

Balance sheet, income statement, statement of changes in financial position.

PNM 530 Schedules I Series

Schedule I-1: Balance sheet.

Schedule I-2: Income statement.

Schedule I-3: Statement of changes in financial position.

PNM Schedule I-1

Balance sheet.

This schedule is also being provided electronically, see index for location.

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	Schedule I-1							
3	Condensed Balance Sheet							
4	Base Period Ending 6/30/2016							
5	Test Period Ending 12/31/2018							
6								
7	Description	Books & Records 6/30/2016	Remove Non-COS Items Note 1	Unadjusted Base Period 6/30/2016	Base Period Adjustments Note 2	Adjusted Base Period	PNM Retail Jurisdiction Adjusted Base Period	Linkage Ending - COS Model 6/30/2017 Note 2
8	ASSETS							
9	Utility Plant							
10	Utility Plant	5,295,893,924	(3,593,525)	5,292,300,399	(52,408,090)	5,239,892,309		
11	Construction Work In Progress	156,801,458	-	156,801,458	(156,801,458)	0		
12	Total Utility Plant	5,452,695,382	(3,593,525)	5,449,101,857	(209,209,548)	5,239,892,309	-	-
13	Accumulated Provision for Depreciation and Amortization	(2,033,082,915)	(575,485)	(2,033,658,400)	(55,738,049)	(2,089,396,449)		
14	Net Utility Plant	3,419,612,467	(4,169,010)	3,415,443,457	(264,947,597)	3,150,495,860	-	-
15	Nuclear Fuel	127,530,047		127,530,047	(771,478)	126,758,569		
16	Accumulated Provision for Amortization of Nuclear Fuel Assemblies	(44,138,945)		(44,138,945)		(44,138,945)		
17	Net Nuclear Fuel	83,391,102	-	83,391,102	(771,478)	82,619,624	-	-
18	Net Utility Plant (Note 4)	3,503,003,569	(4,169,010)	3,498,834,559	(265,719,076)	3,233,115,484	2,628,965,199	3,344,838,154
19	Utility Plant Adjustments (Note 3)	(128,166,367)	128,166,367	-				
20								
21	Other Property and Investments							
22	Nonutility Property	98,532	(98,532)	-		-		
23	Accumulated Provision for Depreciation and Amortization	(2,653)	2,653	-		-		
24	Net Nonutility Property	95,879	(95,879)	-	-	-	-	-
25	Investment in Subsidiary Companies	10,326,125	(10,326,125)	-	-	-		
26	Other Investments	-	-	-		-		
27	Other Special Funds	264,871,176	(264,871,176)	-		-		
28	Long-Term Portion of Derivative Assets	1,331,940	(1,331,940)					
29	Total Other Property and Investments	276,625,120	(276,625,120)	-	-	-	-	-
30								
31	Current and Accrued Assets							
32	Cash	2,040,214	(2,040,214)	-		-		
33	Special Deposits	118,722	(118,722)	-		-		
34	Working Fund	19,200	(19,200)	-		-		
35	Temporary Cash Investments	-	-	-		-		
36	Customer Accounts Receivable	53,898,752	(53,898,752)	-		-		
37	Other Accounts Receivable	14,160,829	(14,160,829)	-		-	-	
38	Accumulated Provision for Uncollectable Accounts	(1,407,364)	1,407,364	-		-	-	
39	Notes Receivable from Associated Companies	8,819,312	(8,819,312)	-		-	-	
40	Fuel Stock	22,880,175	-	22,880,175	(541,762)	22,338,413	21,297,151	22,338,413
41	Plant Materials and Operating Supplies	41,548,714	-	41,548,714	2,043,812	43,592,526	36,173,969	45,329,203
42	Stores Expense Undistributed	45,316	(45,316)	-		-	-	
43	Prepayments	80,891,604	-	80,891,604	(8,313,281)	72,578,323	64,902,073	65,980,076
44	Interest and Dividends Receivable	791,964	(791,964)	-		-	-	
45	Accrued Utility Revenues	58,360,204	(58,360,204)	-		-	-	
46	Miscellaneous Current and Accrued Assets	15,211,244	(15,211,244)	-		-	-	
47								
	Notes for this schedule are found at pages 3 and 6							
48	This schedule is sponsored by PNM Witness Monroy							

