

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

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

Case No. 15-00261-UT

PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)

Applicant.)

DIRECT TESTIMONY AND EXHIBITS

OF

LEONARD D. SANCHEZ

AUGUST 27, 2015

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

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I. INTRODUCTION AND PURPOSE

Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.

A. My name is Leonard D. Sanchez. I am Associate General Counsel for Public Service Company of New Mexico (“PNM”) and its affiliates. My business address is 414 Silver SW, MS-0805, Albuquerque, New Mexico 87102-3289.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. PNM Exhibit LDS-1 is a summary of my educational background and experience.

Q. PLEASE DESCRIBE THE DUTIES AND RESPONSIBILITIES OF YOUR CURRENT POSITION.

A. In my current position, I advise PNM and its affiliates on Securities and Exchange Commission compliance and reporting and corporate governance issues. I also work on financing and other commercial transactions. My administrative responsibilities include supervision of in-house attorneys and staff, oversight of the Law Department budget, including outside counsel expenses, and negotiation and monitoring of retainers with outside counsel.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will demonstrate that the litigation expenses PNM seeks to recover in this case are prudent pursuant to NMSA 1978, Section 62-13-3 of the New Mexico Public Utility

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1 Act (the “Act”). I will do so by addressing the prudence of various categories of
2 litigation expenses PNM incurred in the Base Period. These Base Period expenses
3 were escalated at an annual rate of 1.5% for non-labor expenses and 2.5% for labor
4 expenses to arrive at the litigation expenses included in the Test Period cost-of-
5 service presented by PNM Witness Monroy.

6
7 **Q. DO THE LITIGATION EXPENSES ADDRESSED IN YOUR TESTIMONY**
8 **INCLUDE EXPENSES RELATED TO THE PRESENT RATE CASE?**

9 **A.** No, they do not. Rate case expenses are addressed in PNM Witness Monroy’s direct
10 testimony.

11
12 **Q. HAVE YOU PREPARED ANY EXHIBITS?**

13 **A.** Yes. The exhibits I have prepared, or that have been prepared under my supervision,
14 are:

15 PNM Exhibit LDS-1 (Leonard D. Sanchez Educational Background and Experience)

16 PNM Exhibit LDS-2 (Tort Claim Litigation Expenses)

17 PNM Exhibit LDS-3 (Human Resources Litigation Expenses)

18 PNM Exhibit LDS-4 (FERC Litigation Expenses)

19 PNM Exhibit LDS-5 (NMPRC Litigation Expenses)

20 PNM Exhibit LDS-6 (Commercial Litigation Expenses)

21

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II. DESCRIPTION OF LITIGATION EXPENSES

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Q. WHAT TYPES OF LEGAL MATTERS CONSTITUTE “LITIGATION” FOR PURPOSES OF YOUR TESTIMONY?

A. Based on the definition in NMAC 17.9.530.7.P (“Rule 530.7.P”), I have considered “litigation” to be all contested matters before regulatory commissions, administrative bodies, arbitrators, and state and federal courts.

Q. WHY ARE LITIGATION EXPENSES ADDRESSED SEPARATELY FROM OTHER LEGAL EXPENSES?

A. The Act states that there is no presumption of prudence for litigation expenses and both the Act and Rule 530.7.P require that the prudence of these expenses be separately demonstrated.

Q. PLEASE DESCRIBE THE TYPES OF EXPENSES THAT COMPRISE “LITIGATION EXPENSES”.

A. Litigation expenses are primarily legal fees associated with outside counsel and their staff, and expenses associated with in-house lawyers and paralegals incurred in connection with litigation as defined in Rule 530.7.P. Also included are matter expenses, such as expert witness fees, court reporter expenses, court fees, and reproduction costs.

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1 **Q. PLEASE DESCRIBE THE CATEGORIES OF LITIGATION IN WHICH PNM**
2 **IS INVOLVED?**

3 **A.** PNM is routinely involved in the following categories of civil litigation: (1) personal
4 injury and property damage (referred to as “Tort Claims”); (2) employment, labor and
5 benefits and workers’ compensation (referred to as “Human Resources Claims”); and
6 (3) general civil litigation, including, but not limited to, contract and environmental
7 disputes (referred to as “Commercial Litigation”). In addition, PNM is routinely
8 involved in regulatory proceedings before the Federal Energy Regulatory
9 Commission and the New Mexico Public Regulation Commission (referred to as
10 “FERC matters” and “NMPRC matters,” respectively). These are the types of
11 litigation that PNM was involved in during the Base Period and that are
12 representative of the litigation matters in which PNM is reasonably expected to be
13 involved during the Test Period and beyond.

14

15 **Q. WHAT MATTERS WERE ANALYZED TO DETERMINE THAT THE**
16 **LITIGATION EXPENSES ARE PRUDENT?**

17 **A.** Litigation expenses related to PNM’s Tort Claims, Human Resources Claims,
18 Commercial Litigation, FERC matters, and NMPRC matters were reviewed. My
19 evaluation of the prudence of these expenses and a brief description of these matters
20 are summarized in my testimony and in PNM Exhibits LDS-2 through LDS-6. These
21 expenses were incurred during the Base Period (April 1, 2014 through March 31,
22 2015).

23

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1 **Q. PLEASE EXPLAIN HOW PNM DETERMINED THE AMOUNT OF ITS**
2 **BASE PERIOD LITIGATION EXPENSES.**

3 A. The analysis involved a review of legal expenses incurred during the Base
4 Period. Consistent with Rule 530.7.P, however, only legal expenses related to
5 contested matters before regulatory commissions, other administrative bodies, and
6 state and federal courts (including arbitration matters) were included in Base Period
7 litigation expenses.

8
9 **Q. PLEASE EXPLAIN WHAT PNM LEGAL EXPENSES WERE NOT**
10 **INCLUDED IN THE BASE PERIOD EXPENSES.**

11 A. Litigation expenses that were not allocated to PNM's retail electric business were
12 excluded. Also, legal expenses for matters such as those relating to contract
13 negotiations and drafting, uncontested regulatory filings, and routine legal advice are
14 not considered litigation expenses under Rule 530.7.P and were included in the Test
15 Period cost-of-service presented by PNM Witness Monroy, which totaled \$553.039.
16 Please refer to the testimony of PNM Witness Monroy for removal of these expenses.

