

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. 533)

Case No. 16-00276-UT

PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)

Applicant)
_____)

DIRECT TESTIMONY

OF

MATTHEW F. HARLAND

December 7, 2016

NMPRC CASE NO. 16-00276-UT
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WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

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AFFIDAVIT

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I. INTRODUCTION AND PURPOSE

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

A. My name is Matthew F. Harland. I am employed by PNMR Services Company on behalf of Public Service Company of New Mexico ("PNM" or the "Company") as the Director of Tax. My address is 414 Silver Avenue, SW, Albuquerque, New Mexico 87102.

Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS DIRECTOR OF TAX.

A. I am responsible for managing the PNM tax department. This includes the preparation and filing of all tax returns, all tax accounting for both internal and external purposes, all tax planning, and managing all Federal and state tax audits. The only exception is payroll taxes, which are calculated and filed by our payroll department.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN UTILITY REGULATORY PROCEEDINGS?

A. Yes, I have previously testified before the New Mexico Public Regulation Commission ("NMPRC" or the "Commission") and the Public Utility Commission of Texas. A summary of the cases in which I have testified, as well as my educational and professional background, is included in PNM Exhibit MFH-1.

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Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. My direct testimony covers the following areas:

- I am sponsoring Rule 530 Schedules H-9, H-10, H-11, H-12 and H-13, related to the income tax computations, and required under 17.9.530 NMAC.
- I discuss the stand-alone method of accounting for income taxes used in this case.
- I discuss the normalized income tax accounting methods used by PNM, as required by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 740 (“ASC 740”) (formerly FASB Statement of Financial Accounting Standards No. 109 (“SFAS 109”).
- I discuss the income tax depreciation normalization requirements of the Internal Revenue Service (“IRS”), including those that relate to deferred tax assets resulting from Contributions In Aid of Construction (“CIAC”).
- I discuss the IRS income tax normalization requirements that relate to deferred tax assets resulting from Net Operating Loss (“NOL”) carryforwards.
- I discuss the additional IRS income tax normalization requirements specific to a future test period filing in which the rates requested therein are expected to be collected during the test period.
- I discuss the 2014-2018 New Mexico corporate income tax rate reduction phase-in.

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- 1 • I discuss the functionality of the calculation of Accumulated Deferred Income
2 Taxes (“ADIT), Investment Tax Credits (“ITC”), and income tax expense as
3 they relate to the cost of service model used in this proceeding.
- 4 • I discuss the Base, Adjusted Base, and Test Period adjustments to ADIT,
5 income tax expense, and current taxable income.
- 6 • I discuss the return to customers of excess deferred state income taxes resulting
7 from the phased-in New Mexico corporate income tax rate reduction.
- 8 • I discuss the Federal income tax treatment of meals and entertainment
9 expenses.
- 10 • I discuss the calculations of income tax and the gain resulting from the 1985
11 and 1986 Palo Verde Units 1 and 2 sale-leaseback transactions.

12

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

15 **A.** My testimony is directly related to the computations of ADIT and income tax
16 expense that are used in the cost of service studies contained in PNM Exhibit
17 HEM-3, presented by PNM Witness Monroy.

18

19 **Q. WHAT ARE THE KEY CONCLUSIONS OF YOUR TESTIMONY?**

20 **A.** ADIT and income tax expense should be calculated on a fully normalized, stand-
21 alone basis. All IRS normalization requirements should be strictly followed,
22 including but not limited to those relating to accelerated tax depreciation, NOLs,

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1 CIAC, ITC, and future test periods. This case as filed meets these requirements
2 and fairly and accurately calculates both ADIT and income tax expense in the
3 Base, Adjusted Base, and Test Periods.

4
5 **II. RULE 530 SCHEDULES H-9 THROUGH H-13**

6 **Q. PLEASE DESCRIBE THE PURPOSE OF RULE 530 SCHEDULES H-9**
7 **THROUGH H-13.**

8 **A.** Rule 530 Schedule H-9 shows the calculation of Federal and state income tax
9 expense for the Base, Adjusted Base, and Test Periods. The calculation of income
10 tax expense in Rule 530 Schedule H-9 is used in the determination of revenue
11 requirement for the Test Period, just as it has been in PNM's prior cases. PNM
12 Exhibit MFH-3 provides the calculations of the income tax expense included in
13 Rule 530 Schedule H-9.

14
15 Rule 530 Schedule H-10 reconciles book income and current taxable income for
16 the Base, Adjusted Base, and Test Periods. The calculation of current taxable
17 income is purely informational, and is not included in the cost of service, as it does
18 not affect total tax expense recoverable in rates. PNM Exhibit MFH-3 provides
19 the calculations of the taxable income included in Rule 530 Schedule H-10.

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1 Rule 530 Schedule H-11 requires an analysis of the tax effects from filing a
2 consolidated federal income tax return. I provide this analysis in Section III of my
3 testimony.

4
5 Rule 530 Schedule H-12 provides detail of the ADIT activity and balances for the
6 12 months ended June 30, 2016 and ADIT balances for the Base, Adjusted Base,
7 and Test Periods. The ADIT accounts included in rate base are those that relate to
8 underlying assets or liabilities included in rate base. ADIT accounts that relate to
9 assets and liabilities excluded from rate base are also excluded from rate base.
10 PNM Exhibit MFH-2 provides the calculations of the ADIT included in Rule 530
11 Schedule H-12. PNM Exhibit MFH-5 provides the calculations of the tax
12 depreciation ADIT included in PNM Exhibit MFH-2 and ultimately in Rule 530
13 Schedule H-12.

14
15 Rule 530 Schedule H-13 provides detail of the accumulated deferred ITC for the
16 Base, Adjusted Base, and Test Periods. PNM Exhibit MFH-4 provides the
17 calculations of the ITC amortization included in Rule 530 Schedule H-13.

18
19 **Q. PLEASE DESCRIBE THE CALCULATION OF INCOME TAX EXPENSE**
20 **ON RULE 530 SCHEDULE H-9.**

21 **A.** Rule 530 Schedule H-9 calculates the income tax expense allowable in rates for
22 the Base, Adjusted Base, and Test Periods. The calculation begins with net pre-tax
23 income as determined in the cost of service. Net pre-tax income is then adjusted

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1 for permanent book/tax differences. It is also adjusted for the reversal of
2 temporary book/tax differences, the benefits of which were previously flowed
3 through to customers. These flow-through reversal differences, although
4 temporary in nature, are treated as if they are permanent differences for ratemaking
5 purposes. The adjusted net income is then multiplied by the statutory New Mexico
6 and Federal income tax rates to determine the preliminary tax expense. The
7 preliminary tax expense is then reduced by the annual amortization of ITC as
8 shown on Rule 530 Schedule H-13, other allowable tax credits, and the reversal of
9 excess deferred income taxes, and is increased by amortization of the state NOL
10 impairment regulatory asset. With the exception of the reversal of prior flow-
11 throughs, the tax expense on Rule 530 Schedule H-9 is calculated on a fully
12 normalized basis, as that term is defined below. Therefore, the income tax expense
13 therein is correctly not adjusted for the effect of temporary book/tax differences.
14 This is because temporary differences determine only the timing of the payment of
15 taxes, and not the absolute amount of tax expense. These temporary differences
16 are reflected, along with the permanent differences, in the calculation of current
17 taxable income on Rule 530 Schedule H-10.

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III. STAND-ALONE TAX CALCULATION

1

2 **Q. IS THE INCOME TAX EXPENSE IN THE COST OF SERVICE**
3 **CALCULATED ON A STAND-ALONE BASIS OR A CONSOLIDATED**
4 **BASIS?**

5 **A.** The income tax expense included in the cost of service is calculated on a stand-
6 alone basis. No effects of the consolidated tax return filing are included in the cost
7 of service. This is consistent with prior PNM rate applications and prior
8 Commission orders.

9

10 **Q. AS REQUIRED BY RULE 530 SCHEDULE H-11, PLEASE ADDRESS**
11 **THE EFFECTS OF FILING CONSOLIDATED INCOME TAX RETURNS.**

12 **A.** There are no effects on PNM resulting from its inclusion in the consolidated
13 income tax returns filed by PNM Resources. A pro-forma stand-alone income tax
14 return is prepared for each of the affiliated companies, including PNM. These
15 returns are, in turn, included in the PNM Resources consolidated income tax
16 return, which is filed with the IRS. In 1984, PNM adopted an Inter-Company Tax
17 Allocation Policy ("ITAP") that has been uniformly applied since that time with
18 only minor changes. Under that policy, each affiliated company is treated on a
19 stand-alone basis for purposes of computing its income tax expense. Their stand-
20 alone income tax returns are then combined to create the consolidated income tax
21 return. This method did not change with the formation of PNM Resources, except
22 that PNM Resources, rather than PNM, became the ultimate taxpayer liable to the

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1 IRS. PNM Resources (rather than PNM, as in the past) pays to the IRS the total
2 current tax liability of the consolidated group. PNM and each of the other
3 affiliated companies then reimburse PNM Resources for their respective stand-
4 alone tax liabilities.

5
6 In 2005, PNM Resources filed as a registered holding company under the Public
7 Utility Holding Company Act of 1935 (“PUHCA”). As a result of that filing,
8 slight changes to the ITAP were required. Slight changes were also made when
9 the ITAP was redrafted in 2008, following the repeal of PUHCA. Those changes
10 never cause PNM to be responsible to PNM Resources for tax expense in excess of
11 PNM’s stand-alone share of the consolidated liability. Additionally, in some
12 cases, a current tax expense or benefit that occurs at a consolidated level is
13 allocated pro-rata to the business unit whose business activity resulted in the
14 particular benefit or expense. No such items exist in the Test Period.

15
16 **Q. WHY IS THE STAND-ALONE CALCULATION THE APPROPRIATE**
17 **METHOD TO USE IN DETERMINING TAX EXPENSE?**

18 **A.** The stand-alone tax returns reflect the current tax expense resulting from the
19 income and expenses related to the business activities of each separate company.
20 As such, they correctly match the current tax expense of each entity with the
21 income and expenses that created that tax liability. The stand-alone calculation
22 prevents the cross-subsidization of one entity by another. As discussed earlier, the
23 consolidated return is merely a summation of all the stand-alone tax returns for the

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1 affiliated companies included in the consolidated group. No tax benefits are
2 created merely by filing a consolidated return.
3

4 **Q. DOES THE STAND-ALONE CALCULATION USED IN THE INTER-**
5 **COMPANY TAX ALLOCATION POLICY AND THE COST OF SERVICE**
6 **COMPLY WITH THE FINAL ORDER IN NMPRC CASE NO. 3137?**

7 **A.** Yes, it does. The Final Order in NMPRC Case No. 3137 requires that:

8 PNM's payment to the holding company for income tax shall be
9 limited to PNM's share of the current income tax liability of the
10 consolidated corporation.
11

12 The ITAP ensures that PNM pays no more (or no less) than its stand-alone share of
13 the consolidated tax liability. The stand-alone income tax calculation was used by
14 PNM in its filings in NMPRC Case No. 3137 for both the original cost of service
15 and the illustrative cost of service filed in support of the stipulation in that case. It
16 is the only method that ensures that PNM will always pay its share of tax expense,
17 or be paid for its share of tax benefit, and no more. Any type of consolidated tax
18 adjustment, which artificially shifts tax attributes from one affiliated entity to
19 another will, if consistently applied, cause PNM to pay either more or less than its
20 share of the consolidated tax liability. This, by definition, would result in a cross-
21 subsidization among entities.
22

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1 **Q. HAS THE STAND-ALONE CALCULATION BEEN EXPLICITLY**
2 **APPROVED BY THE NMPRC?**

3 **A.** Yes, it has. After requiring the use of stand-alone taxes in Case No. 3137, the
4 Commission conducted an in-depth investigation of the use of a stand-alone versus
5 a consolidated tax calculation in NMPRC Case No. 07-00077-UT. The
6 Recommended Decision, as adopted by the Commission's Final Order, states on
7 page 131:

8 PNM and, especially, Staff have demonstrated that the stand alone
9 method should be continued because it serves the public interest by
10 being consistent with and promoting the accounting and regulatory
11 principles of cost causation, the benefits/burden equation and
12 prevention of cross subsidization.