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1	Public Service Company of New Mexico							
2	Schedule I-1							
3	Condensed Balance Sheet							
4	Base Period Ending 6/30/2016							
5	Test Period Ending 12/31/2018							
6								
7	Description	Books & Records 6/30/2016	Remove Non-COS Items Note 1	Unadjusted Base Period 6/30/2016	Base Period Adjustments Note 2	Adjusted Base Period	PNM Retail Jurisdiction Adjusted Base Period	Linkage Ending - COS Model 6/30/2017 Note 2
49	Derivative Instrument Assets	5,384,552	(5,384,552)	-	-	-	-	-
50	Long-Term Portion of Derivative Instrument Assets	(1,331,940)	1,331,940	-	-	-	-	-
51	Total Current and Accrued Assets	301,431,498	(156,111,005)	145,320,493	(6,811,231)	138,509,262	122,373,193	133,647,692
52								
53	Deferred Debits					-		
54	Unamortized Debt Expenses	10,364,999	(10,364,999)	-	-	-	-	-
55	Other Regulatory Assets	330,474,748	(108,748,315)	221,726,433	(17,213,766)	204,512,667	191,658,505	195,384,303
56	Preliminary Surveys and Investigation Charges	984,679	(984,679)	-	-	-	-	-
57	Clearing Accounts	155,460	(155,460)	-	-	-	-	-
58	Miscellaneous Deferred Debits	115,176,512	(62,940,445)	52,236,067	(168,185)	52,067,881	33,215,664	70,922,860
59	Unamortized Loss on Reacquired Debt	7,816,490	-	7,816,490	-	7,816,490	7,816,490	9,216,444
60	Accumulated Deferred Income Taxes	346,067,092	(346,067,092)	-	-	-	-	-
61	Total Deferred Debits	811,039,980	(529,260,991)	281,778,989	(17,381,951)	264,397,038	232,690,658	275,523,607
62	Total Assets	4,763,933,800	(837,999,758)	3,925,934,042	(289,912,258)	3,636,021,784	2,984,029,050	3,754,009,453
63								
64	LIABILITIES AND STOCKHOLDER'S EQUITY							
65	Proprietary Capital							
66	Common Stock Issued	195,588,995	1,216,136,357	1,411,725,352	(96,178,511)	1,315,546,841	1,105,216,978	1,384,674,291
67	Preferred Stock Issued	11,529,299	657,231	12,186,530	(830,248)	11,356,282	9,540,638	10,976,734
68	Premium on Capital Stock	456,815,703	(456,815,703)	-	-	-	-	-
69	Other Paid-In Capital	608,372,591	(608,372,591)	-	-	-	-	-
70	Capital Stock Expense	(19,859,236)	19,859,236	-	-	-	-	-
71	Retained Earnings	158,246,392	(158,246,392)	-	-	-	-	-
72	Unappropriated Undistributed Subsidiary Earnings	10,301,125	(10,301,125)	-	-	-	-	-
73	Accumulated Other Comprehensive Income	(73,911,123)	73,911,123	-	-	-	-	-
74	Total Proprietary Capital	1,347,083,746	76,828,136	1,423,911,882	(97,008,759)	1,326,903,123	1,114,757,616	1,395,651,025
75								
76	Long-Term Debt							
77	Bonds	1,465,869,580	83,602,992	1,549,472,572	(105,563,001)	1,443,909,572	1,213,057,053	1,395,651,025
78	Other Long-Term Debt	175,000,000	(175,000,000)	-	-	-	-	-
79	Unamortized Discount on Long-Term Debt-Debit	(786,185)	786,185	-	-	-	-	-
80	Total Long-Term Debt	1,640,083,395	(90,610,823)	1,549,472,572	(105,563,001)	1,443,909,572	1,213,057,053	1,395,651,025
81								
82	Other Noncurrent Liabilities							
83	Accumulated Provision for Injuries and Damages	6,117,696	(809,040)	5,308,656	1,556,967	6,865,623	6,368,986	6,865,623
84	Accumulated Provision for Pensions and Benefits	59,979,658	(53,647,433)	6,332,225	-	6,332,225	5,874,173	6,078,980
85	Long-Term Portion of Derivative Instrument Liabilities	1,588,097	(1,588,097)	-	-	-	-	-
86	Asset Retirement Obligations	115,835,127	-	115,835,127	(99,182,699)	16,652,428	16,031,887	16,382,760
87	Total Other Noncurrent Liabilities	183,520,578	(56,044,570)	127,476,008	(97,625,733)	29,850,275	28,275,046	29,327,363
88								
89	Notes for this schedule are found at pages 3 and 6 This schedule is sponsored by PNM Witness Monroy							Schedule I-1 Page 2 of 6