17
18 **Q. HOW WERE LITIGATION EXPENSES ALLOCATED TO PNM'S RETAIL**
19 **ELECTRIC BUSINESS?**

20 A. Where a litigation matter was related to both New Mexico jurisdictional activities and
21 to other business activities, such as FERC-regulated activities, the expenses were
22 allocated using the methodology described in PNM Witness Monroy's direct
23 testimony.

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1 **Q. PLEASE DESCRIBE THE LITIGATION EXPENSES ASSOCIATED WITH**
2 **OUTSIDE COUNSEL.**

3 **A.** Generally, litigation expenses for outside counsel are comprised of the following:

- 4 1. fees based on hourly billing rates;
- 5 2. fees based on alternative billing arrangements, including retainers, with various
6 firms or on specific matters; and
- 7 3. expenses incurred by outside counsel in litigation matters.

8
9 **Q. HOW DID YOU DETERMINE THE AMOUNT OF THE FEES**
10 **ATTRIBUTABLE TO LITIGATION WHEN A RETAINER WAS**
11 **INVOLVED?**

12 **A.** Outside counsel with retainers provide billing statements for each matter reflecting
13 fees for legal services of attorneys and paralegals charged on an hourly basis and for
14 associated costs. The fees attributable to litigation matters were calculated using
15 these notational billings and the outside counsel's billing rates for PNM, as set forth
16 in the retainer agreements.

17
18 **Q. HOW WERE INTERNAL LITIGATION EXPENSES DETERMINED?**

19 **A.** In-house attorneys and paralegals track the amount of time they work on litigated
20 matters through the Company's timekeeping system. This time was multiplied by the
21 employee's hourly compensation and charged to the specific litigation matter.

22

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1 **Q. WHAT WAS THE AMOUNT OF LITIGATION EXPENSE IN THE BASE**
2 **PERIOD THAT PNM USED TO PROJECT TEST PERIOD LITIGATION**
3 **EXPENSES?**

4 **A.** PNM incurred \$1,626,025 in litigation expenses as set forth in the table below.

5

EXHIBIT	CATEGORY	LITIGATION EXPENSE
LDS-2	TORT CLAIM LITIGATION EXPENSES	333,275
LDS-3	HUMAN RESOURCES LITIGATION EXPENSES	494,147
LDS-4	FERC LITIGATION EXPENSES	3,090
LDS-5	NMPRC LITIGATION EXPENSES	390,646
LDS-6	COMMERCIAL LITIGATION EXPENSES	404,867
		TOTAL: 1,626,025

6

7

III. PRUDENCE OF LITIGATION EXPENSES

8 **Q. HOW DID YOU DETERMINE THAT THE BASE PERIOD LITIGATION**
9 **EXPENSES WERE PRUDENTLY INCURRED?**

10 **A.** As an initial matter, I looked at the processes and mechanisms the PNM Law
11 Department has developed to control litigation expenses. These processes and
12 mechanisms are key to managing the litigation expenses and evaluating the prudence
13 of the expenses. The prudence of litigation expenses should not be determined solely
14 by the nature of the claim or even the result of the litigation. Neither is it appropriate
15 to trace every dollar spent to second-guess whether it was reasonably incurred.
16 Further, I considered the litigation expenses in light of PNM's overall business
17 operations and the business, legal, and regulatory environments in which PNM

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1 operates. By New Mexico standards, PNM is a relatively large company doing
2 business in an environment in which litigation is a frequently used method for
3 resolving business disputes, and PNM is heavily regulated. PNM will be sued, and
4 will bring suit, in the regular course of its business. Further, in the ordinary course of
5 its business as a public utility, PNM will initiate, defend, or intervene in proceedings
6 before state and federal regulatory bodies. In all these matters, PNM must be
7 represented by counsel.

8
9 **Q. WHAT GENERAL MEASURES HAS PNM TAKEN TO CONTROL**
10 **LITIGATION EXPENSES?**

11 **A.** PNM has an internal Law Department with general responsibility for the legal affairs
12 of PNM and its affiliates. The mission of the Law Department is to provide high
13 quality, effective and efficient legal services to assist PNM in achieving its business
14 goals. Qualified in-house counsel have been hired and have the responsibility to: (1)
15 provide legal advice and representation; (2) select and manage cost-efficient qualified
16 outside counsel as needed to represent PNM in its legal affairs and litigation; (3)
17 oversee the substance of its legal representation and litigation; (4) participate in
18 strategic decisions in litigation; (5) establish budgets for certain matters; and (6)
19 control legal fees and costs in all legal matters. The Law Department frees non-
20 lawyer management from the responsibility of overseeing and managing litigation. In
21 seeking to control PNM's legal expenses, in-house counsel have aggressively
22 negotiated reduced legal fees with outside counsel providing legal services to PNM.
23 Outside counsel retainers are an example of alternative billing techniques designed to

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1 both control overall legal costs and provide a high level of certainty to PNM and its
2 affiliates regarding their annual legal expenditures.

3
4 **Q. DID YOU CONSIDER ANYTHING ELSE IN EVALUATING LITIGATION**
5 **EXPENSES?**

6 **A.** Yes. I considered several factors commonly used by New Mexico courts to
7 determine whether the level of attorneys' fees incurred by a party to litigation is
8 reasonable and prudent for purposes of an award of fees. These factors include the
9 level of skill required, the nature and character of the controversy, the amount of
10 damages claimed, the importance of the litigation, prevailing rates, and the benefits
11 derived from the litigation. This list is not exhaustive and other considerations can
12 come into play in any given case, including the importance of the litigation for
13 precedential purposes. I have also applied my experience in managing legal costs and
14 participating in various types of litigation in determining that the overall cost of
15 litigation sought to be recovered in this case is prudent.