13

14 **IV. ACCOUNTING FOR INCOME TAXES**

15 **Q. WHICH ACCOUNTING METHOD, NORMALIZATION OR FLOW-**
16 **THROUGH, DOES PNM USE TO DETERMINE INCOME TAX EXPENSE**
17 **AND ADIT IN THE COST OF SERVICE?**

18 **A.** PNM uses the normalization method. In NMPUC Case No. 2567, PNM proposed
19 full tax normalization (for state as well as Federal tax purposes) for its electric
20 operations for all new temporary differences. The normalization methodology was
21 approved in that case and has been consistently used by PNM in every subsequent
22 rate proceeding, including this one.

23

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1 **Q. PLEASE EXPLAIN NORMALIZATION ACCOUNTING.**

2 **A.** Normalization accounting for income taxes calculates income tax expense on the
3 pre-tax items of income and expense recorded for financial statement purposes or
4 included in the cost of service for ratemaking purposes. The income tax expense is
5 then adjusted for permanent differences between income recorded for financial
6 reporting (book) purposes and income determined for income tax reporting (tax)
7 purposes. Tax expense is then divided between the amount currently payable to
8 the IRS, and the amount that must be paid in the future. This division between
9 current and deferred tax expense is calculated based on temporary differences
10 between book and taxable income. The tax expense incurred in the current year
11 for which payment is deferred due to temporary book/tax differences is recorded
12 on the balance sheet as an ADIT liability or asset, as the case may be.

13
14 The flow-through method, on the other hand, treats temporary differences not as a
15 mere deferral of an incurred tax liability, but as a permanent reduction in the
16 income tax expense for the period. This mischaracterization, or “flow-through” of
17 the temporary difference, results in cross-subsidization of tax expense between
18 customers in different periods, depending on when temporary differences originate
19 and reverse.

20

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1 **Q. WHY IS NORMALIZATION SUPERIOR TO OTHER METHODS OF**
2 **TAX ACCOUNTING?**

3 **A.** Under normalization, tax expense is recognized in the same time period as the
4 income or expense from which it is derived. In other words, tax expense is
5 recorded when the liability to pay the tax is established, not when the taxes are
6 actually paid. Then, an ADIT account, which is included in rate base, is created
7 for the portion of that tax that is not payable immediately, but is deferred and
8 payable in a future year. In this way, normalization results in the proper allocation
9 of tax expense between current and future customers while taking into account the
10 time value of the savings resulting from deferred tax payments by including ADIT
11 in rate base. For ratemaking purposes, the sum of all the ADIT accounts is
12 generally a liability balance and therefore reduces rate base. This recognizes that,
13 absent some ratemaking adjustment, the temporary cash savings resulting from the
14 deferred tax payments would represent a cost-free source of capital to the utility.
15 The inclusion of the net ADIT liability as a rate base reduction ensures that
16 customers, and not the utility, receive the benefit of this cost-free capital.

17

18 **Q. CAN AN ADIT ACCOUNT BE AN ADDITION TO RATE BASE, RATHER**
19 **THAN A REDUCTION?**

20 **A.** Yes, it can. Certain temporary book/tax differences increase, rather than decrease,
21 taxable income. An example is interest expense on capital projects that is required
22 to be capitalized and depreciated for tax purposes, but is deducted when incurred
23 for book purposes. In this case, the cash tax payable actually exceeds the tax

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1 expense recorded for book purposes, but this excess tax will be returned to the
2 Company over time as the underlying asset is depreciated. In such a case, an
3 ADIT asset, or prepaid tax, rather than a liability, would be created. The theory
4 and treatment is the same, however, for both ADIT assets and liabilities – their
5 inclusion in rate base accounts for the difference between recoverable income tax
6 expense and cash taxes paid.

7
8 **Q. PLEASE EXPLAIN THE TERM “PERMANENT DIFFERENCE” AS IT**
9 **RELATES TO THE RECORDING OF INCOME TAXES.**

10 **A.** A permanent difference is a book/tax difference that will never reverse. Because
11 of differences between the book (and ratemaking) accounting rules and the tax
12 law, the taxability of some income or expense items will never be the same for
13 book and tax purposes. These items affect the total income taxes paid over time,
14 not just the timing of those payments.

15
16 An example of a permanent difference is 50% of meals and entertainment
17 expenses. For book purposes, 100% of meals and entertainment expenses are
18 generally deductible. For tax purposes, however, only 50% of meals and
19 entertainment expenses are considered deductible, as I discuss further in my
20 testimony below. The difference between the book deductibility and the tax
21 deductibility is absolute and permanent, and not merely related to the timing of the
22 deduction. Therefore, tax expense must be increased by the tax on the non-
23 deductible 50% of these expenses.

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1 **Q. PLEASE EXPLAIN THE TERM “TEMPORARY DIFFERENCE” AS IT**
2 **RELATES TO THE RECORDING OF INCOME TAXES.**

3 **A.** A temporary difference is a difference between book income and taxable income
4 that arises in one tax year and reverses in later years. A temporary difference
5 results in no change in total income tax expense payable over the life of the
6 underlying item. A temporary difference only affects the timing of the payment of
7 such tax liability.

8
9 The use of accelerated depreciation for tax purposes is an example of an
10 accounting method that gives rise to a temporary difference between book income
11 and taxable income. Although depreciation on a given asset can only equal the
12 asset’s cost and can only be taken over the life of the asset, the timing of the
13 depreciation deduction will differ when different depreciation methods are allowed
14 for book and tax purposes. For example, accelerated depreciation may be used for
15 tax purposes while the straight-line method is used for calculating book
16 depreciation expense. In that instance, taxable income will be less than book
17 income in the early years of the life of the asset, because the depreciation
18 deduction for tax purposes is accelerated, or “front-end loaded.” Correspondingly,
19 taxable income will be greater than book income in later years, when the straight-
20 line book method results in a higher depreciation deduction than that used for tax
21 purposes. Over the life of the asset, the cumulative amounts deducted for
22 depreciation will be the same for book and tax purposes, and the total income tax
23 expense will be the same for both.

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1 **Q. WHY ARE PERMANENT BOOK/TAX DIFFERENCES AND**
2 **TEMPORARY BOOK/TAX DIFFERENCES NOT ACCOUNTED FOR IN**
3 **THE SAME WAY?**

4 **A.** Total tax expense recorded for book purposes over the life of the corporation must
5 equal the total amount of tax remitted to the IRS over the life of the corporation.
6 Because permanent differences never reverse over time, they affect the total tax
7 paid, not just the timing of the payments. Therefore, book income tax expense
8 must be adjusted for the change in tax expense created by these permanent
9 differences. These adjustments are made on Rule 530 Schedule H-9 and in the cost
10 of service studies included in PNM Exhibit HEM-3. The accounting treatment for
11 permanent differences is the same whether the normalization method or the flow-
12 through method is used.

13
14 **Q. PLEASE EXPLAIN WHY THE FLOW-THROUGH METHOD OF**
15 **ACCOUNTING FOR TAXES SHOULD NOT BE USED.**

16 **A.** The flow-through method should not be used to calculate income tax expense
17 because it does not correctly match tax expense with the underlying pre-tax
18 income and expense items in any one ratemaking period, and results in a
19 subsidization of costs between customers in different time periods.

20
21 The flow-through method simply adjusts the total tax expense in any given year by
22 the cash tax-savings or expense resulting from the temporary differences, both
23 originating and reversing, in that year. In other words, taxable income for book

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1 and tax purposes both reflect the current taxable income as reported on the tax
2 return. In the accelerated tax depreciation example, use of the flow-through
3 method will result in the current generation of customers being subsidized by later
4 generations, because the current generation would receive all of the accelerated
5 benefits rather than spreading the depreciation benefits ratably to all generations of
6 customers who are also paying for the related assets.

7
8 Because temporary differences affect only the timing of tax payments, and not the
9 total amount of the income tax liability, the flow-through method also results in a
10 mismatch of book income and the tax expense resulting therefrom. This is because
11 certain pre-tax items are recognized for book purposes, but their tax effect is not,
12 and vice versa. Under the flow-through method, the inclusion in the cost of
13 service of tax expense based on current taxable income rather than on book income
14 results in a mismatch of tax expense and recoverable expenses for ratemaking
15 purposes as well. If the temporary differences result in a net reduction in current
16 taxable income and, correspondingly, the tax expense included in the
17 determination of rates, current customers would benefit unjustly at the expense of
18 future customers who will have to pay higher tax expense when the temporary
19 differences reverse. Conversely, if a net increase in current taxable income results,
20 it would be the current customers that would be adversely affected.

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V. DEPRECIATION NORMALIZATION REQUIREMENTS

Q. MUST NORMALIZATION ACCOUNTING BE USED TO SET UTILITY RATES?

Yes. The Internal Revenue Code (“IRC” or the “Tax Code”) § 168 mandates that, in determining rates using a cost of service methodology, regulated utilities must use the normalization method, and not the flow-through method, to calculate the tax expense related to depreciation-related temporary differences. Additionally, the temporary difference resulting from CIAC is specifically required to be normalized under IRS Notice 87-82, as discussed in IRS Private Letter Rulings¹ (“PLRs”) 9035056 and 200933023. Similarly, NOLs are specifically required to be normalized, to the extent that they are created by accelerated tax depreciation.

The normalization method correctly recognizes that temporary book/tax differences, by their nature, reverse over time, so that they affect only the timing of tax payments, not the total tax expense paid.

¹ Although not strictly binding authority on taxpayers other than the taxpayer applying for the ruling, Private Letter Rulings issued by the IRS reflect the IRS position on the issues discussed in the ruling. Such legal interpretations are important tools for tax practitioners, and are routinely relied on in applying the IRC and regulations to similar fact patterns. Taxpayers with similar facts rightly assume similar treatment in the absence of contrary authority.

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1 **Q. WHAT IS THE PENALTY FOR VIOLATING THE IRS**
2 **NORMALIZATION REQUIREMENT?**

3 **A.** A normalization violation will result in the loss of the ability to use accelerated tax
4 depreciation on all public utility property held by the utility. This would result in a
5 substantial increase in rates, as customers would no longer enjoy the large rate
6 base reduction resulting from depreciation-related ADIT liabilities.

7
8 **Q. ARE ALL PUBLIC COMPANIES, REGULATED OR UNREGULATED,**
9 **REQUIRED TO USE NORMALIZATION ACCOUNTING IN THEIR**
10 **FINANCIAL STATEMENTS?**

11 **A.** Yes, they are, but not by the IRS. Rather, under Generally Accepted Accounting
12 Principles (“GAAP”), both regulated and unregulated companies are required to
13 normalize all temporary book/tax differences. ASC 740 addresses the inter-period
14 allocation of income tax expense. GAAP generally, and ASC 740 specifically,
15 require the “normalization” of income taxes, and that deferred income taxes
16 resulting from temporary book/tax differences be accounted for using the liability,
17 or “ADIT”, method for financial statement purposes. As required by GAAP, PNM
18 adopted SFAS 96 (the predecessor to SFAS 109 and, ultimately, ASC 740) on
19 January 1, 1990 and has consistently followed its normalization standards in all
20 subsequent accounting periods.

21

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VI. NOL ADIT NORMALIZATION REQUIREMENTS

Q. WHAT IS PNM'S CURRENT STATUS WITH REGARD TO NET OPERATING LOSSES?

A. PNM is currently in a NOL carryforward position. Additionally, although PNM expects to utilize a portion of that NOL carryforward before and during the Test Period, PNM still expects to have some NOL carryforward remaining at the end of the Test Period. As mentioned above, PNM is also required to normalize the ADIT associated with the NOL carryforward.