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5	Test Period Ending 12/31/2018							
6								
7	Description	Books & Records 6/30/2016	Remove Non-COS Items Note 1	Unadjusted Base Period 6/30/2016	Base Period Adjustments Note 2	Adjusted Base Period	PNM Retail Jurisdiction Adjusted Base Period	Linkage Ending - COS Model 6/30/2017 Note 2
90	Current and Accrued Liabilities							
91	Notes Payable	126,000,000	(126,000,000)	-		-		
92	Accounts Payable	51,968,894	(51,968,894)	-		-		
93	Accounts Payable to Associated Companies	28,632,052	(28,632,052)	-	-	-		
94	Customer Deposits	11,782,604	(0)	11,782,604	580,415	12,363,018	12,363,018	12,363,018
95	Taxes Accrued	1,560,631	(1,560,631)	-	-	-		
96	Interest Accrued	17,783,600	(17,783,600)	-	-	-		
97	Dividends Declared	132,010	(132,010)	-		-		
98	Tax Collections Payable	7,214,997	(7,214,997)	-		-		
99	Miscellaneous Current and Accrued Liabilities	27,438,949	(27,438,949)	-	-	-		
100	Derivative Instrument Liabilities	6,333,961	(6,333,961)	-		-		
101	Long-Term Portion of Derivative Instrument Liabilities	(1,588,097)	1,588,097	-		-		
102	Total Current and Accrued Liabilities	277,259,601	(265,476,997)	11,782,604	580,415	12,363,018	12,363,018	12,363,018
103								
104	Deferred Credits							
105	Customer Advances for Construction	7,330,326	(7,330,326)	-		-		
106	Accumulated Deferred Investment Tax Credits	56,152,070	(56,152,070)	-		-		
107	Other Deferred Credits	104,373,012	(79,328,293)	25,044,719	(11,854,934)	13,189,785	-	10,812,136
108	Other Regulatory Liabilities	146,113,217	(111,512,240)	34,600,977	-	34,600,977	8,482,552	29,837,879
109	Accumulated Deferred Income Taxes	1,002,017,855	(248,378,186)	753,639,669	21,565,363	775,205,032	607,093,765	880,367,005
110	Total Deferred Credits	1,315,986,480	(502,701,115)	813,285,365	9,710,429	822,995,794	615,576,316	921,017,020
111	Total Capitalization and Liabilities	4,763,933,800	(838,005,369)	3,925,928,431	(289,906,648)	3,636,021,783	2,984,029,050	3,754,009,453
112								
113								
114	Net Cost of Service Rate Base	1,672,987,874	1,300,402,191	2,973,390,065	(202,577,370)	2,770,812,696	2,327,814,669	2,791,302,051
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1	Public Service Company of New Mexico				
2	Schedule I-1				
3	Condensed Balance Sheet				
4	Base Period Ending 6/30/2016				
5	Test Period Ending 12/31/2018				
6					
7	Description	Linkage Ending 12/31/2017 Note 2	Test Period Note 2	PNM Retail Jurisdiction Test Period	PNM Exhibit HEM-3 References
8	ASSETS				
9	Utility Plant				
10	Utility Plant				
11	Construction Work in Progress				
12	Total Utility Plant	-	-	-	
13	Accumulated Provision for Depreciation and Amortization				
14	Net Utility Plant	-	-	-	
15	Nuclear Fuel				
16	Accumulated Provision for Amortization of Nuclear Fuel Assemblies				
17	Net Nuclear Fuel	-	-	-	
18	Net Utility Plant (Note 4)	3,236,497,539	3,297,146,504	2,804,235,822	Line 84, Lines 154 - 157, Lines 168 - 173, Line 189, & Line 190
19	Utility Plant Adjustments (Note 3)				
20					
21	Other Property and Investments				
22	Nonutility Property				
23	Accumulated Provision for Depreciation and Amortization				
24	Net Nonutility Property	-	-	-	
25	Investment in Subsidiary Companies				
26	Other Investments				
27	Other Special Funds				
28	Long-Term Portion of Derivative Assets				
29	Total Other Property and Investments	-	-	-	
30					
31	Current and Accrued Assets				
32	Cash				
33	Special Deposits				
34	Working Fund				
35	Temporary Cash Investments				
36	Customer Accounts Receivable				
37	Other Accounts Receivable				
38	Accumulated Provision for Uncollectable Accounts				
39	Notes Receivable from Associated Companies				
40	Fuel Stock	22,338,413	22,338,413	22,338,413	Line 188
41	Plant Materials and Operating Supplies	45,329,203	44,826,230	44,367,000	Line 198 & Line 208
42	Stores Expense Undistributed				
43	Prepayments	54,996,572	43,649,783	40,088,081	Line 206
44	Interest and Dividends Receivable				
45	Accrued Utility Revenues				
46	Miscellaneous Current and Accrued Assets				
47					
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4	Base Period Ending 6/30/2016				
5	Test Period Ending 12/31/2018				
6					
7	Description	Linkage Ending 12/31/2017 Note 2	Test Period Note 2	PNM Retail Jurisdiction Test Period	PNM Exhibit HEM-3 References
49	Derivative Instrument Assets				
50	Long-Term Portion of Derivative Instrument Assets				
51	Total Current and Accrued Assets	122,664,188	110,814,426	106,793,495	