16
17 In evaluating litigation expenses in individual cases for prudence, I considered
18 relevant factors and the circumstances of each matter in making my determination.
19 No one factor is dispositive as litigation expenses reflect both events within PNM's
20 control as well as those outside its control. For instance, business objectives and
21 precedential values may be of more importance than the financial exposure in a
22 particular matter. Thus, different factors may be accorded different weight depending
23 on the particular matter being evaluated. I have not described the details of

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1 settlements in the matters identified in my exhibits because: (1) a settlement may be
2 subject to a court order of confidentiality or have confidentiality provisions as part of
3 the settlement agreements; and (2) public disclosure of settlement amounts and
4 methodology may harm the ability of PNM to aggressively negotiate settlements in
5 future cases or may provide information that could be used to undermine its
6 settlement strategy in pending or future matters.

7
8 Finally, I reviewed the litigation expenses from previous years to ensure that the Base
9 Period litigation expenses reflected the typical annual costs associated with litigation,
10 and were not unusually high or low. The Base Period litigation expenses are, in fact,
11 consistent with those from previous years.

12
13 **Q. IS THE LEVEL OF LITIGATION EXPENSES FOR WHICH PNM SEEKS**
14 **RECOVERY PRUDENT?**

15 **A.** Yes, it is, based on the general considerations described above and my review of each
16 category of litigation expenses relating to Tort Claims, Human Resources Claims,
17 FERC Matters, NMPRC Matters, and Commercial Litigation.

18
19 Tort Claims involve property damage and personal injury claims filed by and against
20 PNM. For claims filed against PNM, PNM uses qualified defense counsel
21 experienced in personal injury and property damage litigation. PNM also contracts
22 with commercial practitioners to collect money from third parties who have damaged
23 PNM's property or who owe PNM money via a court judgment. These litigation

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1 expenses are necessary to reduce the overall costs of repairing PNM's property.
2 Please see PNM Exhibit LDS-2 for a summary of the issues, status, and expenses for
3 the Base Period.

4
5 In regard to Human Resources Claims, the Law Department uses attorneys who have
6 substantial expertise in employment law, labor relations, employment benefits and
7 workers' compensation claims to represent PNM in litigation. These areas of law are
8 complex and require attorneys who are experts in their field. Please see PNM Exhibit
9 LDS-3 for a summary of the issues, status, and expenses for the Base Period.

10
11 PNM is a FERC regulated electric utility and is subject to FERC's orders and
12 investigations. FERC litigation expenses incurred by PNM are for specific cases
13 where PNM is an applicant, a respondent, or an intervenor in a case where PNM's
14 interest is directly affected. The Law Department retains counsel qualified in FERC
15 law and procedures to represent PNM in these matters. FERC attorneys are in one of
16 the most highly specialized practice areas in the country. Please see PNM Exhibit
17 LDS-4 for a summary of the issues, status, and expenses for the Base Period.

18
19 As a provider of retail electric service in New Mexico, PNM is required by law to file
20 with the NMPRC to obtain approval to engage in various activities related to its
21 business operations. It must also respond to orders issued by the NMPRC. In some
22 instances, it is necessary to intervene in proceedings that may set an important
23 precedent applicable to PNM in future cases. PNM uses qualified counsel in state

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1 regulatory proceedings that have substantial experience with the laws administered by
2 the NMPRC, and regulatory law in general, to represent PNM in NMPRC litigation.
3 Please see PNM Exhibit LDS-5 for a summary of the issues, status, and expenses for
4 the Base Period.

5
6 In the area of Commercial Litigation, the Law Department uses qualified litigators
7 with expertise in commercial disputes, environmental matters, and other specialized
8 areas as necessary. Please see PNM Exhibit LDS-6 for a summary of the issues,
9 status, and expenses for the Base Period.

10
11 **Q. ARE THE COSTS FOR NON-LAW DEPARTMENT PERSONNEL
12 INVOLVED IN LITIGATION MATTERS PRUDENT?**

13 **A.** Yes. Although these costs are not included in the litigation expenses which are
14 identified in my testimony, these labor costs for non-Law Department personnel are
15 entirely consistent and reasonable with the demands of the individual cases. The
16 issues involved in these cases tend to be complex and heavily contested. Given the
17 significant impact on PNM's operations, PNM appropriately allocates internal
18 resources to these proceedings. However, consistent with past interpretations of
19 Section 62-13-3C of the Act and the additional time and resources involved, PNM has
20 not attempted to comprehensively identify all in-house labor involved in its litigation
21 matters. As a practical matter, the resources allocated and the levels of effort
22 expended on litigation matters, both in-house and externally, are reasonable and
23 prudent. The responsibility of non-Law Department personnel for the management

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1 and oversight of litigation is reduced from what it otherwise would be due to the
2 existence of the Law Department. Non-Law Department labor is utilized where
3 necessary to properly handle litigation and, in some instances, replaces outside
4 consulting services or outside counsel and paralegals where it is more cost effective
5 and promotes more efficient and effective handling of the matter.

6
7 **Q. HOW DID PNM ESTIMATE ITS TEST PERIOD LITIGATION EXPENSES?**

8 **A.** To arrive at an estimate of its Test Period litigation expenses, PNM first identified
9 the amount of internal and external fees and costs actually and prudently expended
10 for litigation matters during the Base Period. PNM then applied an annual 1.5%
11 escalation rate to the external non-labor Base Period Litigation Expenses and 2.5% to
12 internal labor Base Period Litigation Expenses to estimate its Test Period litigation
13 expenses. This is described in the direct testimony of PNM Witness Monroy. In my
14 opinion, the use of these escalators results in a reasonable representation of Test Year
15 litigation expenses.

16
17 **Q. WHAT IS THE TOTAL AMOUNT OF TEST PERIOD LITIGATION**
18 **EXPENSE THAT PNM HAS INCLUDED IN THE COST OF SERVICE?**

19 **A.** PNM's Test Year cost of service on a total electric basis includes \$1,650,416 of
20 litigation expense.

21

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1 **Q. IS THE AMOUNT OF TEST PERIOD LITIGATION EXPENSE INCLUDED**
2 **IN THE COST OF SERVICE PRUDENT?**

3 **A.** Yes, it is. My opinion is based on the historic costs involved in litigation matters, the
4 cost-saving measures described above that PNM employs in engaging and
5 supervising outside counsel, the level of ongoing and anticipated litigation activity,
6 and anticipated increases in external and internal expenses. This confirms my
7 opinion that PNM's estimate of Test Period litigation expense is reasonable and
8 representative of the level of expense that PNM will incur when new rates become
9 effective, and that the amount expected to be spent on litigation is prudent.