Q. HAS PNM INCLUDED A NOL CARRYFORWARD ADIT ASSET IN RATE BASE IN THE BASE, ADJUSTED BASE, AND TEST PERIODS?

A. Yes, it has, consistent with GAAP and IRS normalization requirements.

Q. WHY IS PNM IN A NOL CARRYFORWARD SITUATION?

A. A NOL is created when tax deductions exceed taxable income. These deductions can arise from temporary book/tax differences such as accelerated tax depreciation. For capital intensive businesses such as utilities, the temporary bonus depreciation provisions of the IRC, in place since 2008, have often resulted in tax depreciation deductions so large that they created negative current taxable income. In 2010, 2011, 2012, 2014, and 2015 PNM incurred NOLs, because it generated deductions which exceeded its taxable income (on a consolidated basis, PNM Resources and its subsidiaries incurred NOLs in 2010, 2012, 2013, 2014, and 2015).

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1
2 When a company has negative current taxable income, it cannot realize the cash
3 benefit of all of the deductions, because it cannot reduce its tax payments below
4 zero. The NOLs must be deferred and are carried forward to be used against taxable
5 income in future periods, subject to certain limitations. Only then will the taxpayer
6 receive the cash tax benefit of these NOLs.

7
8 When carried forward, the NOL is a temporary book/tax difference for which an
9 ADIT asset must be recorded. The sum of (i) the ADIT liability created by the
10 bonus depreciation and (ii) the ADIT asset created by the NOL carryforward
11 represents the cash tax benefits that were actually received by the company.

12
13 **Q. IS THE INCLUSION IN RATE BASE OF THE NOL CARRYFORWARD**
14 **ADIT REQUIRED BY THE IRS?**

15 **A.** Yes, it is. Treasury Regulation § 1.167(l)-1(h)(1)(iii), specifically addresses this
16 situation:

17 If, however, in respect of any taxable year the use of a
18 method of depreciation other than a subsection (l) method
19 for purposes of determining the taxpayer's reasonable
20 allowance under section 167(a) results in a net operating
21 loss carryover (as determined under section 172) to a year
22 succeeding such taxable year which would not have arisen
23 (or an increase in such carryover which would not have
24 arisen) had the taxpayer determined his reasonable
25 allowance under section 167(a) using a subsection (l)
26 method, then the amount and time of the deferral of tax
27 liability shall be taken into account in such appropriate time
28 and manner as is satisfactory to the district director.

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1 PLR 8818040, and more recently, PLRs 201436037, 201436038, 201438003,
2 201519021, 201534001, and 201548017 (included as PNM Exhibits MFH-7 --
3 MFH-13) clarify that a tax calculation with and without accelerated depreciation is
4 utilized to determine the amount of the NOL carryforward ADIT required to be
5 normalized. To the extent that accelerated depreciation creates a NOL
6 carryforward, the NOL carryforward ADIT asset must be included in rate base.
7 Excluding this NOL carryforward ADIT asset would constitute a normalization
8 violation.

9
10 **Q. PLEASE DISCUSS THE SIX RECENT PLRS MENTIONED ABOVE.**

11 **A.** These six PLRs are pertinent because they deal with facts almost identical to those
12 of PNM in this case. Before the introduction of bonus tax depreciation, very few
13 regulated utilities incurred NOLs on a stand-alone basis. This accounts for the
14 dearth of PLRs on the issue of NOL carryforward ADIT normalization prior to
15 2014. With the enactment of bonus tax depreciation in 2008, and its continued
16 extension through 2019, NOLs have become much more common for utilities in
17 recent years. As a result, several utilities have sought PLRs regarding NOL
18 carryforward ADIT normalization. All six of the referenced 2014 and 2015 PLRs
19 relate to whether NOL carryforward ADIT assets are required to be included in
20 rate base, and how to calculate the required includible amount.

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1 **Q. WHAT CONCLUSIONS DO THESE PLRS REACH?**

2 **A.** These six PLRs confirm that in order to avoid a normalization violation, NOL
3 carryforward ADIT assets must be included in rate base and that the correct
4 method for determining the amount that must be included is a “with-and-without”
5 or “last dollar deducted” approach. In other words, accelerated tax depreciation is
6 considered to be the last expense deducted, and the hypothetical taxable income of
7 the utility is calculated with and without accelerated tax depreciation deductions.
8 The change in the taxable loss resulting from this calculation is the amount for
9 which NOL carryforward ADIT must be included in rate base to prevent a
10 normalization violation. If the change exceeds the NOL, the entire NOL
11 carryforward ADIT must be included in rate base. All six PLRs contain essentially
12 identical language, as follows:

13 Because the ADIT account [*Account 282*], the reserve account for
14 deferred taxes, reduces rate base, it is clear that the portion of an
15 NOLC [*Account 190*] that is attributable to accelerated
16 depreciation must be taken into account in calculating the amount
17 of the reserve for deferred taxes (ADIT)...

18 The “with or without” [or “last dollar deducted”] methodology
19 employed by Taxpayer is specifically designed to ensure that the
20 portion of the NOLC attributable to accelerated depreciation is
21 correctly taken into account by maximizing the amount of the
22 NOLC attributable to accelerated depreciation. This methodology
23 provides certainty and prevents the possibility of “flow through” of
24 the benefits of accelerated depreciation to ratepayers (underlines
25 and [*bracketed entries*] added for clarity).

26

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1 **Q. WHAT IS THE PENALTY FOR VIOLATING THE IRS**
2 **NORMALIZATION REQUIREMENT REGARDING NOLS?**

3 **A.** Because the NOL normalization rules are a subset of the depreciation
4 normalization rules, a violation of the NOL normalization requirement would
5 result in the loss of the ability to use accelerated tax depreciation on all public
6 utility property held by the utility.

7
8 **Q. IS IT ALSO SOUND REGULATORY AND ACCOUNTING PRACTICE**
9 **TO INCLUDE THE NOL CARRYFORWARD ADIT IN RATE BASE?**

10 **A.** Yes, it is. This treatment assures that PNM's customers receive the benefit of the
11 actual deferred tax payments, no more and no less. Including only the ADIT
12 liability from accelerated tax depreciation, including bonus depreciation, and not
13 also the offsetting NOL carryforward ADIT asset, would treat the Company as if it
14 had realized the entire benefit of the bonus depreciation in the years in which it
15 was earned. In reality, a substantial portion of that benefit is required to be
16 deferred, only to be realized in future years. The reason that ADIT liabilities are
17 included as a reduction to rate base is to compensate customers for the cash
18 benefit, or cost-free capital, that the utility has received due to the temporary
19 acceleration of certain expenses for tax purposes. If the NOL carryforward ADIT
20 asset was not included as an addition to rate base, this cash-savings benefit would
21 be greatly overstated, and customers would benefit unjustly from cash savings not
22 yet realized by the utility.

23

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1 In *Kern River Gas Transmission Company*, FERC Docket No. RP07-274-000, a
2 situation almost identical to PNM's was litigated. In that case, the FERC
3 addressed both ADIT assets generally, and NOL carryforward ADIT assets
4 specifically. It concluded:

5 229. There is a second type of timing [difference] that
6 can have the opposite effect. It is possible that some
7 accounting entries will decrease expenses or increase
8 income for IRS purposes faster than would be the case for
9 accounting purposes. In this case the cash flow from the
10 tax allowance embedded in the regulated entity's rates is
11 less than the income tax payments that are generated by the
12 higher income. When the regulated entity pays for an
13 expense earlier than would be under the Commission's
14 regulatory accounting system, it is in essence committing
15 more funds to the business. The difference is therefore
16 capitalized and added to the rate base. The difference in
17 the timing that results is capitalized and added to the rate
18 base to allow a somewhat higher return on the additional
19 funds that have need committed to the enterprise. As the
20 accounting entries for these expenses are entered (usually
21 allowance of funds used during construction), the
22 difference in timing is reversed, the short term addition to
23 the rate base decreases, and return drops. This timing
24 difference is reflected as an ADIT debit, or regulatory
25 asset, in Account No. 190.

26 230. In the instant case the NOL was properly included
27 in Account No. 190. The large depreciation deduction for
28 the "bonus" depreciation was properly reflected as a credit
29 in Account No. 282 and served to reduce rate base to reflect
30 the difference in timing previously described. However,
31 the impact of this deduction was so great that it exceeded
32 the taxable cash that would have been generated under the
33 straight line regulatory method. Thus, Kern River was not
34 able to use the full extent of the deduction in the first year it
35 was available. However, as discussed, the full accelerated
36 depreciation amount is included in the credit ADIT in
37 Account No. 282. Without a corresponding debit in
38 Account Mo. 190, Kern River's rate base would be reduced
39 even through [sic] it did not achieve the tax savings, and
40 additional cash flow, that a credit entry in Account No. 282

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1 is intended to offset. Therefore, the NOL is carried forward
2 as a regulatory asset in future years and is reduced as the
3 tax savings actually accrue to Kern River. Offsetting the
4 NOL against the total ADIT reduction in the first year
5 assures that the rate base is reduced only as the company
6 actually obtains the additional cash flows, and hence the
7 return, that the ADIT tax methodology captures for the
8 ratepayer (emphasis added).

9 This FERC decision provides an excellent analysis of the principles behind the
10 regulatory and accounting practice of normalizing NOL carryforwards.

11
12 **VII. FUTURE TEST PERIOD NORMALIZATION REQUIREMENTS**

13 **Q. ARE THERE ADDITIONAL IRS NORMALIZATION REQUIREMENTS**
14 **THAT RELATE SPECIFICALLY TO FUTURE TEST PERIOD FILINGS?**

15 **A.** Yes. Treasury Regulations issued under IRC § 167 govern the determination of
16 the amount of ADIT allowable as a rate base reduction in a future test year.
17 Specifically, Treasury Regulation § 1.167(l)-1 mandates special “proration rules”
18 when a future test period is used in determining rates, and the newly determined
19 rates are expected to be in effect for all or a portion of that test period.

20
21 **Q. DO THESE PRORATION RULES APPLY TO ALL ADIT BALANCES**
22 **INCLUDED IN RATE BASE?**

23 **A.** No, they do not. The proration rules only apply to depreciation-related ADIT.
24 Other ADIT balances are not pro-rated.

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1 **Q. PLEASE DISCUSS THESE FUTURE TEST PERIOD NORMALIZATION**
2 **REQUIREMENTS.**

3 **A.** Under Treasury Regulation § 1.167(l)-1, when a future test period is used to set
4 rates and the newly determined rates are expected to be in effect for all or a portion
5 of that test period, the utility plant ADIT additions in the portion of the test period
6 in which the new rates are expected to be in effect must be pro-rated over the
7 period for which the new rates are expected to be in effect.

8
9 In this filing, the future period is the year ending December 31, 2018. Collection
10 of the new rates is expected to start on January 1, 2018. Therefore, the new rates
11 are expected to be in place for the entirety of the Test Period. As a result, January
12 through December 2018 utility plant ADIT additions must be pro-rated. The Test
13 Period utility plant ADIT additions are pro-rated, using a ratio in which the
14 numerator is the number of days remaining in the Test Period, and the denominator
15 is the number of days during which the new rates are expected to be in effect in the
16 Test Period. Because PNM closes its books on a monthly basis, the proration is
17 also done on a monthly basis. As a result, January 2018 ADIT additions are pro-
18 rated using a ratio of 335/365, February 2018 ADIT additions are pro-rated by
19 307/365, and so on until December 2018 additions are pro-rated by 1/365.

20

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1 **Q. MUST A PRORATION BE DONE IF RATE BASE IS DETERMINED**
2 **USING AVERAGE TEST-PERIOD BALANCES?**

3 **A.** Yes. IRS rules state that a proration must be done even when average rate base is
4 used. The proration must be done first, before the averaging methodology is
5 applied. The averaging methodology is then applied to the prorated balances.