52					
53	Deferred Debits				
54	Unamortized Debt Expenses				
55	Other Regulatory Assets	319,338,009	300,153,088	286,110,529	Line 136, Line 140, Line 142, Line 145, Line 146, Line 176
56	Preliminary Surveys and Investigation Charges				
57	Clearing Accounts				
58	Miscellaneous Deferred Debits	74,957,094	77,317,212	45,397,847	Line 174, Line 175, Line 178, Line 179
59	Unamortized Loss on Reacquired Debt	8,805,969	8,395,494	8,395,494	Line 177
60	Accumulated Deferred Income Taxes				
61	Total Deferred Debits	403,101,073	385,865,794	339,903,870	
62	Total Assets	3,762,262,800	3,793,826,724	3,250,933,186	
63					
64	LIABILITIES AND STOCKHOLDER'S EQUITY				
65	Proprietary Capital				
66	Common Stock Issued	1,364,735,779	1,375,879,178	1,181,236,126	
67	Preferred Stock Issued	10,818,675	10,907,013	9,364,018	
68	Premium on Capital Stock				
69	Other Paid-In Capital				
70	Capital Stock Expense				
71	Retained Earnings				
72	Unappropriated Undistributed Subsidiary Earnings				
73	Accumulated Other Comprehensive Income				
74	Total Proprietary Capital	1,375,554,454	1,386,786,191	1,190,600,144	
75					
76	Long-Term Debt				
77	Bonds	1,375,554,454	1,386,786,191	1,190,600,144	
78	Other Long-Term Debt				
79	Unamortized Discount on Long-Term Debt-Debit				
80	Total Long-Term Debt	1,375,554,454	1,386,786,191	1,190,600,144	
81					
82	Other Noncurrent Liabilities				
83	Accumulated Provision for Injuries and Damages	6,865,623	6,865,623	6,249,325	Line 162
84	Accumulated Provision for Pensions and Benefits	5,956,059	5,826,882	5,303,827	Line 163
85	Long-Term Portion of Derivative Instrument Liabilities				
86	Asset Retirement Obligations	16,270,477	16,758,438	16,758,438	Lines 158 - 161
87	Total Other Noncurrent Liabilities	29,092,158	29,450,943	28,311,590	
88					
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5	Test Period Ending 12/31/2018				
6					
7	Description	Linkage Ending 12/31/2017 Note 2	Test Period Note 2	PNM Retail Jurisdiction Test Period	PNM Exhibit HEM-3 References
90	Current and Accrued Liabilities				
91	Notes Payable				
92	Accounts Payable				
93	Accounts Payable to Associated Companies				
94	Customer Deposits	12,363,018	12,363,018	12,363,018	Line 153
95	Taxes Accrued				
96	Interest Accrued				
97	Dividends Declared				
98	Tax Collections Payable				
99	Miscellaneous Current and Accrued Liabilities				
100	Derivative Instrument Liabilities				
101	Long-Term Portion of Derivative Instrument Liabilities				
102	Total Current and Accrued Liabilities	12,363,018	12,363,018	12,363,018	
103					
104	Deferred Credits				
105	Customer Advances for Construction				
106	Accumulated Deferred Investment Tax Credits				
107	Other Deferred Credits	9,623,312	8,434,488	-	Lines 164 - 167
108	Other Regulatory Liabilities	27,586,150	21,352,059	547,497	Line 137, Line 138, Line 139, Line 141, Line 143, Line 144
109	Accumulated Deferred Income Taxes	932,489,252	948,653,833	828,510,793	Line 132
110	Total Deferred Credits	969,698,715	978,440,380	829,058,290	
111	Total Capitalization and Liabilities	3,762,262,800	3,793,826,724	3,250,933,186	
112					
113					
114	Net Cost of Service Rate Base	2,751,108,909	2,773,572,382	2,381,200,287	Line 214
115					
116		Notes:			
117		Note 1: Reflects removal of balances not requested in rate base in this retail rate case filing			
118		Note 2: Please refer to PNM Exhibit HEM-3 for adjustments to the Base Period and support for the Test Period. Please refer to			
119		PNM Exhibit HEM-4 for supporting work papers and information on linkage data.			
120		Note 3: Pursuant to GAAP PNM recognized the impairment of the assets PNM is not receiving recovery of related to San Juan			
121		Units 2 & 3. Pursuant to Paragraph 41 of the Modified Stipulation in NMPRC Case No. 13-00390-UT,			
122		PNM continues to receive recovery through December 31, 2017.			
123		Note 4: Linkage and Test Period are shown in the net amount based on how information is reported in the Cost of Service.			
124		Debt and equity are adjusted to balance the Asset and Liabilities and Stockholder's Equity sections of Schedule I-1. The			
125		adjustment based on the capital structure weighting provided in Schedule G-1			
126		PNM does not forecast non-cost of service items for the linkage and test period in this schedule. PNM has reflected amounts			
127		included in the test period cost of service.			
128					
129					
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PNM Schedule I-2