10

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

12 **A.** Yes, it does.

GCG #520318

Leonard D. Sanchez Educational Background and Experience

PNM Exhibit LDS-1

Is contained in the following 2 pages.

LEONARD D. SANCHEZ
Educational Background and Experience

PROFESSIONAL:

NEW MEXICO STATE BAR ASSOCIATION, *Admitted 1995*
CALIFORNIA STATE BAR ASSOCIATION, *Admitted 1991*

EDUCATION:

STANFORD LAW SCHOOL, *Juris Doctor*, 1991
Activities: Environmental Law Journal and Stanford Public Interest Law Foundation

UNIVERSITY OF NEW MEXICO, *Bachelor of Arts, Political Science*, 1988
Honors: Phi Beta Kappa, University of New Mexico Presidential Scholar

LEGAL EXPERIENCE:

PNM RESOURCES, INC. *Albuquerque, New Mexico*
May 2005 – Present *Associate General Counsel*
Practicing business law in the areas of commercial transactions, finance, Securities and Exchange Commission compliance and reporting, and corporate governance.

MILLER STRATVERT, P.A. *Albuquerque, New Mexico*
March 2003 – May 2005 *Attorney, Director*
Practiced business law in the areas of commercial transactions, corporate counseling and commercial litigation.

PUBLIC SERVICE COMPANY OF NEW MEXICO *Albuquerque, New Mexico*
October 1997 - February 2003 *Attorney*
Represented and advised management and operating divisions on general corporate and business issues, negotiated and drafted contracts and advised and represented management on regulatory compliance and legislative matters.

MILLER, STATVERT & TORGERSO, P.A. *Albuquerque, New Mexico*
September 1994 - September 1997 *Attorney, Associate*
Practiced in the areas of general civil litigation and counseling involving insurance coverage, personal injury, oil and gas royalty and marketing issues, and contractor negligence.

PILLSBURY, MADISON & SUTRO

September 1991 - August 1994; May - August 1990

Specialized in commercial transactions and counseling involving real property issues, dealer and distributor agreements and general commercial law issues. Member of employment committee.

San Francisco, California

Attorney; Summer Associate

MEMBERSHIPS AND ACTIVITIES:

BUSINESS LAW SECTION - NEW MEXICO STATE BAR ASSOCIATION, *Past Chair*

ST. THERESE CATHOLIC SCHOOL, *Volunteer*

Tort Claim Litigation Expenses

PNM Exhibit LDS-2

Is contained in the following 3 pages.

NMPRC Case No. 15-00261-UT
Tort Claim Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
Allstate v. PNM	Lawsuit filed on 10/2/2014 alleging property damage due to contact of tree branches with power lines.	Pending	201400091	5,972
CL/CollectElec	These are lawsuits filed by PNM to collect money owed to PNM for damages.	Various matters where PNM retained outside legal counsel to collect money owed to PNM for damages caused by third parties. Pending	200502153	37
Caughran and Martinez v. PNM et al.	Lawsuit filed on 08/23/2013 alleging personal injury resulting from PNM's failure to properly maintain street lights.	Summary Judgment granted.	201300117	10,016
Fistenberg v. Monribot	PNM is defending employee depositions.	Pending	201400111	500
Lannaghan v. APS, et al.	Lawsuit filed on 05/6/2014 alleging wrongful death arising out of asbestos exposure.	Dismissed	201400041	7,082
LIT-General	Miscellaneous litigation work, i.e., service of process guidelines.	Miscellaneous matters where outside legal counsel is retained to advise or defend the Company.	200001401	5,290

NMPRC Case No. 15-00261-UT
Tort Claim Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
Lorentzen v. PNM	Lawsuit filed on 05/21/2013 alleging PNM failed to lock gate which caused burglary.	Dismissed	201300052	602
Martinez v. PNM	Lawsuit filed on 09/17/2014 alleged loss of income due to the power being shut off.	Settled	201400087	4,294
Trujillo/Mora v. PNM	Lawsuit filed on 05/23/2014 alleging property damage and personal injury due to the alleged power lines sparking.	Pending	201200114	22,026
Romancito v. PNM etal	Lawsuit filed 08/7/2013 alleging personal injury arising out of an electrical shock.	Summary Judgment granted in favor of PNM.	201300109	19,434
Sadberry v. Barnes	PNM was not a named party. Company defended employee depositions only.	Settled	201400088	6,261
Satterwhite v. PNM	Lawsuit filed on 09/27/2013 alleging injuries suffered at SJGS due to a power outage.	Pending	201200143	61,892
Shackelford v. PNM	Lawsuit filed on 02/20/2015 alleging personal injury due to a utility pole stump.	Pending	201500019	965

NMPRC Case No. 15-00261-UT
Tort Claim Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
Smith v. PNM	Lawsuit filed on 04/11/2014 alleging PNM violated the New Mexico Fraud Against Taxpayers Act; retaliation; breach of contract; invasion of privacy-false light; and, Prima Facie Tort.	Pending	201400050	182,566
Swanson v. Westland/PNM	Lawsuit filed on 06/3/2013 for breach of contract and for negligence alleging that the damage to her home may have been related to a utility trench that was laid by PNM.	Dismissed	201300062	667
Walton et al v. PNM et al.	Lawsuit filed on 12/1/2014 alleging personal injuries and damages arising from a carbon monoxide leak.	Dismissed	201400104	353
Zuni v. PNM et al.	Lawsuit filed on 08/18/2014 alleging property damage arising out of an electrical outage	Pending	201400082	4,413
Akins v. Babcock et al.	Lawsuit filed on 4/19/2012 alleging plaintiff was injured at SJGS. PNM was not named but defended its employees' and former employees' depositions.	Settled	201300028	905
			TOTAL	333,275

Human Resources Litigation Expenses

PNM Exhibit LDS-3

Is contained in the following 8 pages.