6

7 **Q. ARE SIMILAR PRORATION RULES APPLICABLE TO THE**
8 **CALCULATION OF INCOME TAX EXPENSE IN A FUTURE TEST**
9 **PERIOD?**

10 **A.** No. Income tax expense in a future test period is calculated in the same manner as
11 it is for a historic test period.

12

13

VIII. BASE PERIOD ADJUSTMENTS

14 **Q. WHAT PERIOD WAS USED TO DEVELOP THE BASE PERIOD AND**
15 **ADJUSTED BASE PERIOD ADIT AND TAX EXPENSE?**

16 **A.** The Base Period and Adjusted Base Period reflect the ADIT balances as of June
17 30, 2016 and the tax expense reflects the 12 months ended on that date. The Base
18 Period ADIT, permanent and flow-through book/tax differences, tax credits, and
19 other tax adjustments come from the Company's financial accounting books and
20 records. The only adjustments made to Base Period ADIT are the Model-Driven
21 Calculations, discussed below. All other adjustments discussed below were made
22 in the development of the Adjusted Base Period.

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1 **Q. WHAT ADJUSTMENTS WERE MADE IN DETERMINING THE**
2 **ADJUSTED BASE PERIOD ADIT BALANCES?**

3 **A.** ADIT adjustments have been made to the Base Period balances where necessary to
4 synchronize ADIT with underlying rate base items. These include:

- 5 • Model-Driven Calculations – ADIT balances that relate to regulatory assets
6 and liabilities (referenced “r” in Rule 530 Schedule H-12, column I) and other
7 rate base items (referenced “o” in Rule 530 Schedule H-12, column I) were
8 trued-up to equal the balance of the underlying account multiplied by the
9 combined Federal and state tax rate at which ADIT is calculated. The rate is
10 39.59% for activity before 2014, 39.42% for 2014 activity, 39.19% for 2015
11 activity, and 39.02% for 2016 activity. These adjustments are shown on Rule
12 530 Schedule H-12, page 1, column G;
- 13 • ADIT balances for liberalized depreciation and NOL carryforwards are
14 adjusted to reflect the corporate allocation adjustment to G&I plant. These
15 adjustments are shown on Rule 530 Schedule H-12, column J (referenced “c”
16 in column I);
- 17 • ADIT balances on certain regulatory assets and liabilities are adjusted to
18 synchronize with the adjustments to the underlying regulatory assets and
19 liabilities shown on PNM Exhibit HEM-3 COS BASE ADJ. The ADIT
20 accounts so adjusted were coal mine decommissioning and rate case expenses.
21 These ADIT changes are shown on Rule 530 Schedule H-12, column J
22 (referenced “r” in column I);

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- 1 • ADIT balances on certain other rate base items are adjusted to synchronize
2 with the adjustments to the underlying assets and liabilities shown on PNM
3 Exhibit HEM-3 COS BASE ADJ. The ADIT accounts so adjusted were
4 injuries and damages, Palo Verde dry cask storage 1 & 2, Palo Verde dry cask
5 storage 3, SJGS coal agreement transaction costs, and asset retirement
6 obligations. These ADIT changes are shown on Rule 530 Schedule H-12,
7 column J (referenced “o” in column I).; and
- 8 • ADIT balances for depreciation were adjusted to synchronize with the removal
9 from rate base of the disallowed investments in balanced draft technology at
10 the San Juan Generating Station and the acquisition adjustment and leasehold
11 improvements related to the 64.1 MW of Palo Verde Unit 2 purchased in
12 January 2016. Additionally, ADIT related to High Lonesome Mesa was
13 reclassified to a separate ADIT account so it can be correctly allocated in rate
14 base. These ADIT changes are shown on Rule 530 Schedule H-12, column J
15 (referenced “p” in column I).

16

17 **Q. WHAT ADJUSTMENTS WERE MADE IN DETERMINING ADJUSTED**
18 **BASE PERIOD INCOME TAX EXPENSE?**

19 **A.** Several items in the income tax expense calculation were trued-up to full-year
20 amounts. This is necessary because the effective tax rate methodology for interim
21 (quarterly) reporting required by GAAP does not recognize permanent differences
22 ratably (straight-line) over the year. Rather, it recognizes them proportionately as
23 pre-tax income is earned. Therefore, a mismatch between straight-line

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1 amortization and the amount included in the effective rate may occur in the interim
2 periods. When the Base Period is other than a calendar year, a true-up is required
3 to accurately reflect the full-year amounts.

4 The following amortizations were trued-up to a full year of amortization:

- 5 • Palo Verde Units 1 & 2 gain amortization flow-through;
- 6 • Palo Verde Units 1 & 2 prudence audit flow-through;
- 7 • Federal grant amortization – renewables;
- 8 • Federal grant basis adjustment – renewables;
- 9 • Excess payroll tax and Average Rate Assumption Method (“ARAM”) excess
10 deferred income tax reversals; and
- 11 • ITC amortization.

12 Additionally, other known and measurable adjustments were made, including:

- 13 • The permanent difference for non-deductible meals was trued up to accurately
14 reflect 50% of the meals expense included in the Base Period cost of service;
- 15 • The flow-through difference for equity AFUDC was trued up to accurately
16 reflect the actual equity AFUDC accrued in the Base Period;
- 17 • The New Mexico solar production tax credit was adjusted, to reflect 50% of
18 the actual 2015 credit and 50% of the expected 2016 credit;
- 19 • The depreciation and gain/loss flow-through reversals were similarly adjusted,
20 to reflect 50% of the actual 2015 flow-through and 50% of the expected 2016
21 flow-through;

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- The Eastern Interconnect Project and the amortization of the EIP prepaid tax reversal were eliminated, reflective of the expiration of the lease and the corresponding completion of the amortization period; and
- The Research & Development credit was adjusted to equal the expected credit.

IX. TEST PERIOD CALCULATIONS AND ADJUSTMENTS

Q. ARE THE ADIT, ITC, AND INCOME TAX EXPENSE CALCULATIONS IN THE COST OF SERVICE MODEL “FULLY FUNCTIONAL,” AS DESCRIBED IN THE FUTURE TEST YEAR RULE?

A. No, they are not. It is not feasible to make income tax, ITC, and ADIT calculations fully functional in a Microsoft Excel model, due to the complexity of the interaction among income tax laws, GAAP reporting requirements, and regulatory requirements. Changes to ADIT, ITC, and income tax expense adjustments (such as permanent and flow-through book/tax differences and income tax credits) must be determined outside the cost of service model and then manually input. Therefore, in accordance with 17.1.3.11 NMAC, PNM will rerun the calculations reasonably required by Staff or intervenors in order to capture the impact on the proposed cost of service of any adjustments to ADIT or other income tax input.

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Q. HOW HAS PNM CALCULATED THE ADIT INCLUDED IN THE TEST PERIOD COST OF SERVICE?

A. The calculated incremental ADIT included in the Test Period revenue requirements is calculated at the applicable combined Federal and state income tax rates in effect for the Linkage and Test Periods. As stated earlier, those rates are 39.02% for 2016 activity, 38.79% for 2017 activity, and 38.62% for 2018 activity. The state income tax component of the combined rate is lower than that in effect for the Base Period and Adjusted Base Period because of the New Mexico state income tax rate change discussed in Section X of my testimony. The changes in ADIT are calculated by applying the applicable tax rates to the changes in the underlying book/tax differences on rate base accounts, be they plant-in-service, regulatory assets or liabilities, or other rate base items. Additionally, certain ADIT accounts are adjusted for “tax-only” differences, including Palo Verde licensing amortization, repairs deductions, NOL carryforwards, ARAM reversals, and depreciation flow-through reversals. All the Linkage and Test Period adjustments are discussed in more detail below.

Q. WHAT ADJUSTMENTS WERE MADE TO ADIT IN THE LINKAGE AND TEST PERIODS?

A. ADIT for the Linkage and Test Periods has been adjusted for the following:

- The IRS-required proration of depreciation-related ADIT discussed in Section VI of this testimony. These adjustments are embedded in the monthly Test Period balances shown on Rule 530 Schedule H-12, columns O-Z. Such

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1 inclusion in the monthly balances is necessary due to the use of an average test
2 period rate base in this case;

- 3 • ADIT balances for depreciation and NOL carryforwards are adjusted to reflect
4 the Linkage and Test Period corporate allocation adjustment to G&I plant.

5 These adjustments are included in the activity shown on Rule 530 Schedule H-
6 12, columns L-Z;

- 7 • The ADIT balance for pension has been adjusted to reflect the effect of the
8 Test Period adjustment to the prepaid pension asset. This adjustment is shown
9 on Rule 530 Schedule H-12, column AC;

- 10 • The ADIT balance for liberalized depreciation – other has been reduced to
11 reflect the Test Period amortization of estimated excess deferred state income
12 taxes. The estimate was prepared on total rate base ADIT and not on each
13 individual ADIT account. The total adjustment is immaterial to total ADIT
14 and is included in liberalized depreciation – other as a proxy for spreading it
15 among all the ADIT accounts. This adjustment is shown on Rule 530 Schedule
16 H-12, column AC;

- 17 • ADIT balances on certain regulatory assets and liabilities are adjusted to reflect
18 Linkage and Test Period changes to the underlying assets and liabilities. These
19 adjustments are included in the activity shown on Rule 530 Schedule H-12,
20 columns L-Z;

- 21 • ADIT balances on certain other rate base items are adjusted to reflect Linkage
22 and Test Period changes to the underlying assets and liabilities. These

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adjustments are included in the activity shown on Rule 530 Schedule H-12, columns L-Z;

- Depreciation ADIT has been updated to reflect both the depreciation ADIT on Linkage and Test Period plant additions, as well as ongoing Linkage and Test Period ADIT changes on assets in service at the end of the Base Period. Depreciation ADIT has also been adjusted to reflect the effects of Linkage and Test Period reversals of ARAM and excess payroll tax reversals, repairs deductions, and depreciation flow-through reversals. These adjustments are included in the activity shown on Rule 530 Schedule H-12, columns L-Z;
- The NOL carryforward ADIT has been adjusted to reflect partial utilization of the NOL carryforward based on the expected taxable income of PNM in the Linkage and Test Period. These adjustments are included in the activity shown on Rule 530 Schedule H-12, columns L-Z;
- Debt AFUDC ADIT and book capitalized interest ADIT have been adjusted to reflect debt AFUDC accrued and interest capitalized in the Linkage and Test Period. These adjustments are included in the activity shown on Rule 530 Schedule H-12, columns L-Z;
- Liberalized depreciation – generation has been reduced to reflect the removal of San Juan Units 2 & 3 at December 31, 2017. This adjustment is included in the activity shown on Rule 530 Schedule H-12, column Z;
- Liberalized depreciation – generation has been reduced for ADIT related to pre-2016 clearings for the balanced draft technology at San Juan and the leasehold improvements related to the 64.1 MW of Palo Verde Unit 2

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1 purchased in January 2016. These adjustments are included in the activity
2 shown on Rule 530 Schedule H-12, columns L-Z. The acquisition adjustment
3 on the 64.1 MW of Palo Verde Unit 2 was not included in the ADIT
4 calculations; and

- 5 • Palo Verde licensing ADIT, a tax-only amortization, is adjusted for
6 amortization in the Linkage and Test Periods. These adjustments are included
7 in the activity shown on Rule 530 Schedule H-12, columns L-Z.

8
9 **Q. HOW HAS PNM CALCULATED THE INCOME TAX EXPENSE**
10 **INCLUDED IN THE TEST PERIOD REVENUE REQUIREMENTS?**

11 **A.** The calculated income tax expense included in the Test Period revenue
12 requirements is calculated at the applicable Federal and state income tax rates in
13 effect for the test period. The state income tax rate is lower than that in effect for
14 the Base Period and Adjusted Base Period because of the New Mexico state
15 income tax rate change discussed in Section X of my testimony. The Test Period
16 rate is 5.90%. The income tax expense is calculated by applying the applicable tax
17 rates to the pre-tax income calculated in the cost-of-service, adjusted for the
18 applicable permanent and flow-through book/tax differences and applicable
19 income tax credits. All the Test Period adjustments are discussed in more detail
20 below.