Income statement.

This schedule is also being provided electronically, see index for location.

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	Schedule I-2								
3	Statement of Earnings								
4	Base Period Ending 6/30/2016								
5	Test Period Ending 12/31/2018								
6									
7	Description	Per Financial Statements 12 months ending 6/30/2016	Add Palo Verde U2 Note 1	Remove Non-COS Items Note 2	COS Reclass and Adjustments Note 3	Total Electric Unadjusted Base Period Cost of Service	Base Period Adjustments Note 4	Total Adjusted Base Period	PNM Retail Jurisdiction Adjusted Base Period
8	Utility Operating Income								
9	Operating Revenues	1,066,724,424			(38)	1,066,724,386	(8,700,901)	1,058,023,485	918,930,119
10									
11	Operating Expenses								
12	Operating Expenses	649,439,309	(5,183,562)		84,982,071	729,237,818	(114,833,669)	614,404,149	512,573,002
13	Maintenance Expenses	84,982,071			(84,982,071)	-		-	-
14	Depreciation Expense	107,580,647	965,005	(1,212,219)	3,898,093	111,231,526	38,063,033	149,294,559	124,925,643
15	Depreciation Expense for Asset Retirement Costs	96,362			(96,362)	-		-	-
16	Amortization of Utility Plant	1,434,163			(1,434,163)	-		-	-
17	Amortization of Utility Acquisition Adjustments	2,367,568			(2,367,568)	-		-	-
18	Regulatory Credits	(1,307,450)				(1,307,450)	-	(1,307,450)	-
19	Taxes Other Than Income Taxes	41,934,671			-	41,934,671	3,849,820	45,784,491	38,170,598
20	Income Taxes - Federal	(14,130,944)	(1,439,960)	52,569,295	(1,510,996)	35,487,395	27,562,258	63,049,653	62,271,829
21	Income Taxes - Other	(2,568,322)	(283,237)		2,851,559	-		-	-
22	Provision for Deferred Income Taxes	106,460,507	1,267,044		(107,727,551)	-		-	-
23	Provision for Deferred Income Taxes - Credit	(70,980,818)			70,980,818	-		-	-
24	Investment Tax Credit Adjustment - Net	20,032,647			(20,032,647)	-		-	-
25	Gains from Disposition of Utility Plant	(435,105)		435,105		-		-	-
26	Gains from Disposition of Allowances	38			(38)	-		-	-
27	Accretion Expense	8,804,708			-	8,804,708	-	8,804,708	5,886,671
28	Total Operating Expenses	933,710,052	(4,674,710)	51,792,181	(55,438,855)	925,388,668	(45,358,558)	880,030,110	743,827,743
29									
30	Net Utility Operating Income	133,014,372	4,674,710	(51,792,181)	55,438,817	141,335,718	36,657,656	177,993,374	175,102,376
31									
32	Other Income and Deductions								
33	Other Income								
34	Revenues from Merchandising, Jobbing, and Contract Work	3,058,108		(3,058,108)		-		-	-
35	Costs and Expenses of Merchandising, Jobbing, and Contract Work	(3,130,263)		3,130,263		-		-	-
36	Nonoperating Rental Income	-		-		-		-	-
37	Equity in Earnings of Subsidiary Companies	2,148,862	(2,444,284)	295,422		-		-	-
38	Interest and Dividend Income	10,577,534	(199,532)	(10,378,002)		-		-	-
39	Allowance for Other Funds Used During Construction	8,614,376		(8,614,376)		-		-	-
40	Miscellaneous Nonoperating Income	32,034,141		(32,034,141)		-		-	-
41	Gain on Disposition of Property	59,094		(59,094)		-		-	-
42	Total Other Income	53,361,852	(2,643,816)	(50,718,036)	-	-	-	-	-
43									
44	Other Income Deductions								
45	Loss on Disposition of Property	347,403		(347,403)		-		-	-
46	Miscellaneous Amortization	1,014,225		(1,014,225)		-		-	-
47	Donations	143,840		(143,840)		-		-	-
48	Penalties	361		(361)		-		-	-
49	Expenses for Certain Civic, Political, and Related Activities			-		-		-	-
50	Other Deductions	17,842,679		(17,314,636)		528,043		528,043	440,777
51	Total Other Income Deductions	19,348,508	-	(18,820,465)	-	528,043	-	528,043	440,777
52	Notes for this schedule are found at pages 2 and 4 This schedule is sponsored by PNM Witness Monroy								Schedule I-2 Page 1 of 4

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	Schedule I-2								
3	Statement of Earnings								
4	Base Period Ending 6/30/2016								
5	Test Period Ending 12/31/2018								
6									
7	Description	Per Financial Statements 12 months ending 6/30/2016	Add Palo Verde U2 Note 1	Remove Non-COS Items Note 2	COS Reclass and Adjustments Note 3	Total Electric Unadjusted Base Period Cost of Service	Base Period Adjustments Note 4	Total Adjusted Base Period	PNM Retail Jurisdiction Adjusted Base Period
53	Taxes Applicable to Other Income and Deductions								
54	Taxes Other Than Income Taxes	(46,113)		46,113		-		-	-
55	Income Taxes - Federal	5,915,421	1,697,591		(7,613,012)	-		-	-
56	Income Taxes - Other	1,292,581	333,303		(1,625,884)	-		-	-
57	Provision for Deferred Income Taxes	8,811,868			(8,811,868)	-		-	-
58	Provision for Deferred Income Taxes - Credit	(8,235,055)			8,235,055	-		-	-
59	Total Taxes on Other Income and Deductions	7,738,702	2,030,894	46,113	(9,815,709)	-	-	-	-
60									
61	Net Other Income and Deductions	26,274,642	(4,674,710)	(31,943,684)	9,815,709	(528,043)	-	(528,043)	(440,777)
62									
63	Interest Charges								
64	Interest on Long-Term Debt	84,625,688		7,959,400	(34,766)	92,550,322	(6,262,781)	86,287,541	72,776,616
65	Amortization of Debt Discount and Expense	2,377,534			(2,377,534)	-		-	-
66	Amortization of Loss on Reacquired Debt	391,099			(391,099)	-		-	-
67	Interest on Debt to Associated Companies	31,049			(31,049)	-		-	-
68	Other Interest Expense	5,333,614			(5,333,614)	-		-	-
69	Allowance for Borrowed Funds Used During Construction	(8,168,062)			8,168,062	-		-	-
70	Net Interest Charges	84,590,922	-	7,959,400	-	92,550,322	(6,262,781)	86,287,541	72,776,616
71									
72	Income Before Extraordinary Items	74,698,092	-	(91,695,264)	65,254,526	48,257,354	42,920,437	91,177,791	101,884,983
73									
74	Extraordinary Items								
75	Extraordinary Deductions	(166,500,824)		166,500,824	-	-		-	-
76	Income Taxes - Federal and Other	65,254,526			(65,254,526)	-		-	-
77	Extraordinary Items After Taxes	(101,246,298)	-	166,500,824	(65,254,526)	-	-	-	-
78									
79	Net Income	(26,548,206)	-	74,805,560	-	48,257,354	42,920,437	91,177,791	101,884,983
80									
81	Total Net Original Cost Rate Base (Rule 530 Schedule I-01, Line 114)					2,973,390,065		2,973,390,065	2,327,814,669
82	Common Equity Percentage of Total Capitalization (Rule 530 Schedule A-05)					47.48%		47.48%	47.48%
83						1,411,728,016		1,411,728,016	1,105,216,978
84									
85	Calculated Return on Equity								9.219%
86									
87		Notes:							
88		PNM does not forecast non-cost of service items for the linkage and test period in this schedule. PNM has reflected amounts included in the test period cost of service in this proceeding.							
89		Note 1: Reflects PV Unit 2 Owner Trust as ownership. Per FERC reporting, PV Unit 2 Owner Trust was reflected as a subsidiary and the expense was reflected as lease expense. The lease was terminated in January 2016.							
90		Note 2: Reflects the removal of items that are not included in a general rate case, including Other Income and Deductions and Extraordinary Items.							
91		Note 3: PNM reclassified line items to present the Rule 530 schedule I-2 in a cost of service format.							
92		Note 4: Please refer to PNM Exhibit HEM-3 for adjustments to the Base Period and support for the Test Period. Please refer to PNM Exhibit HEM-4 for supporting workpapers and information on linkage data.							
93									
94									
95									
96									
97	This schedule is sponsored by PNM Witness Monroy								