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-B.B. (EEOC)	Charge filed on 01/23/2015 alleging race discrimination. EEOC Charge No. 543-2015-00372.	Closed	201500015	4,403
HR-S.C. Litigation	Complaint for Employment Discrimination and Retaliation filed on 05/09/2012, alleging disparate treatment; Second Judicial District Court No. D-202-CV-2012-004467.	Closed	201200054	14,952
HR-J.C. (EEOC)	Charge filed on 11/02/2014 alleging age and race discrimination. EEOC Charge No. 846-2015-00119.	Pending	201400102	1,270
HR-IBEW-FMCS #52605 (J.B.)	Federal Mediation and Conciliation Service arbitration regarding union grievance alleging that union employee (J.B.) was terminated without just reasonable cause.	Closed	201400007	2,794
HR-IBEW-FMCS #52606 (D.P.)	Federal Mediation and Conciliation Service arbitration regarding union grievance alleging that union employee (D.P.) was terminated without just reasonable cause.	Closed	201400008	14,512
HR-IBEW-FMCS #53417 (Lag)	Federal Mediation and Conciliation Service arbitration regarding union grievance alleging that the Company scheduled overtime in violation of the CBA.	Closed	201300012	971

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-IBEW-FMCS #53418 (J.M.)	Federal Mediation and Conciliation Service arbitration regarding union grievance alleging union employee (J.M.) was placed on a DML without just reasonable cause.	Closed	201300011	31
HR-IBEW-FMCS #54473 (Unscheduled OT)	Federal Mediation and Conciliation Service arbitration regarding union grievance alleging unscheduled overtime schedule violated the CBA.	Closed	201300026	691
HR-IBEW-FMCS #56514 (ICE Job Descriptions)	Federal Mediation and Conciliation Service arbitration regarding union grievance alleging that the Company is changing ICE Journeymen's job descriptions substantially and permanently, and using NERC/CIP, other non-bargaining unit employees, and/or contractors to displace bargaining unit jobs.	Closed	201400048	40,490
HR-IBEW-FMCS #57524 (R.S.)	Federal Mediation and Conciliation Service arbitration regarding union grievance alleging improper pay for mid-week employees in violation of the CBA.	Closed	201400013	23,056
HR-IBEW-FMCS #59239 (By-Pass Overtime)	Federal Mediation and Conciliation Service Arbitration regarding union grievance alleging Company canceled overtime resulting in bypass overtime in violation of the CBA.	Pending	201300122	10

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-IBEW-SJ-FMCS #50474 (L.S.)	Federal Mediation and Conciliation Service Arbitration regarding union grievance alleging that union employee (L.S.) was terminated without just cause in violation of the CBA.	Closed	201400100	867
HR-IBEW-SJ-FMCS #50475 (Asbestos Training)	Federal Mediation and Conciliation Service Arbitration regarding union grievance alleging that employees being trained as Asbestos Maintenance workers, resulted in a change to Mechanic and ICE job descriptions in violation of the CBA.	Pending	201400099	435
HR-IBEW-SJ-FMCS #50476 (OT-PWS)	Federal Mediation and Conciliation Service Arbitration regarding union grievance alleging Plant-Wide Services (PWS) employees were forced to work overtime during their days off in violation of the CBA.	Pending	201400098	244
HR-IBEW-SJ-FMCS #57520 (Bypass PWS)	Federal Mediation and Conciliation Service Arbitration regarding union grievance alleging bypass of Plant-Wide Services (PWS) crew in violation of the CBA.	Closed	201400107	377
HR-T.M. (EEOC)	Charge filed on 07/24/2013 alleging age discrimination. EEOC Charge No. 543-2013-00521.	Pending	201200050	62

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-J.M. Litigation	Complaint for Damages filed on 11/15/2012, alleging race discrimination, retaliation, and breach of implied contract. USDC, District of NM Court Case No.14cv0079 WJ/RHS. (Previously Bernalillo County District Court Case No. D-202-CV-2012-10589).	Pending	201200140	24,640
HR-R.M. (EEOC)	Charge filed on 01/28/2015 alleging discrimination. EEOC Charge No. 543-2015-00344.	Pending	201500016	26
HR-NLRB-IBEW (28-CA-105815)	NLRB charge filed by IBEW on 05/23/2013 (NLRB Case No. 28-CA-105815).	Closed	201300051	37,307
HR-NLRB-IBEW (28-CA-111296)	NLRB charge filed by IBEW on 08/26/2013 (NLRB Case No. 28-CA-111296).	Closed	201300113	868
HR-NLRB-IBEW (28-CA-23046)	NLRB charge filed by IBEW on 05/19/2010 (NLRB Case No. 28-CA-23046).	Pending	201000046	16
HR-NLRB-IBEW (28-CA-23391 & 066164)	NLRB charge filed by IBEW on 03/04/2011 (NLRB Case No. 28-CA-23391). This matter was consolidated with NLRB charge filed by IBEW on 10/05/2011 (NLRB Case No. 28-CA-066164). Company filed appeal on 05/12/2014 (D.C. Circuit Court of Appeals Case No. 14-1074).	Pending	201100028	61,959
HR-K.N. (EEOC)	Charge filed on 10/12/2011 alleging age discrimination. EEOC Charge No. 543-2011-01768.	Closed	201100148	796

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-M.O. (EEOC)	Charge filed on 06/18/2013 alleging disability discrimination and retaliation. EEOC Charge No. 543-2013-00936.	Closed	201300063	20,536
HR-M.O. Litigation	Complaint filed on 04/28/2014 alleging discrimination and retaliation. USDC District of NM Court Case No. 1:14-cv-00391 LAM/SMV.	Closed	201400037	74,104
HR-W.R. (EEOC)	Charge filed on 07/25/2014 alleging age discrimination. EEOC Charge No. 543-2014-00800.	Closed	201400076	2,730
HR-R.R. (EEOC)	Charge filed on 08/28/2013 alleging disability discrimination. EEOC Charge No. 543-2013-01194.	Closed	201300130	78
HR-R.R. Litigation	Complaint filed on 12/12/2013 alleging FMLA and ADA retaliation, common law retaliation and breach of implied contract. USDC, District of NM Court Case No. 14cv60 KBM/RHS. (Previously Bernalillo County District Court Case No. D-202-CV-2013-09711).	Closed	201400001	16,628
HR-SJGS-OHSB Complaint (W.R.)	Occupational Health & Safety complaint filed on 08/29/2014 by employee (W.R.) alleging unsafe working conditions at SJGS. OHSB Case No. 06-535-14-49.	Closed	201400095	1,481