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1 **Q. WHAT ADJUSTMENTS WERE MADE TO INCOME TAX EXPENSE IN**
2 **THE TEST PERIOD?**

3 **A.** The income tax expense calculation in the Test Period has been adjusted for the
4 following:

- 5 • The permanent book/tax difference for non-deductible meals was trued up to
6 accurately reflect 50% of the meals expense included in the Test Period cost of
7 service;
- 8 • The permanent differences for AFUDC equity have been trued-up to equal the
9 expected Test Period accrual of AFUDC equity;
- 10 • The flow-through reversal for the PVNGS prudency audit decision has been
11 eliminated because it will have been fully amortized prior to the Test Period;
- 12 • The depreciation flow-through and gain/loss flow-through reversals have been
13 recalculated for the Test Period;
- 14 • The Palo Verde gain amortization flow-through has been adjusted to reflect the
15 amortization in the Test Period;
- 16 • The ITC amortization has been calculated using the current estimated useful
17 lives for the Palo Verde and San Juan generating stations in accordance with
18 IRS normalization requirements that ITC be flowed through to customers no
19 faster than ratably over the life of the underlying assets. The ITC amortization
20 has also been adjusted to reflect the exclusion of 50% of the undepreciated
21 value of San Juan Units 2 & 3 at December 31, 2017;
- 22 • The ARAM reversal of excess deferred income taxes has been calculated using
23 the current estimated useful lives in accordance with IRS normalization

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requirements. The ARAM has also been adjusted to reflect the exclusion of 50% of the undepreciated value of San Juan Units 2 and 3 on December 31, 2017;

- The R&D and other credits have been adjusted to remove the plug-in vehicle credit not expected to occur in the Test Period;
- The New Mexico production tax credits have been adjusted to the credit expected in the Test Period;
- The New Mexico NOL valuation allowance amortization has been adjusted as discussed below; and
- The excess deferred state income tax amortization has been included, based on a 20-year amortization of the estimated balance as of December 31, 2017.

All the above changes are shown on Rule 530 Schedules H-9, and the changes to taxable income are shown on Rule 530 Schedule H-10.

Q. ARE THERE ANY OTHER ADJUSTMENTS TO TEST PERIOD INCOME TAX EXPENSE?

A. Yes. PNM is requesting the establishment of a regulatory asset of \$5,877,397 associated with the impairment of state NOL carryforwards. Of that amount, \$804,544 is the unamortized balance of the December 31, 2014 impairment of \$2,145,450 allowed in NMPRC Case No. 15-00261-UT. The remainder is made up of PNM's portion of additional impairments incurred between January 1, 2014 and June 30, 2016. PNM is requesting recovery of the impairment over a three-year period. PNM is not seeking to include this regulatory asset in rate base. The

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1 \$1,959,132 amortization of the regulatory asset is included in 530 Schedule H-9,
2 line 66 and PNM Exhibit HEM-3 COS Test, line 645.

3
4 **Q. IS PNM'S PROPOSED REGULATORY ASSET CONSISTENT WITH**
5 **PRIOR COMMISSION ORDERS?**

6 **A.** Yes, it is. This issue was specifically addressed in NMPRC Case No. 15-00261-
7 UT. PNM's proposed regulatory asset was approved in that case.

8
9 **Q. WHAT WAS THE CAUSE OF THE IMPAIRMENT OF THE STATE**
10 **NOLS?**

11 **A.** GAAP rules require that the expected future utilization of deferred tax assets be
12 analyzed. If it is unlikely that the asset will reverse before it expires, then a
13 reserve liability against the ADIT asset must be established. When a NOL cannot
14 be fully utilized in the current year, and is carried forward, it creates an ADIT asset
15 that must be so analyzed. New Mexico NOLs incurred before 2013 could be
16 carried forward only five years. When 50% bonus tax depreciation was extended
17 retroactively for 2014, and then retroactively and prospectively in 2015, the
18 resulting reductions in taxable income made it unlikely that PNM would be able to
19 fully utilize certain pre-2013 New Mexico NOLs before they expire. Therefore, an
20 ADIT liability was established to impair the NOL carryforward ADIT asset for the
21 amount of NOL expected to expire unused. NOLs incurred after 2012 have a 20-
22 year carryforward, and are therefore very unlikely to expire unused.

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1 **Q. WHY IS PNM IN A NOL CARRYFORWARD POSITION?**

2 **A.** As discussed above, PNM is in a NOL carryforward position because it has
3 generated tax deductions in excess of taxable income. These excess deductions
4 were generated by bonus tax depreciation.

5

6 **Q. BEFORE ADDRESSING THE NOL IMPAIRMENT LOSS, PLEASE**
7 **PROVIDE A SUMMARY OF BONUS TAX DEPRECIATION.**

8 **A.** Bonus tax depreciation is an acceleration of tax depreciation deductions in excess
9 of normal Modified Accelerated Cost Recovery System ("MACRS") tax
10 depreciation. It was enacted as a temporary provision in the Internal Revenue
11 Code to stimulate the economy and encourage businesses to buy or build property.
12 The bonus tax depreciation available to the Company when this case was filed was
13 enacted and extended by the following tax acts:

14 • The Economic Stimulus Act of 2008 allowed an immediate deduction of 50%
15 of the cost of eligible property in the year placed in service. Regular MACRS
16 tax depreciation applied to the other 50% of the asset cost. It applied to assets
17 placed in service in 2008 and 2009;

18 • The Small Business Jobs Act retroactively extended bonus tax depreciation for
19 2010;

20 • The Tax Relief, Unemployment Insurance and Job Creation Act of 2010
21 modified and extended bonus tax depreciation. Under this Act, for eligible
22 assets placed in service between September 9, 2010 and December 31, 2011,

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1 tax depreciation is allowed for 100% of the cost of the asset. For 2012, the
2 bonus percentage reverted to 50%;

3 • The American Taxpayer Relief Act of 2012 extended 50% bonus tax
4 depreciation for 2013;

5 • The Tax Increase Prevention Act of 2014 extended 50% bonus tax depreciation
6 for 2014;

7 • The Protecting Americans from Tax Hikes (“PATH”) Act of 2015 extended
8 and phased out bonus tax depreciation through 2019. The Act extended 50%
9 bonus retroactively for 2015 and prospectively for 2016-2017. 40% bonus tax
10 depreciation was enacted for 2018, and 30% bonus depreciation was enacted
11 for 2019;

12 • Thereafter, normal MACRS tax depreciation rates were to be used on the entire
13 cost of the asset.

14
15 **Q. WOULD PNM BE IN A NOL CARRYFORWARD POSITION IF IT**
16 **NEVER TOOK ADVANTAGE OF BONUS TAX DEPRECIATION?**

17 **A.** No, it would not. This is evident by the fact that PNM was not in a NOL
18 carryforward position for the many years before bonus tax depreciation was
19 enacted, which provides for accelerated depreciation in the year an asset is placed
20 in service. It is also supported by the cost-benefit analysis provided in PNM
21 Exhibit MFH-6. This analysis shows that PNM has recorded tax depreciation

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1 ADIT liabilities related to bonus tax depreciation, far in excess of the NOL
2 carryforward ADIT asset recorded. In other words, the bonus depreciation tax
3 deductions have far exceeded the deductions that are being carried forward as
4 NOL. Both of these facts demonstrate that bonus tax depreciation is the proximate
5 cause of the NOL carryforward.
6

7 **Q. IS THIS CONSISTENT WITH THE IRS VIEW OF NOLS IN**
8 **RATEMAKING PROCEEDINGS?**

9 **A.** Yes, it is. The IRS view is that the NOL carryforwards that are required to be
10 normalized are calculated using a “with-and-without” approach. This means that
11 the IRS considers an NOL to be created first by accelerated tax depreciation
12 (including bonus tax depreciation). Only to the extent the NOL is larger than the
13 accelerated tax depreciation deductions is it considered to have been created by
14 other tax deductions. Clearly, PNM’s NOL carryforward ADIT asset is less than
15 its ADIT liability from bonus tax depreciation. Therefore, the IRS considers all of
16 the PNM NOL carryforward to have been created from accelerated tax
17 depreciation, specifically bonus tax depreciation.
18

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1 **Q. DOES BONUS TAX DEPRECIATION PROVIDE A BENEFIT TO**
2 **CUSTOMERS IN THIS CASE, EVEN WHEN CONSIDERING ALL ITS**
3 **COSTS, INCLUDING THE NEW MEXICO NOL IMPAIRMENT LOSS?**

4 **A.** Yes, it does. The cost-benefit analysis for bonus tax depreciation in PNM Exhibit
5 MFH-6 shows that bonus tax depreciation has provided a substantial benefit to
6 customers. Net of all costs, including the impairment loss and a return on the
7 entire NOL carryforward ADIT asset, the bonus tax depreciation ADIT liability
8 provides a substantial revenue requirement benefit to customers in the Test Period.
9 This benefit will grow in the future as the NOL carryforward is utilized and the
10 NOL carryforward ADIT asset is eliminated.

11

12 **Q. WHAT IS THE DIRECT EFFECT OF BONUS TAX DEPRECIATION ON**
13 **A COST-OF-SERVICE CALCULATION?**

14 **A.** Because bonus tax depreciation provides an additional acceleration of tax
15 depreciation, it has the direct effect of increasing the ADIT liability for tax
16 depreciation. This ADIT liability is included as a reduction to rate base. This is
17 because the deduction is available earlier for tax purposes than for book purposes.
18 The total deduction for depreciation is still the same for book and tax purposes
19 over time, so tax bonus tax depreciation is only a temporary book/tax difference
20 and does not reduce the total income tax expense recoverable in rates. However,
21 to compensate customers for the deferral by the utility of the payment of the tax
22 expense that is included in the cost of service, the ADIT liability reduces the rate
23 base on which the utility earns a return.

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1 **Q. ARE THERE ANY OTHER EFFECTS OF BONUS TAX DEPRECIATION**
2 **ON A COST-OF-SERVICE CALCULATION?**

3 **A.** Yes, in the case of PNM, there are. For capital intensive businesses such as
4 utilities, bonus tax depreciation can result in such large tax deductions that the
5 company has negative taxable income. This situation is referred to as a Net
6 Operating Loss. When it has a NOL, the Company cannot realize the cash benefit
7 of all of the deductions, because it cannot reduce its tax payments below zero. In
8 other words, it cannot get a refund of taxes it never paid. The NOL, however, may
9 be carried over and used against taxable income to reduce taxes payable in future
10 periods. Because the deductions cannot be utilized in the current period, but can
11 be utilized in future periods, the NOL is a temporary book/tax difference for which
12 an ADIT asset must be recorded. The sum of the ADIT liability created by the
13 bonus tax depreciation and the ADIT asset created by the NOL represents the net
14 cash tax benefits actually received by the company.

15

16 **Q. WHAT WAS THE CAUSE OF PNM'S IMPAIRMENT OF ITS NEW**
17 **MEXICO NOL CARRYFORWARD?**

18 **A.** The repeated extensions of bonus tax depreciation are the cause of PNM's NOL
19 carryforward, and, ultimately, the impairment thereof. Due to the numerous
20 extensions of bonus tax depreciation, PNM determined that it will not be able to
21 use all of its New Mexico NOLs before they expire. Because of this, PNM
22 impaired, or wrote-off, the deferred tax benefit associated with the carryforwards
23 that would expire unused.