	A	J	K	L	M	N	O
1	Public Service Company of New Mexico						
2	Schedule I-2						
3	Statement of Earnings						
4	Base Period Ending 6/30/2016						
5	Test Period Ending 12/31/2018						
6							
7	Description	Linkage Period 1 July 1, 2016 - June 30, 2017 Note 4	Linkage Period 2 January 2017 - December 2017 Note 4	Total Test Period Note 4	PNM Retail Jurisdiction Adjusted Test Period	PNM Exhibit HEM-3 References	
8	Utility Operating Income						
9	Operating Revenues	1,073,217,240	1,071,022,868	1,171,895,390	1,030,268,753		
10							
11	Operating Expenses						
12	Operating Expenses	634,375,300	639,915,148	659,246,147	585,811,860	Line 232 & Line 420	
13	Maintenance Expenses						
14	Depreciation Expense	143,623,284	151,270,095	160,797,307	139,055,976	Line 474, Line 554, Lines 559 - 562	
15	Depreciation Expense for Asset Retirement Costs						
16	Amortization of Utility Plant						
17	Amortization of Utility Acquisition Adjustments						
18	Regulatory Credits	(1,156,932)	(1,156,932)	(1,156,932)	-	Line 555	
19	Taxes Other Than Income Taxes	47,167,257	48,571,049	49,640,353	42,663,815	Line 548 & Line 685	
20	Income Taxes - Federal	65,957,860	59,620,797	84,751,122	73,573,516	Line 655 & 657	
21	Income Taxes - Other						
22	Provision for Deferred Income Taxes						
23	Provision for Deferred Income Taxes - Credit						
24	Investment Tax Credit Adjustment - Net						
25	Gains from Disposition of Utility Plant						
26	Gains from Disposition of Allowances						
27	Accretion Expense	9,371,252	9,718,403	8,509,907	8,509,907	Lines 556 - 558	
28	Total Operating Expenses	899,338,022	907,938,559	961,787,904	849,615,075		
29							
30	Net Utility Operating Income	173,879,218	163,084,309	210,107,486	180,653,678		
31							
32	Other Income and Deductions						
33	Other Income						
34	Revenues from Merchandising, Jobbing, and Contract Work	-	-	-	-		
35	Costs and Expenses of Merchandising, Jobbing, and Contract Work	-	-	-	-		
36	Nonoperating Rental Income	-	-	-	-		
37	Equity in Earnings of Subsidiary Companies	-	-	-	-		
38	Interest and Dividend Income						
39	Allowance for Other Funds Used During Construction	-	-	-	-		
40	Miscellaneous Nonoperating Income	-	-	-	-		
41	Gain on Disposition of Property	-	-	-	-		
42	Total Other Income	-	-	-	-		
43							
44	Other Income Deductions						
45	Loss on Disposition of Property	-	-	-	-		
46	Miscellaneous Amortization	-	-	-	-		
47	Donations	-	-	-	-		
48	Penalties	-	-	-	-		
49	Expenses for Certain Civic, Political, and Related Activities	-	-	-	-		
50	Other Deductions	507,125	499,823	503,904	432,618	Line 572 * Line 693	
51	Total Other Income Deductions	507,125	499,823	503,904	432,618		
	Notes for this schedule are found at pages 2 and 4						
52	This schedule is sponsored by PNM Witness Monroy						