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-G.S. v. Prudential, PNMR	Complaint filed on 09/21/2012 alleging wrongful denial of benefits for short-term disability benefits. USDC, Northern District of Texas, Dallas Division, Case No. 3:12-CV-03844-B. Plaintiff filed appeal on 09/03/2014 (U.S.D.C., Fifth Circuit Court of Appeals Case No. 14-10983).	Pending	201200139	3,097
HR-G.S. Litigation	Complaint filed on 09/26/2012 alleging age and disability discrimination and retaliation. Dallas County District Court No. DC-12-11431.	Closed	201200116	32,686
HR-A.V. (EEOC)	Charge filed on 01/12/2012 alleging gender and equal pay discrimination and retaliation. EEOC No. 543-2012-00391.	Closed	201100163	8,327
HR-WC-K.T.	Workers' compensation claim filed by an electric services employee. NM WCA No. 01-07235.	Pending	200201639	26,986
HR-WC-F.J.	Workers' compensation claim filed by an electric services employee. NM WCA No. 02-02099.	Closed	-	2,229
HR-WC-L.A.	Workers' compensation claim filed by an electric services employee. NM WCA No. 10-01923.	Pending	201000062	5,029
HR-WC-J.A.	Workers' compensation claim filed by an electric services employee. NM WCA No. 05-00530.	Pending	200702531	4,018

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-WC-M.A.	Workers' compensation claim filed by an electric services employee. NM WCA No. 00-05425.	Pending	-	14,988
HR-WC-J.B.	Workers' compensation claim filed by a SJGS employee. NM WCA No. 03-06479.	Closed	-	7,936
HR-WC-D.C.	Workers' compensation claim filed by a SJGS employee. NM WCA No. 07-66613.	Pending	200800196	2,575
HR-WC-S.D.	Workers' compensation claims filed by a SJGS employee. NM WCA Nos. 00-06708, 07-59641, 08-68518 and 11-63278.	Pending	-	4,414
HR-WC-B.D.	Workers' compensation claim filed by an electric services employee. NM WCA No. 11-62344.	Closed	-	427
HR-WC-C.F.	Workers' compensation claims filed by a PNMR Services Company employee. NM WCA Nos. 02-06697, 03-04655, 06-01615 and 06-03989.	Pending	200702557	1,318
HR-WC-P.P.	Workers' compensation claim filed by an electric services employee. NM WCA No. 05-02552.	Pending	-	15,989
HR-WC-C.Q	Workers' compensation claim filed by an electric services employee. NM WCA No. 14-62503.	Closed	-	1,501
HR-WC-J.S.	Workers' compensation claim filed by a SJGS employee. NM WCA No. 94-05587.	Pending	200800003	29

NMPRC Case No. 15-00261-UT
Human Resources Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
HR-WC-T.T.	Workers' compensation claim filed by a SJGS employee. NM WCA No. 00-06674.	Closed	-	1,172
HR-WC-R.W.	Workers' compensation claim filed by an electric services employee. NM WCA No. 11-59638.	Closed	-	11,907
HR-WC-M.N.	Workers' compensation claim filed by a PNMR Services Company employee. NM WCA No. 07-64319.	Pending	-	3,185
			TOTAL	494,147

FERC Litigation Expenses

PNM Exhibit LDS-4

Is contained in the following 1 page.

NMPRC Case No. 15-00261-UT
 FERC Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
EPNG - FERC Rate Case 2011	El Paso Natural Gas filed for a system-wide increase in rates for natural gas shipping, which would result in higher fuel costs for PNM.	Initial Decision issued 06/18/2012,. FERC issued Order Affirming in Part and Modifying in Part on 10/17/2013. Track II Procedure established 10/23/2013. Initial Order on Track II Proceeding issued 09/17/2014.	201000122	2,367
SPS Fuel Clause	PNM protesting SPS proposed fuel adjustment costs for historic periods going back several years as having been unjust and unreasonable.	Settlement discussions are on-going.	200602400	87
SPS Litigation	PNM et. al. v. SPS re overcharging for energy deliveries through their fuel cost adjustment clause, resulting in higher energy costs for PNM retail customers.	In August 2013 FERC issued an order clarifying earlier orders regarding the allocation of fuel costs and denying refunds for PNM's contractual load. Motions for rehearing are pending. Settlement discussions are ongoing.	200502128	636
			TOTAL	3,090

NMPRC Litigation Expenses

PNM Exhibit LDS-5

Is contained in the following 5 pages.

NMPRC Case No. 15-00261-UT
NMPRC Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
12-00250-UT - NOPR – Energy Efficiency and Decoupling Rule	PRC rulemaking proceeding to amend Rule 17.7.2.9 NMAC to provide for a decoupling mechanism.	Awaiting Commission action.	201200052	90
13-00175-UT - La Luz CCN	Application for CCN to construct La Luz gas plant.	Amended Stipulation between most of the parties filed 02/20/2014. Final Order approving Certification of Stipulation and granting CCN issued 6/18/2014. Docket is closed.	201100138	8,812
13-00152 Rule 572 Revisions (RCT)	PRC rulemaking proceeding to amend Rule 17.9.572 NMAC.	On 04/16/2014, the Commission issued a Revised Final Order on Rehearing Amending Rule 17.9.572 NMAC. The amended rule was published in the New Mexico Register on 05/15/2014 and became effective on that date. Docket is closed.	201100082	41
13-00187-UT FPPCAC	Application for continued use of Fuel and Purchased Power Cost Adjustment Clause (FPPCAC).	Stipulation between most of the parties filed 12/20/2013. Final Order approving Certification of Stipulation filed 04/23/2014. Docket is closed.	201200095	302