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1 **Q. PLEASE ELABORATE ON THE LEGAL AND ACCOUNTING**
2 **GUIDANCE WHICH REQUIRED THIS IMPAIRMENT.**

3 **A.** Under New Mexico law, NOLs that were incurred prior to 2013 can only be
4 carried forward five years. If the taxpayer does not have sufficient taxable income
5 against which to offset the entire NOL carryforward, the unused portion expires,
6 and cannot be realized. This creates a permanent book/tax difference, because the
7 tax benefit of the unused deduction will never be realized. As discussed
8 previously, GAAP require that once it is determined that it is unlikely that an NOL
9 carryforward will be utilized before expiration, the Company must impair, or
10 write-off, the portion that it expects to expire unused. Because of the repeated
11 extensions of bonus tax depreciation, including the 2015 PATH Act extensions in
12 December 2015, PNM determined that it would not be able to use all its pre-2013
13 state NOL carryforwards before they expire. PNM is required by GAAP to impair
14 the NOL carryforward by recording an impairment reserve against the portion of
15 NOL carryforward ADIT asset related to any potentially unusable portion of the
16 NOL carryforward. This increases income tax expense and creates a reserve
17 (liability) in ADIT that offsets the NOL carryforward ADIT asset by the same
18 amount. This effectively reduces the NOL carryforward ADIT asset to the amount
19 of future tax savings the Company expects to realize.

20

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Q. IS THE NOL CARRYFORWARD ADIT ASSET IN THE COST-OF-SERVICE REDUCED BY THE IMPAIRMENT LOSS?

A. Yes, it is. The NOL carryforward ADIT asset included in the cost-of-service (and therefore rate base) was reduced by the full amount of the impairment reserves, so the ADIT asset reflects only the tax benefit of the NOL carryforward the Company expects to realize in the future. As a result, the revenue requirement does not include a return on the impaired portion of the NOL carryforward ADIT asset.

Q. WHY IS IT PROPER TO INCLUDE THE NOL IMPAIRMENT LOSS AMORTIZATION IN THE COST-OF-SERVICE AS A RECOVERABLE EXPENSE?

A. The impairment loss amortization is properly included in the cost-of-service calculation because it is a cost directly resulting from the Company's decision to take advantage of bonus tax depreciation. This decision, net of all costs, yields a substantial benefit to customers in this case. A cost-benefit analysis is included as PNM Exhibit MFH-6, which proves that customers benefit from bonus depreciation. The large tax deductions resulting from bonus depreciation create an ADIT liability which reduces rate base, and correspondingly reduces the revenue requirement. This benefit will be ongoing and long-lasting. Because customers benefit in the long-term from bonus depreciation, it is appropriate that they bear any cost resulting therefrom. That cost is the New Mexico NOL impairment expense. To include the bonus tax depreciation ADIT liability without including all of its associated costs would be "cherry-picking" and unfair to PNM.

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1 **Q. HAVE CUSTOMERS BENEFITED FROM BONUS TAX DEPRECIATION**
2 **IN THE PAST PNM CASES?**

3 **A.** Yes, they have. A substantial ADIT liability from 2008-2009 bonus tax
4 depreciation was included as a rate base reduction in the cost-of-service calculation
5 in NMPRC Case No. 10-00086-UT. Similarly, in PNM's last rate case, NMPRC
6 Case No. 15-00261-UT, a large ADIT liability from 2008-2014 bonus tax
7 depreciation reduced rate base in the cost-of-service calculation.

8
9 **Q. WILL BONUS TAX DEPRECIATION PROVIDE BENEFITS TO**
10 **CUSTOMERS IN THE FUTURE AS WELL?**

11 **A.** Yes, it will. In the long-term, the NOL carryforward ADIT asset will reverse as
12 the NOL carryforwards are utilized, and a larger benefit will inure to customers
13 from the bonus tax depreciation ADIT liability still on the books and reducing rate
14 base.

15
16 **Q. IS THE IMPAIRMENT CALCULATED ON A STAND-ALONE OR A**
17 **CONSOLIDATED BASIS?**

18 **A.** The impairment included in the cost of service represents only PNM's portion of
19 the total impairment. The total impairment is calculated on a consolidated basis,
20 and only the portion allocable to PNM is included in the cost of service. The
21 portion of the impairment related to other companies in the consolidated group has
22 been excluded.

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X. NEW MEXICO INCOME TAX RATE CHANGE

Q. PLEASE DISCUSS THE RECENT NEW MEXICO INCOME TAX RATE CHANGE.

A. In 2013, New Mexico House Bill 641 was signed into law. Among other things, the bill amended § 7-2A-5 NMSA 1978 to include prospective reductions in the New Mexico corporate income tax rate. The rate reductions phase in over five years beginning in 2014. The phase in and its effect on the combined Federal and state income tax rate is as follows:

Table MFH-1

Rate	2013	2014	2015	2016	2017	2018
Federal	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
New Mexico	7.60%	7.30%	6.90%	6.60%	6.20%	5.90%
Combined	39.59%	39.42%	39.19%	39.02%	38.79%	38.62%

Q. HOW DOES THE RATE CHANGE AFFECT THE COST OF SERVICE CALCULATIONS?

A. The state income tax rate used in calculating income tax expense is reduced from the historic 7.60% to a blended rate of 6.75% (6.90% x 6/12 plus 6.60% x 6/12) in the Base and Adjusted Base Periods, and to 5.90% in the Test Period, thereby reducing the amount of income tax expense included in the cost of service. Additionally, incremental ADIT in the Test Period cost of service is calculated at the tax rate in effect when the increment occurs (39.02% in 2016, 38.79% in 2017, and 38.62% in 2018).

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1 **Q. WILL THE RATE CHANGE HAVE ANY OTHER EFFECTS?**

2 **A.** Yes, the rate reduction will result in what are known as excess deferred state
3 income taxes.

4

5 **Q. PLEASE EXPLAIN THE CONCEPT OF EXCESS DEFERRED INCOME**
6 **TAXES.**

7 **A.** When deferred taxes are recorded and included in income tax expense in the cost
8 of service, they are generally calculated at the rate in effect when the deferred tax
9 was created. For years, this rate has been 39.59% for PNM. These deferred taxes
10 create ADIT because they are not paid in the year the expense is recorded but in a
11 later year. As a result of the rate reduction, those deferred taxes will be paid at a
12 lower rate than that at which they were accrued. The difference between the
13 amount accrued and the amount expected to be paid at the lower rate is called
14 excess deferred income tax.

15

16 **Q. IS THE AMOUNT OF THE EXCESS DEFERRED STATE INCOME**
17 **TAXES THAT RESULTS FROM THE NEW MEXICO TAX RATE**
18 **CHANGE KNOWN AT THIS TIME?**

19 **A.** No, it is not. The amount of the excess deferred state income taxes will not be
20 known until the rate phase-in of the tax rate reduction is complete in 2018 (unless
21 the New Mexico Legislature modifies the amount or timing of the rate reduction).
22 This is because it is the ADIT balances at that time that will ultimately be paid at
23 the new fully phased-in rate and those balances are not now known.

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1 **Q. DO YOU HAVE ANY SPECIFIC EXAMPLES OF EVENTS THAT HAVE**
2 **OCCURRED SINCE THE ENACTMENT OF THE NEW MEXICO RATE**
3 **REDUCTION LEGISLATION THAT COULD RESULT IN**
4 **SUBSTANTIAL CHANGES IN THE AMOUNT OF EXCESS DEFERRED**
5 **STATE INCOME TAXES?**

6 **A.** Yes, I do. In the 2016 New Mexico Legislature, two bills were introduced to
7 extend the rate reduction phase-in period. Senate Bill 90 proposed a one-year
8 extension, and Senate Bill 252 proposed a two-year extension. Later, in the 2016
9 Special Session, the Senate passed Senate Bill 5, which again proposed a two-year
10 extension. These changes were proposed in response to the severe reduction in
11 this year's projected revenues for the state. None of these bills was enacted, but if
12 the projected state revenues stay low, it is very likely that additional bills will be
13 introduced to delay, or eliminate completely, the rate reduction, as the Legislature
14 looks for ways to balance the state budget. Additionally, Federal tax law changes,
15 such as extensions of bonus tax depreciation or comprehensive corporate tax
16 reform, can have substantial effects on future state taxable income, and the
17 resulting excess deferred state income taxes.

18

19 **Q. HOW DOES PNM PROPOSE TO TREAT THE EXCESS DEFERRED**
20 **STATE INCOME TAXES?**

21 **A.** Because the amount of the excess deferred state income taxes is not yet known,
22 PNM proposes to continue to defer the estimated excess deferred state income
23 taxes in ADIT. The amount of the excess deferred state income taxes would be

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1 fixed in amount in 2018 and returned to customers over some time period which
2 reasonably reflects the period over which the actual deferred benefit of the lower
3 rate will be realized by PNM. PNM proposes to begin returning the estimated
4 excess deferred state income taxes to customers in this case, as it includes a
5 calendar-year 2018 Test Period. However, the final amount of excess deferred
6 state income taxes is not yet known with certainty, and will not be known until
7 2018. Therefore, PNM proposes that the amount of total excess deferred state
8 income taxes to be returned to customers be adjusted to the actual amount
9 determined as of December 31, 2017 in PNM's first rate case filed after January 1,
10 2018. This true-up will protect both customers and the Company, as it will ensure
11 that the actual excess deferred state income taxes, no more and no less, are
12 returned to customers.

13
14 In NMPRC Case No. 15-00261-UT, PNM proposed that either ARAM, or a
15 reasonable facsimile of ARAM, be used to determine the timing of the return to
16 customers. This is the same mechanism that the IRS required for the excess
17 deferred income taxes created by the Federal income tax rate reduction in the Tax
18 Reform Act of 1986. The calculation of an ARAM adjustment is unduly time-
19 consuming and requires an inordinate amount of detail from both fixed asset and
20 tax records. The Tax Reform Act of 1986 recognized this, and alternatively
21 allowed the use of a simplified method, the Reverse South Georgia Method
22 ("RSGM"). In this case, PNM proposes to use the RSGM to determine the period
23 over which to return the excess deferred state income taxes to customers.

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1 RSGM calculates a straight-line amortization of the excess deferred taxes over the
2 remaining weighted average life of the net plant in rate base. When compared to
3 ARAM, the RSGM actually results in a higher amortization in early years and
4 lower amortization in the later years of the amortization period. When calculated
5 based on the test period in this case, the amortization period is approximately 21
6 years. The RSGM mechanism protects customers, because the ADIT offset to rate
7 base is not reduced by the effect of the rate change until the excess deferred
8 income taxes are returned to customers through a reduction to income tax expense.
9 Additionally, it protects the Company by reasonably matching the timing of the
10 return of the excess deferred income taxes to customers with the timing of the
11 actual cash benefit received by PNM as the ADIT reverses at the future lower rate.
12

13 **Q. OVER WHAT PERIOD DOES PNM PROPOSE TO RETURN TO**
14 **CUSTOMERS THE EXCESS DEFERRED STATE INCOME TAXES?**

15 **A.** The RSGM, when calculated using Test Period values for Net Plant and
16 Depreciation Expense, results in an amortization period of approximately 21 years.
17 Therefore, PNM proposes to return the excess deferred state income taxes on a
18 straight-line basis over 20 years. A calculation of both the estimated excess
19 deferred state income taxes and the RSGM amortization period is included as
20 PNM Exhibit MFH-17.
21

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1 **Q. IS PNM’S PROPOSED METHODOLOGY CONSISTENT WITH PRIOR**
2 **COMMISSION ORDERS?**

3 **A.** Yes, it is. This issue was specifically addressed in NMPRC Case No. 15-00261-
4 UT. PNM’s proposed methodology was approved in that case.