	A	J	K	L	M	N	O
1	Public Service Company of New Mexico						
2	Schedule I-2						
3	Statement of Earnings						
4	Base Period Ending 6/30/2016						
5	Test Period Ending 12/31/2018						
6							
7	Description	Linkage Period 1 July 1, 2016 - June 30, 2017 Note 4	Linkage Period 2 January 2017 - December 2017 Note 4	Total Test Period Note 4	PNM Retail Jurisdiction Adjusted Test Period	PNM Exhibit HEM-3 References	
53	Taxes Applicable to Other Income and Deductions						
54	Taxes Other Than Income Taxes	-	-	-	-		
55	Income Taxes - Federal	-	-	-	-		
56	Income Taxes - Other	-	-	-	-		
57	Provision for Deferred Income Taxes	-	-	-	-		
58	Provision for Deferred Income Taxes - Credit	-	-	-	-		
59	Total Taxes on Other Income and Deductions	-	-	-	-		
60							
61	Net Other Income and Deductions	(507,125)	(499,823)	(503,904)	(432,618)		
62							
63	Interest Charges						
64	Interest on Long-Term Debt	70,661,342	69,741,922	70,295,815	60,620,903	Line 552, Line 553, and Line 578	
65	Amortization of Debt Discount and Expense	-	-	-	-		
66	Amortization of Loss on Reacquired Debt	-	-	-	-		
67	Interest on Debt to Associated Companies	-	-	-	-		
68	Other Interest Expense	-	-	-	-		
69	Allowance for Borrowed Funds Used During Construction	-	-	-	-		
70	Net Interest Charges	70,661,342	69,741,922	70,295,815	60,620,903		
71							
72	Income Before Extraordinary Items	102,710,751	92,842,563	139,307,767	119,600,158		
73							
74	Extraordinary Items						
75	Extraordinary Deductions	-	-	-	-		
76	Income Taxes - Federal and Other	-	-	-	-		
77	Extraordinary Items After Taxes	-	-	-	-		
78							
79	Net Income	102,710,751	92,842,563	139,307,767	119,600,158		
80							
81	Total Net Original Cost Rate Base (Rule 530 Schedule I-01, Line 114)	2,791,302,051	2,751,108,909	2,773,572,382	2,381,200,287	Line 214	
82	Common Equity Percentage of Total Capitalization (Rule 530 Schedule A-05)	49.61%	49.61%	49.61%	49.61%		
83		1,384,674,291	1,364,735,779	1,375,879,178	1,181,236,126		
84							
85	Calculated Return on Equity				10.125%		
86							
87		Notes:					
88		PNM does not forecast non-cost of service items for the linkage and test period in this schedule. PNM has reflected amounts included in the test period cost of service in this proceeding.					
89		Note 1: Reflects PV Unit 2 Owner Trust as ownership. Per FERC reporting, PV Unit 2 Owner Trust was reflected as a subsidiary and the expense was reflected as lease expense. The lease was terminated in January 2016.					
90		Note 2: Reflects the removal of items that are not included in a general rate case, including Other Income and Deductions and Extraordinary Items.					
91		Note 3: PNM reclassified line items to present the Rule 530 schedule I-2 in a cost of service format.					
92		Note 4: Please refer to PNM Exhibit HEM-3 for adjustments to the Base Period and support for the Test Period. Please refer to PNM Exhibit HEM-4 for supporting workpapers and information on linkage data.					
93							
94							
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97	This schedule is sponsored by PNM Witness Monroy						

PNM Schedule I-3

Statement of changes in financial position.

This schedule is also being provided electronically, see index for location.