NMPRC Case No. 15-00261-UT
NMPRC Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
13-00310-UT NOPR - Energy Efficiency Rule NMAC 17.7.2	PRC rulemaking proceeding to amend Rule 17.7.2 NMAC to implement of the Efficient Use of Energy Act.	Commission issued Final Order Repealing and Replacing Rule 17.7.2 on 10/8/2014. Motions for rehearing were denied. New rule was published in the New Mexico Register on 12/30/2014 and is now in effect. This docket is closed.	201300129	2,161
13-00390-UT NMPRC BART Application	Application for abandonment of San Juan Generating Station Units 2 and 3, issuance of CCNs for replacement power resources and determination of related ratemaking principles and treatments.	On 08/13/2015, PNM, Utility Division Staff, the Attorney General, Western Resources Advocates and CCAE filed a Supplemental Stipulation in this case which modifies the original Stipulation and is intended to resolve all issues in this case. Also on 08/13/2015, the parties to the Supplemental Stipulation submitted a Motion to Amend Order Setting Further Proceedings, seeking to establish a schedule for the Commission's consideration of the Supplemental Stipulation.	201100137	132,791
14-00102-UT Valencia Power billing dispute	Billing dispute between PNM and Southwest Generation Operating Company in connection with billings to Valencia Power, LLC.	On 04/29/2015, the Commission issued its Final Order Partially Adopting Certification of Stipulation, which required PNM to amend the Stipulation, refund 100% of net back-billed amounts to customers and penalized PNM in the amount of \$5,000. On 05/11/2015, PNM	201400024	38,229

NMPRC Case No. 15-00261-UT
NMPRC Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
		filed the Amended Stipulation and paid the penalty. This docket is closed.		
PLIT-Valencia Facility	Potential litigation between PNM and Valencia. See preceding entry.	See preceding entry.	201400021	859
14-00152-UT Joint Petition for Independent Evaluator	Petition filed by Southwest Generation Operating Company and other entities requesting the PRC issue an order establishing a process for appointment of independent evaluator to review and monitor PNM's RFP's and selections of proposals for resources to replace SJGS Units 2 and 3.	On 06/19/2014 PNM filed a response to the Petition. Petitioners filed a reply on 07/3/2014. This matter is pending.	201400047	7,572
14-00190-UT Hedging Plan Application	Application to continue PNM's hedging plan approved by NMPRC in Case No. 09-00321-UT	The Commission approved PNM's application. The Final Order was entered on 12/23/2014. Docket is closed.	201400054	5,091
14-00197-UT Four Corners Unit 4 ROFR	NMPRC Utility Division Staff filed a petition to initiate an inquiry into PNM's intent to waive its right of first refusal (ROFR) to acquire El Paso Electric Company's 107 MW interest in the Four Corners Generating Station to consider whether this resource would benefit ratepayers as a less costly resource to replace PNM's interests in SJGS Units 2 and 3 subject to abandonment in Case No. 13-00390-UT.	The Commission dismissed Staff's Petition on 08/27/2014. Docket is closed.	201400055	4,993

NMPRC Case No. 15-00261-UT
NMPRC Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
14-00332-UT 2014 Electric Retail Rate Case	PNM's application for revision of rates.	On 05/13/2015, the Commission issued a Final Order Adopting Initial Recommended Decision and dismissing the case. On 5/27/2015. The Commission issued a separate order providing that the future test year period begins 45 days after filing a rate case application. PNM filed an appeal to the future test year order on 06/25/15.	201000117	76,394
2014 Integrated Resource Plan; 14-00228-UT Protest to PNM's 2014 Integrated Resource Plan	Protest of 2014 Integrated Resource Plan filing.	Integrated Resource Plan filed 07/1/2014. A protest to the Plan was filed on 07/31/2014. Commission issued an order holding the protest case in abeyance until after the conclusion of the SJGS abandonment case (13-00390-UT) and the 2015 renewable plan case (14-00158-UT).	201200090	8,743
Annual Renewable Procurement Plan/Reconciliation/ Rider	Applications for approval of annual Renewable Procurement Plans and riders.	In Case 14-00158-UT, on 11/26/2014, the Commission issued its Final Order Adopting Certification of Stipulation with Modification. Case No. 14-00158-UT docket is closed. PNM filed its 2016 application on 06/01/2015, Case No. 15-00166-UT. Case No. 15-00166-UT is pending.	201200096	64,810

NMPRC Case No. 15-00261-UT
NMPRC Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
14-00310-UT 2014 Energy Efficiency Plan Application	Application for approval of 2014 energy efficiency and load management programs.	On 04/29/2015, the Commission issued a Final Order Adopting Certification of Stipulation. Motions for rehearing were denied. Docket is closed.	201100139	18,073
EE Rider Reconciliation for 2014	Reconciliation of PNM's Energy Efficiency Rider No. 16 and motion to allow substitute Advice Notice No.492	Order granting motion to allow substitute advice notice filed 04/23/2014. Matter is closed.	201400020	96
NMPRC Customer Complaints	Miscellaneous informal customer complaints filed with PRC.	Ongoing—PNM responds to customer complaints as received from PRC.	201300065	11,569
Pension Asset Appeal	On 02/5/2015, in NMSC Case No. 34,768, PNM filed an amicus brief in support of the NMPRC's Final Order in Case No. 12-00359-UT, which authorized SPS to include its prepaid pension asset in rate base. The Attorney General appealed that order.	PNM's involvement complete.	201400097	7,274
PNM \$400M Revolver 2014 Amendment	Application for authorization to extend existing unsecured \$400 million revolving credit facility	Commission approved application. Final Order entered 01/21/2015. Docket is closed.	201400101	2,342
San Juan Gas Peaker	Application for authorization to construct a new gas peaker and San Juan Generating Station.	Application filed 06/30/2015. Matter is pending.	201500022	404
			TOTAL	390,646

Commercial Litigation Expenses

PNM Exhibit LDS-6

Is contained in the following 4 pages.