5

6 **Q. WILL CUSTOMERS BE HARMED BY THE RETURN OF EXCESS**
7 **DEFERRED STATE INCOME TAXES OVER THE 20-YEAR**
8 **AMORTIZATION PERIOD?**

9 **A.** No, they will not. Just as with any other ADIT liability, the excess deferred state
10 income taxes reduce rate base because they are a component of ADIT. This
11 compensates customers for the difference in timing between when tax expense is
12 recovered from customers and when it is paid out by PNM. The excess deferred
13 state income taxes will only be removed from the ADIT liability which reduces
14 rate base when they are actually returned to customers. Therefore, customers are
15 not harmed by any delay. The only difference between the excess deferred state
16 income taxes and other ADIT is that PNM will return the excess deferred state
17 income taxes to customers through its rates, and will pay other ADIT to the IRS.
18 Either way, customers are compensated or “made whole” for the entire time that
19 PNM has the use of the excess funds. This is a basic tenet of ratemaking for non-
20 cash expenses, including ADIT, and is the very reason that the ADIT liability is
21 included as a reduction to rate base.

22

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1 **Q. ARE THE EXCESS DEFERRED TAXES A SOURCE OF ZERO-COST**
2 **CAPITAL TO PNM?**

3 **A.** No. Deferred taxes can be seen only as a cost-free source of capital that comes
4 from the taxing authority; but by no means are they cost-free to PNM once the
5 ratemaking implications are considered. Because PNM received this payment
6 deferral from the taxing authority at no cost, the Company must reduce rate base
7 by the resulting ADIT liability. This compensates customers for the non-cash
8 portion of recoverable income tax expense and reduces revenues earned by the
9 Company. This reduction in revenue is PNM's cost, and the benefit of deferred
10 taxes is passed back to customers through the ADIT rate base reduction.

11
12 **XI. FEDERAL TAX TREATMENT OF MEALS EXPENSE**

13 **Q. PLEASE EXPLAIN THE FEDERAL TAX TREATMENT FOR MEALS**
14 **AND ENTERTAINMENT EXPENSES.**

15 **A.** Although meals and entertainment expenses are legitimate business expenses, for
16 Federal tax purposes, the tax deduction for those expenses is generally limited to
17 50% of the actual amount expended. Because this is not a book/tax difference that
18 will reverse over time, it is a permanent book/tax difference. Therefore, it
19 increases income tax expense calculated for financial statement and ratemaking
20 purposes by the tax on the nondeductible expenditures.

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1 **Q. WHY IS THE DEDUCTIBILITY OF MEALS AND ENTERTAINMENT**
2 **EXPENSES LIMITED FOR TAX PURPOSES?**

3 **A.** The 50% disallowance was enacted as an expedient proxy for taxing the personal
4 benefit received by the recipients of the meals or entertainment, be they
5 employees, customers, or business associates. It was not enacted as a reaction to
6 abuse of the meals and entertainment deductions, or because meals and
7 entertainment are not considered to be legitimate business expenses. Rather, it was
8 enacted in lieu of requiring the recipients to pay additional taxes.

9

10 **Q. WHY IS THE TAX TREATMENT OF MEALS AND ENTERTAINMENT**
11 **DIFFERENT FROM OTHER BUSINESS EXPENSES?**

12 **A.** Although no different than other expenses from the perspective of the business, for
13 tax purposes meals and entertainment expenses are treated differently from most
14 other business expenses because the recipient (of a meal, for example) receives a
15 non-taxed personal benefit upon the receipt of the meal. By way of comparison, if
16 PNM pays for office supplies from a supplier, the supplier is taxed on that
17 payment. Similarly, if PNM pays wages to an employee, that employee is taxed
18 on those wages. Such is not the case with business meals, which theoretically
19 should be, but historically have not been, taxable to the recipient. Whether or not
20 the recipient of a payment or a benefit pays taxes on the value received, however,
21 does not affect the nature of the payment as a business expense by the payor.

22

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1 Congress and the IRS recognized that the recipient of the meal was receiving a
2 benefit without being taxed. IRC § 61(a) defines gross taxable income as “Except
3 as otherwise provided in this subtitle, gross income means all income from
4 whatever source derived...” Therefore, barring a statutory exception from taxable
5 income for meals and entertainment received (for which there is none), the value
6 of business meals or entertainment should be taxable to the recipient. Congress
7 and the IRS also recognized that the reporting and taxation of such a benefit at the
8 recipient level would be virtually impossible. Recipients would have to track the
9 value of each meal received, and report that value as taxable income. Such a
10 system would be extremely onerous on the recipient and difficult to administer and
11 audit by the IRS. Limiting the deductibility of such expenses at the payor level,
12 rather than taxing them at the recipient level, would be much simpler and easier to
13 administer and audit. Therefore, IRC § 274(n) was enacted to limit the payor
14 deductibility of meals and entertainment expense as a proxy for the recipient
15 taxability of the same.

16
17 This trade-off is reflected in the legislative history of the Omnibus Budget
18 Reconciliation Act of 1993, which states “the committee believes that denial of
19 some part of the deduction is appropriate as a proxy for income inclusion of the
20 consumption element of the meal or entertainment.” It is also supported by the
21 fact that IRC § 274(n)(2)(A) provides that the expense is 100% deductible by the
22 payor if the recipient includes the value of the receipt in taxable income.

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1 **Q. IS THERE ANY REASON THE IRS 50% NON-DEDUCTIBILITY**
2 **STANDARD SHOULD BE APPLIED TO THE RECOVERY OF MEALS**
3 **AND ENTERTAINMENT EXPENSES IN THE COST OF SERVICE?**

4 **A.** No, there is not. As discussed above, meals and entertainment expenses are
5 legitimate business expenses and therefore are no different from other costs of
6 doing business. As such, they should be fully recoverable in the cost of service,
7 notwithstanding their tax treatment.

8

9 **XII. PALO VERDE SALE-LEASEBACK TRANSACTIONS**

10 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?**

11 **A.** In this section, I provide, in whole or in part, the information requested in
12 paragraph 213 of the Final Order Partially Adopting Corrected Recommended
13 Decision in NMPRC Case No. 15-00261-UT (“2015 Order”). PNM Witness
14 Monroy also addresses the requirements of the 2015 Order regarding the
15 ratemaking treatment associated with the gains resulting from the Palo Verde Unit
16 1 and Unit 2 sale-leaseback transactions. Much of the information provided below
17 was also previously provided either in my May 25, 2016 Supplemental Testimony
18 or in the oral testimony at the supplemental hearing in NMPRC Case No. 15-
19 00261-UT.

20

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1 **Q. HAS PNM PROVIDED A CALCULATION OF THE INCOME TAX PAID**
2 **AS A RESULT OF THE SALE-LEASEBACK TRANSACTIONS, AS**
3 **REQUIRED IN THE 2015 ORDER, PARAGRAPH 213(2)?**

4 **A.** Yes. The calculation of the income tax expense and income taxes payable
5 resulting from the sale-leaseback transactions is included as PNM Exhibit MFH-
6 14. Page 1 of the Exhibit is a summary of the total income tax expense resulting
7 from the sale-leaseback transactions. Page 2 of the Exhibit is a reconciliation of
8 the taxable income on page 3 of the Exhibit to the capital and ordinary gain
9 income reported on the 1985 and 1986 Federal income tax returns. Page 3 of the
10 Exhibit is the calculation of the total tax expense for all five sale-leaseback
11 tranches. Pages 4-8 of the Exhibit are the calculations for each of the five sale-
12 leaseback tranches, and sum to the amounts on page 3. On pages 3-8, column B is
13 the calculation of the total tax expense resulting from the transaction. Column C is
14 the calculation of the portion of that total tax expense that was payable to the IRS
15 and state taxing authority at the time of the transaction. Column D is the deferred
16 portion of the total tax expense that would be payable or receivable in future
17 periods.

18
19 The information included on pages 3-8 of this Exhibit was provided by PNM in
20 testimony, exhibits, and discovery and entered into the record of NMPRC Case
21 No. 15-00261-UT (see PNM Exhibit MFH-1 (May 25, 2016 Suppl) and
22 ABCWUA Exhibit 26). It was also discussed on September 28, 2016 in the
23 supplemental hearing in that case (see transcript pages 3961-3966).

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1 **Q. WAS INCOME TAX EXPENSE CORRECTLY INCLUDED THE**
2 **CALCULATION OF THE NET GAIN THAT WAS RETURNED TO**
3 **CUSTOMERS?**

4 **A.** Yes. When calculating the after-tax gain that should be returned to customers, the
5 pre-tax gain must be reduced by the total income tax expense, not by the income
6 taxes payable at the time of the transaction. If only the taxes currently payable are
7 included, the deferred component of income taxes would be ignored. This would
8 lead to either an overstatement or understatement of the after-tax gain. In this
9 sense, the gain is no different than any other ratemaking item in that both current
10 and deferred tax effects must be included.

11

12 **Q. PLEASE DESCRIBE THE CALCULATION OF THE TAXABLE GAIN**
13 **ON THE SALE.**

14 **A.** The calculation of the taxable gain begins with the determination of the book gain
15 of \$236.0 million. The book gain is equal to the sale price of \$900.5 million, less
16 selling expenses of \$20.2 million and the book basis of the assets sold,
17 approximately \$644.3 million.

18

19 Next, permanent and flow-through book/tax differences of \$292.0 million are
20 added to the book gain to calculate the taxable gain of \$528.0 million upon which
21 book income tax expense is calculated. By far the largest book/tax difference is
22 AFUDC, at \$212.4 million.

23

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1 Last, temporary book/tax differences are added to calculate gain currently taxable
2 and reportable to the IRS. These relatively small adjustments are reversals of
3 prior book/tax differences for which deferred income taxes were provided. As
4 such, they do not affect total income tax expense, only the split between current
5 and deferred income tax expense. Had PNM kept the assets, all these book/tax
6 differences would have reversed over time as the assets would have been
7 depreciated. The sale merely accelerated the recognition of the book/tax
8 differences.

9
10 **Q. WHY IS THE BOOK/TAX DIFFERENCE FOR AFUDC SO**
11 **SUBSTANTIAL?**

12 **A.** AFUDC is a carrying cost calculated on the accumulated costs incurred during the
13 construction period of the assets. The construction period for Palo Verde Units 1
14 and 2 was very long, approximately 10 years. Additionally, during that time
15 period, AFUDC rates were substantially higher than they are currently. Although
16 I do not have access to the original AFUDC calculations done by PNM's
17 contemporaneous plant accounting system, the amount appears reasonable in light
18 of these two factors.

19
20 **Q. PLEASE DESCRIBE THE CALCULATION OF THE TAX ON THE GAIN.**

21 **A.** The taxable gain is split between the capital gain portion and the ordinary portion.
22 This is necessary because under the tax law in effect at the time of the sale, the two
23 were taxed at different rates. The state income tax is calculated on the entire book

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1 gain, and the Federal income tax expense is calculated on the capital and ordinary
2 portions of the gain at their respective rates. Next, Federal minimum tax must be
3 calculated because of the large capital gain which is taxed at a reduced rate. Next,
4 a small adjustment is included to reflect the effect of amended returns and
5 carryback effects. Finally, to determine the portion of the total tax expense that is
6 currently payable, utilization of ITC is included as an offset to the current taxes
7 payable.

8
9 **Q. WHAT IS THE PRIMARY DIFFERENCE BETWEEN THE \$193.7**
10 **MILLION TOTAL TAX EXPENSE FOR BOOK AND RATEMAKING**
11 **PURPOSES AND THE TAXES PAID OF \$118.5 MILLION?**

12 **A.** The primary difference between the total tax expense and the taxes paid is the
13 \$80.7 million of Federal ITC carryforwards that were utilized against the current
14 tax payable. These ITC carryforwards consist of ITC generated in prior years and
15 carried forward because PNM did not have sufficient tax liability to utilize the
16 credits in prior years.

17
18 **Q. DID THE ITC CARRYFORWARD UTILIZED AGAINST THE TAX**
19 **GENERATED BY THE SALE-LEASEBACK TRANSACTIONS CONSIST**
20 **ONLY OF ITC GENERATED BY THE CONSTRUCTION OF PALO**
21 **VERDE UNITS 1 & 2?**

22 **A.** No it did not. The total ITC claimed by PNM on Palo Verde Units 1 and 2 was
23 \$41.9 million, substantially less than the \$80.7 million used to offset the tax on the

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1 sale-leaseback transaction gains. The \$80.7 million represents ITC, from whatever
2 source, that would not have been utilized in 1985 and 1986 but for the increase in
3 tax resulting from the sale-leaseback transactions.