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	Schedule I-3							
3	Condensed Statement of Cash Flows							
4	Base Period Ending 6/30/2016							
5	Test Period Ending 12/31/2018							
6								
7	Description	Per Financial Statements 12 months ending 6/30/2016	Palo Verde U2 Adjustment	Adjustments to Base Period	Adjusted Base Period	Test Period	Variance from Adjusted Base Period to Adjusted Test Period	Reference
8								
9	Net Cash Flow from Operating Activities:							
10	Net Income	(26,548,206)			(26,548,206)	119,600,158	146,148,364	
11	Noncash Charges (Credits) to Income:							
12	Depreciation and depletion	116,481,717	965,005		117,446,722	139,055,976	21,609,254	
13	Realized (Gain)/Loss on available-for-sale securities	(17,329,593)			(17,329,593)		17,329,593	
14	Amortization of Utility Plant	3,802,521			3,802,521		(3,802,521)	
15	Nuclear Fuel	24,962,014			24,962,014	25,020,716	58,702	
16	Deferred Income Taxes (Net)	(28,151,119)			(28,151,119)	73,573,516	101,724,635	
17	Investment Tax Credit Adjustment (Net)	20,032,647			20,032,647		(20,032,647)	
18	Net (Increase) Decrease in Receivables	19,316,405			19,316,405		(19,316,405)	
19	Net (Increase) Decrease in Inventory	3,313,678			3,313,678		(3,313,678)	
20	Net (Increase) Decrease in Payables and Accrued Expenses	(8,915,907)			(8,915,907)		8,915,907	
21	Net (Increase) Decrease in Other Regulatory Assets	24,719,594			24,719,594	33,227,481	8,507,887	
22	Net Increase (Decrease) in Other Regulatory Liabilities	(6,080,319)			(6,080,319)	(27,038,653)	(20,958,334)	
23	Allowance for Funds Used During Construction	(8,614,376)			(8,614,376)		8,614,376	
24	Undistributed Earnings from Subsidiary Companies	(2,148,862)	2,444,284		295,422		(295,422)	
25	Other: Other Operating Activities				-		-	
26	Amortization of Debt Premium, Discount, and Expense	2,808,254			2,808,254		(2,808,254)	
27	Amortization of Rights-of-way	5,193,706			5,193,706		(5,193,706)	
28	(Gains)/Losses on Mark-to-market Investments	4,222,673			4,222,673		(4,222,673)	
29	Change in Intercompany	397,651			397,651		(397,651)	
30	Provision for Uncollectible Accounts	3,426,502			3,426,502		(3,426,502)	
31	Regulatory disallowances	167,471,117			167,471,117		(167,471,117)	
32	(Gain)/Loss on Disposition of Property	288,309			288,309		(288,309)	
33	Net Change in Deferred Charges	(6,357,492)			(6,357,492)	29,969,722	36,327,214	
34	Net Change in Deferred Credits	6,171,232			6,171,232	(9,623,312)	(15,794,544)	
35	Net Change in Current Assets and Liabilities	(40,268,288)			(40,268,288)		40,268,288	
36								
37	Net Cash Provided by Operating Activities	258,193,858	3,409,289	-	261,603,147	383,785,603	122,182,456	
38								
39	Cash Flows from Investment Activities:							
40	Gross Additions to Utility Plant	(506,782,901)	(965,005)		(507,747,906)	(241,486,604)	266,261,302	
41	Gross Additions to Nuclear Fuel	(27,078,155)			(27,078,155)	(25,348,005)	1,730,150	
42	Allowance for Other Funds Used During Construction	(8,614,376)			(8,614,376)	(5,285,761)	3,328,615	
43	Cash Outflows for Plant	(542,475,432)	(965,005)		(543,440,437)	(272,120,370)	271,320,067	
44	Other Investing Income	(1,631,611)	(2,444,284)		(4,075,895)		4,075,895	
45	Purchase of Investment Securities	(363,261,804)			(363,261,804)		363,261,804	
46	Proceeds from Sales of Investment Securities	351,666,828			351,666,828		(351,666,828)	
47	Capital Trust Notes Return of Principal	21,212,412			21,212,412		(21,212,412)	
48	Special Deposits	181,810			181,810		(181,810)	
49								
50	Net Cash Used in Investing Activities	(534,307,797)	(3,409,289)	-	(537,717,086)	(272,120,370)	265,596,716	
51	Notes for this schedule are found at page 2 This schedule is sponsored by PNM Witness Monroy							

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	Schedule I-3							
3	Condensed Statement of Cash Flows							
4	Base Period Ending 6/30/2016							
5	Test Period Ending 12/31/2018							
6								
7	Description	Per Financial Statements 12 months ending 6/30/2016	Palo Verde U2 Adjustment	Adjustments to Base Period	Adjusted Base Period	Test Period	Variance from Adjusted Base Period to Adjusted Test Period	Reference
52	Cash Flows From Financing Activities:							
53	Proceeds from Issuance of Long-Term Debt	424,305,000			424,305,000		(424,305,000)	
54	Payments for Retirement of Long-Term Debt	(300,000,000)			(300,000,000)		300,000,000	
55	Equity Contribution from Parent	179,141,838			179,141,838		(179,141,838)	
56	Other: Other Financing Activities				-		-	
57	Debt Issuance Costs and Other	(3,118,838)			(3,118,838)		3,118,838	
58	Proceeds from Transmission Interconnection Arrangements	867,592			867,592		(867,592)	
59	Repayments from Transmission Interconnection Arrangements	(2,337,824)			(2,337,824)		2,337,824	
60	Net Increase in Short-Term Debt	74,900,000			74,900,000	8,462,965	(66,437,035)	
61	Net Decrease in Affiliated Short-Term Debt				-		-	
62	Dividends on Preferred Stock	(528,040)			(528,040)	(528,040)	-	
63	Dividends on Common Stock	(98,581,878)			(98,581,878)	(119,600,158)	(21,018,280)	
64	Net cash flows from financing activities	274,647,850	-	-	274,647,850	(111,665,233)	(386,313,083)	
65								
66	Change in Cash and Cash Equivalents	(1,466,089)		-	(1,466,089)	0	1,466,089	
67	Cash and Cash Equivalents Beginning of Period	3,525,499			3,525,499	2,059,410	(1,466,089)	
68	Cash and Cash Equivalents End of Period	2,059,410		-	2,059,410	2,059,410	0	
69								
70	Notes:							
71	Please refer to the Rule 530 I-1 and Rule 530 I-2 schedule, and PNM Exhibits HEM-3 and HEM-4 for supporting information. The statement of cash flows reflects the cost of service for PNM in the test period,							
72	which assumes a full year of revenues as reflected in the cost of service study in the test period. This results in an additional amount of dividend to PNM Resources in the test period.							
73	PNM does not forecast non-cost of service items for the linkage and test period in this schedule as shown in Column F, line 63.							
74	PNM has reflected amounts included in the test period cost of service in the above schedule. The Base Period reflects the books and records of the Company.							
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	Notes for this schedule are found at page 2							
95	This schedule is sponsored by PNM Witness Monroy							