NMPRC Case No. 15-00261-UT
Commercial Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
Appeal - EIB New Energy Economy	PNM and other parties challenged the promulgation of Rule 100. The rule was repealed, effective 06/07/2012.	Dismissed	201000026	43
Appeal - NMED Cap & Trade	PNM and other parties challenged the promulgation of Rule 350. The rule was repealed, effective, 04/09/2012.	Dismissed	201000092	918
Appeal - SJGS BART determination	On 9/16/2011, PNM filed its petition for review of the FIP in the Tenth Circuit Court.	Pending	201000056	22,218
Bankruptcy - PNM New Mexico	Various bankruptcy litigation matters.	Pending	200301913	843
Bernalillo County Prop Tax Protest	Required filing in district court in order to claim tax refund from the County.	Pending	201500003	2,086
LIT-Franchise Fee Bernalillo County	On 02/28/2014, PNM, in conjunction with NM Gas Company and Qwest Corp. filed suit in federal district court challenging a franchise fee ordinance and related fee resolutions adopted by the Bernalillo County Commission.	Pending	201300045	39,751
Buffet Partners Bankruptcy	Ch. 11 Bankruptcy, filed 02/04/2014.	Matter closed	201400017	1,905
Champion Mortgage Co v. PNM et	Nationstar Mortgage LLC d/b/a Champion Mortgage Company is foreclosing on property on which PNM has an easement.	Pending	201400109	916

NMPRC Case No. 15-00261-UT
Commercial Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
MGC v. PNM et al.	MGC is foreclosing on property on which PNM has an easement.	Pending	201500014	306
County of SF Permit Fee Issue	PNM, NMGCO and CenturyLink filed a lawsuit challenging a Santa Fe ordinance increasing fees.	Pending	200900095	6,291
FCPP Coal Severance Surtax	NM Taxation and Revenue Department demand payment associated with the coal severance surtax from BHP Billiton which supplies coal to Four Corners Power Plant.	Pending	201500023	28
WEG v. OSM (NEPA Violation (CO))	Lawsuit against Office of Surface Mining alleging NEPA violations regarding San Juan Mine.	Pending	201300057	2,861
Ward v. Bashlin Industries	PNM is defending employee depositions.	Closed	201200144	214
GCT Consent Decree Litigation	Dispute with NMED, Sierra Club and Grand Canyon Trust over mercury reduction optimization reports and optimal injection rate to maximize reductions in mercury emissions.	PNM is in the process of complying with the testing and reporting requirements set forth in the stipulated order.	201000089	11,839
Lit-Allottees AY Line Appeal	Navajo Allottees filed Notice of Appeal to IBIA concerning the Regional Director's 08/20/2012 grant of a renewal of right of way held by PNM for its AY line.	Dismissed	201200119	2,293
LIT-CDEC v. PNM	Complaint for Declaratory Judgment filed on 03/13/2014.	Settled	201400031	5,146

NMPRC Case No. 15-00261-UT
Commercial Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
LIT-Four Corners NSR Litigation	Earth Justice filed a complaint on 10/04/2011 against the owners and operators of the Four Corners Power Plant. The notice alleges violations of the Clean Air Act; New Source Performance Standards (NSPS) Violations. Plaintiffs reissued the NOI on 09/02/2011.	APS matter; PNM is monitoring. Pending.	201000039	5,849
Lit-WEG v. EPA Petition for Review	Complaint filed on 12/27/2012. Petition for Review of SIP Regional Haze Rule Requirements for Mandatory Class I Areas.	Consolidated with Heal Utah, et al v. EPA.	201300002	1,170
Navajo Allottees v. PNM et al.	Complaint filed on 02/11/2009. Plaintiffs seek declaratory and injunctive relief against the US for breach of trust for failure to obtain appraisals, failure to assist and advise the Navajo allottees of appraisal information and failure to insist on fair market value as a condition for granting ROWs on Navajo Allottees lands.	Pending	200900018	762
New Mexico Surgicenter	Ch. 11 Bankruptcy filed on 10/18/2013, converted to Ch. 7.	Matter resolved; to be dismissed by the court.	201300134	1,399
Pro's ABQ Ranch Markets, L.L.C.	Ch. 11 Bankruptcy filed on 05/28/2013. Preference claim filed on 05/28/2015.	Pending	201300055	463

NMPRC Case No. 15-00261-UT
 Commercial Litigation Expenses

Case Description	Issues	Status	File Number	Base Period Litigation Expenses
San Juan River Adjudication	State of New Mexico v. USA & Jicarilla Apache Tribe; CV 75-184-1; San Juan River General Stream Adjudication. Pending before the NM Court of Appeals.	Pending	200101618	547
SJGS - SJCC 2009 Audit Arbitration	Arbitration demand from PNM under the UG-CSA regarding third party audit.	Resolved	201200024	295,838
SJGS EIB Revised SIP Proceeding	Revised SIP being presented to EIB for approval regarding regional haze and BART for NoX at SJGS that incorporates the term sheet; and implementation before EPA. EIB 13-02(R).	Pending	201300043	414
Flying Stars Café	Chapter 11 Bankruptcy filed on 01/30/2015	Pending	201500007	210
LIT-SJGS Quiet Title Recovery Sys	Quiet title action for land acquisition for the SJGS Recovery System.	Pending	201200136	557
TOTAL				404,867

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

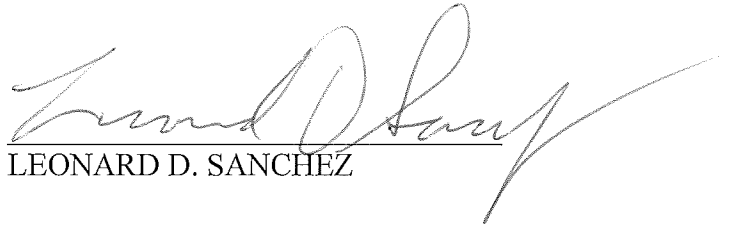
**IN THE MATTER OF THE APPLICATION OF)
OF PUBLIC SERVICE COMPANY OF NEW)
MEXICO FOR REVISION OF ITS RETAIL) Case No. 15-00261-UT
ELECTRIC RATES PURSUANT TO ADVICE)
NOTICE NO. 513,)
)
**PUBLIC SERVICE COMPANY OF NEW MEXICO,)
Applicant.)**
_____)**

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

**LEONARD D. SANCHEZ, Associate General Counsel for Public Service
Company of New Mexico**, upon being duly sworn according to law, under oath, deposes
and states: I have read the foregoing **Direct Testimony and Exhibits of Leonard D.
Sanchez** and it is true and accurate based on my own personal knowledge and belief.

SIGNED this 12th day of August, 2015.


LEONARD D. SANCHEZ

SUBSCRIBED AND SWORN to before me this 12th day of August, 2015.


NOTARY PUBLIC IN AND FOR
THE STATE OF NEW MEXICO

My Commission Expires:

12/19/2015

