	Annual Rate Monthly Rate 3.05% 4.41% 0.25% 4.15% 0.35%
35 7 Avg. ST Debt Rate 38 I.T Debt Rate 39 Preferred Stock Rate 40 Common Equity Rate	7.57% 5.14% 4.58% 10.00%
41 42 ST Debt Balance 44 CWIP Balance	Dec-14 Jan-15 Feb-15 Mar-15 Apr-15 May-15 Jun-15 Jun-15 Aug-15 Sep-15 Oct-15 Nov-15 Dec-15 12 month avg 13 month avg 25,000 21,500 - 10,184 31,745 51,243 67,118 - 68,604 44,927 - 58,604 44,927 - 26,027 26,027 26,273 208,315 220,350 228,590 240,229 228,528 249,465 258,344 294,202 323,282 314,977 345,208 315,383 208,315 264,273
45 46 Preferred stock (12/31/2014) 47 LT Debt (12/31/2014) 48 Common Equity (12/31/2014)	11,529 1,390,845 1,324,611
50 50 50 10 10 10 10 10 10 10 10 10 10 10 10 10	AFUDC Summary - 2016
56 57 77 89 AFUDC Debt 59 AFUDC Equity 60 Total AFUDC	Annual Rate Northly Rate 2.10% 0.00% 2.10% 0.10%
62 Avg. ST Debt Rate 63 LT Debt Rate 64 Preferred Stock Rate 65 Common Equity Rate	2.10% 5.56% 4.56% 10.50%
05 67 68 ST Debt Balance 89 CWIP Balance	Dec-15 Jan-16 Feb-16 Mar-16 Apr-16 May-16 Jun-16 Jul-16 Aug-16 Sep-16 Oct-16 Nov-16 Dec-16 12 month avg 13 month avg 31,173 194,807 160,905 173,621 306,405 285,967 249,479 226,013 177,506 165,368 227,856 202,635 199,311 18,945 189,778 199,078 199,031 178,58 178,589 176,089 197,158 184,400 183,945 183,945
71 Preferred stock (prior year end) 72 LT Debt (prior year end) 73 Common Equity (prior year end) 74	11,529 1,415,845 1,434,747
77	PNM Exhibit ECB-5 Page 1 of 1 Case No. 15 00261-UT

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE AP OF PUBLIC SERVICE COMP. MEXICO FOR REVISION OF ELECTRIC RATES PURSUAN NOTICE NO. 513,)) Case No. 15-00261-UT)	
PUBLIC SERVICE COMPANY App)))	
	<u>AFFIDAVIT</u>	
STATE OF NEW MEXICO)) ss	
COUNTY OF BERNALILLO)	

ERIK C. BUCHANAN, Director, Corporate Budget for PNM Resources,
Inc., upon being duly sworn according to law, under oath, deposes and states: I have
read the foregoing Direct Testimony and Exhibits of Erik C. Buchanan and it is true
and accurate based on my own personal knowledge and belief.

SIGNED this 21st day of August, 2015.

ÉRIK C. BUCHANAN

SUBSCRIBED AND SWORN to before me this 21st day of August, 2015.

NOTARY PUBLIC IN AND FOR THE STATE OF NEW MEXICO

My Commission Expires:

1-21-16