4
5 **Q. WOULD THERE BE A NORMALIZATION VIOLATION IF THE ITC**
6 **UTILIZATION WAS USED TO REDUCE THE TAX EXPENSE**
7 **INCLUDED IN THE NET GAIN RETURNED TO CUSTOMERS?**

8 **A.** Yes, there would. If the tax expense in the net gain calculation were reduced by
9 the ITC utilization, the result would constitute a violation of the IRS normalization
10 rules for ITC. According to the ITC normalization rules, the benefit of ITC cannot
11 be flowed back to the customers any faster than ratably over the book depreciable
12 life of the underlying property. Therefore, the utility is prohibited from flowing
13 the benefit back to customers either when the ITC is generated or when it is
14 utilized to actually reduce cash taxes payable. Rather, it must amortize the ITC
15 over the life of the underlying assets. This was discussed on September 28, 2016
16 in the supplemental hearing in NMPRC Case No. 15-00261-UT (see transcript
17 pages 3963-3966).

18
19 **Q. WHAT IS THE PENALTY FOR AN ITC NORMALIZATION**
20 **VIOLATION?**

21 **A.** If the IRS finds that an ITC normalization violation has occurred, and it is not
22 corrected, the PNM would have to refund to the IRS all unamortized ITC existing
23 at the time the violation occurred. At the end of 1986, this balance was over \$180

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1 million that PNM would have had to pay the IRS for a normalization violation, and
2 consequently would not have credited back to customers over time. This result
3 would have been a huge detriment to both the utility and its customers.

4
5 **Q. HAVE CUSTOMERS RECEIVED THE BENEFIT OF THE ITC**
6 **UTILIZED AGAINST THE TAXES PAYABLE FROM THE SALE-**
7 **LEASEBACK TRANSACTIONS?**

8 **A.** Yes they have. ITC is amortized and flowed back to customers over the book life
9 of the underlying assets. Of the 1986 balance of over \$180 million of unamortized
10 ITC, less than \$7 million remains to be amortized and flowed back to customers.
11 That remaining amount will continue to be amortized over the remaining book life
12 of the underlying assets.

13
14 **Q. HAS PNM PROVIDED A CALCULATION OF THE AFTER TAX**
15 **PROCEEDS FROM THE SALE-LEASEBACK TRANSACTIONS, AS**
16 **REQUIRED BY PARAGRAPH 213(1) OF THE 2015 ORDER?**

17 **A.** Yes. The calculation of the after-tax proceeds from the sale-leaseback transactions
18 is included as PNM Exhibit MFH-15. The gain calculation is also included in the
19 Direct Testimony and Exhibits of PNM Witness Monroy. The calculation was
20 compiled from the original workpapers created at the time of the transactions. The
21 income tax expense shown on the Exhibit is equal to the amount calculated on
22 PNM Exhibit MFH-14. The deferred gain on Line 12 is analogous and
23 approximately equal to the \$42.5 million referenced in the Paragraph J of the Final

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1 Order in NMPSC Case No. 2262. Further, a reconciliation is included to show the
2 pre-tax gain, reduced by the components of total income tax expense (cash taxes
3 payable at the time of the transactions, ITC utilized, and deferred taxes receivable).

4
5 **Q. DID CUSTOMERS RECEIVE 100% OF THE BENEFITS ASSOCIATED**
6 **WITH THE GAINS FROM THE SALE--LEASEBACK TRANSACTIONS?**

7 **A.** Yes, they did. PNM Exhibit MFH-15 shows the calculation of the gain, net of all
8 resulting expenses, including income tax expense. The total benefit of the
9 transaction is \$42.3 million, \$900.5 million sales price less expenses of \$20.2
10 million, asset costs of \$644.3 million, and income tax expense of \$193.7 million.
11 This gain is equal to the gain discussed in the Testimony and Exhibits of PNM
12 Witness Monroy. Mr. Monroy discusses how customers received this entire
13 benefit as a rate base reduction for the unamortized gain and as a reduction to
14 recoverable costs through the amortization of the gain.

15
16 **Q. WAS INCOME TAX AN APPROPRIATELY RECOVERABLE**
17 **EXPENSE?**

18 **A.** Yes, it was, because it related to items included in the cost of service. In this
19 sense, income tax is no different than any other expense related to and resulting
20 from the sale. Income tax expense calculated on all the other items in the cost of
21 service is a normal component of any revenue requirement calculation.

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1 **Q. WAS IT APPROPRIATE TO INCLUDE INCOME TAX EXPENSE**
2 **RESULTING FROM THE SALE-LEASEBACK TRANSACTIONS AS A**
3 **RECOVERABLE EXPENSE?**

4 **A.** Yes, it was. The entire net gain on the sale-leaseback transactions was returned to
5 customers. The transactions benefited customers both through a reduction in rate
6 base and a reduction to recoverable expenses. Therefore, the income tax expense
7 resulting from that gain was appropriately included in the cost of service as a
8 reduction to the gain. To do otherwise would have given all the gross benefit of
9 the transaction to customers, and would have saddled PNM with the enormous
10 income tax expense related thereto. This is true whether the tax expense is netted
11 with the gross gain and returned to customers as a single net amount, as in the case
12 of the gain on the sale-leaseback transactions, or it is shown separately in the cost
13 of service calculations as tax on the amortization of the gross gain. Either way, the
14 requirement is the same, that the burdens of the transaction must follow the
15 benefits.

16

17 **Q. HOW WAS 100% OF THE BENEFIT OF THE TRANSACTION**
18 **RETURNED TO CUSTOMERS?**

19 **A.** The \$42.3 million gain, including all proceeds and expenses of the sale-leaseback
20 transactions, including income taxes, was included in the cost of service and
21 amortized back to customers. The unamortized gain was recorded as a reduction
22 to rate base, and the amortization reduced recoverable expenses. Additionally, the
23 benefit of the ITC utilized to reduce the cash taxes payable at the time of the

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1 transactions has been returned to customers through ITC amortization over the life
2 of the underlying assets.

3

4 **Q. DOES RETURNING THE NET-OF-TAX GAIN RESULT IN THE SAME**
5 **REVENUE REQUIREMENT IMPACT AS RETURNING THE PRE-TAX**
6 **GAIN AND ACCOUNTING FOR THE INCOME TAXES SEPARATELY?**

7 **A.** Yes, it does. PNM Exhibit MFH-16 shows the hypothetical revenue requirement
8 impact of both the net-of-tax gain and the gross gain and associated ADIT. The
9 Exhibit shows first-year calculations on page 1, the life-long calculations on page
10 2, and the tax rate differential calculation on page 3. The revenue requirement
11 impacts for both scenarios are identical. This information was provided by PNM
12 in testimony, exhibits, and discovery and entered into the record of NMPRC Case
13 No. 15-00261-UT (see PNM Exhibits MFH-2 and MFH-3 (May 25, 2016 Suppl)).

14

15 **Q. PLEASE EXPLAIN THE CALCULATIONS ON PNM EXHIBIT MFH-16,**
16 **PAGE 1.**

17 **A.** Page 1 of the Exhibit shows the hypothetical net-of-tax revenue requirement for a
18 single year revenue requirement, including both rate base and expense effects. For
19 ease of calculation, the Exhibit uses certain assumptions, including an amortization
20 period of 15 years, test period WACC and test period income tax rates from
21 NMPRC Case No. 15-00261-UT, the case for which this Exhibit was originally
22 prepared. However, regardless of the WACC used, or the amortization period, the
23 fact that the two calculations result in the same revenue requirement would hold

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1 true. Column B uses the deferred net-of-tax gain calculated on PNM Exhibit
2 MFH-15. Column C uses the gross book gain and deferred taxes as calculated on
3 the same Exhibit.

4
5 In the net-of-tax calculation in Column B, rate base is reduced by the unamortized
6 net-of-tax gain. The return on rate base is calculated, as is the gain amortization.
7 Income taxes are calculated on the equity return. The calculation of income tax
8 expense includes a flow-through book/tax difference for the gain amortization.
9 This ensures that the net-of-tax gain amortization will not be taxed again in
10 calculating the income tax expense in the cost of service.

11
12 In the gross gain calculation in Column C, the unamortized pre-tax gain is
13 included in rate base. Also included is the ADIT asset resulting from the
14 prepayment of the income tax at the time of sale. Total rate base is identical to
15 that in column B. The return on rate base is then calculated, as is the gain
16 amortization on the gross gain. Income taxes are calculated on the equity return.
17 The calculation of income tax expense includes a flow through book/tax
18 difference for 1/15 of the total permanent and flow-through book tax differences
19 shown on PNM Exhibit MFH-15. Not included is the book/tax difference for the
20 gain amortization, because the amortization has not yet been taxed in this
21 scenario. Also included is an adjustment to reflect the differences between the
22 current tax rates and the tax rate in effect when the tax was actually paid.

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1 In both scenarios, the revenue requirement impact is identical. Only the
2 presentation of rate base and expenses differ.

3
4 **Q. PLEASE EXPLAIN THE BOOK/TAX DIFFERENCE FOR THE GAIN**
5 **AMORTIZATION IN THE NET-OF-TAX CALCULATION.**

6 **A.** Because the amortizable gain has already been reduced by the tax expense incurred
7 as a result of the sale-leaseback transactions, it would be incorrect to tax that
8 amortization again. To do so would be detrimental to customers because it would
9 include additional tax expense in the cost of service when the taxes incurred on the
10 gain have already been accounted for.

11
12 **Q. PLEASE DESCRIBE THE CALCULATIONS ON PNM EXHIBIT MFH-16,**
13 **PAGE 2.**

14 **A.** The calculations on page 2 of the Exhibit are similar to those on page 1, with all
15 the same assumptions, but are for the entire 15-year amortization period, rather
16 than just the first year. Again, the hypothetical revenue requirements are identical
17 for the net-of-tax and the gross gain scenarios.

18
19 **Q. PLEASE EXPLAIN THE NEED TO INCLUDE ADIT IN RATE BASE IN**
20 **THE GROSS GAIN CALCULATION.**

21 **A.** If the unamortized gain is included in rate base on a gross basis, ADIT must also
22 be included. The ADIT asset is created because PNM paid millions of dollars of
23 tax to the IRS when the sale-leaseback transactions occurred. However, PNM did

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1 not recognize any of the gain, or associated income tax expense, in its financial
2 statements at that time. Rather, the gain was deferred, and recognized as PNM
3 returned it to customers over time. Because the gain is deferred, and recognized
4 over time for book and ratemaking purposes, so too must the income tax expense.
5 Therefore, PNM's payment of the tax at the time of sale was a prepayment, to be
6 recognized into income (and for ratemaking) as the underlying gain income is
7 amortized and recognized. Because the tax is prepaid, it results in an ADIT asset,
8 which must be included in rate base.

9
10 **Q. WHY IS NO ADIT ASSET INCLUDED IN RATE BASE IN THE NET-OF-**
11 **TAX CALCULATION?**

12 **A.** No ADIT asset is necessary because by netting the gain and the tax expense, the
13 ADIT asset, although unseen, is included as a component of the unamortized gain
14 included in rate base. Therefore, to include the ADIT asset again in rate base
15 would duplicate its effect already included in the unamortized net-of-tax gain.

16
17 **Q. PLEASE EXPLAIN THE NEED TO INCLUDE THE BOOK/TAX**
18 **DIFFERENCE FOR THE BASIS DIFFERENCES IN THE GROSS GAIN**
19 **CALCULATION.**

20 **A.** Because the gain amortization has not yet been taxed, tax expense must be
21 calculated on the amortization in the cost of service. Accordingly, the portion of
22 the book/tax differences related to that amortization must be taken into account. If
23 they are not, then the ADIT would not fully reverse over the amortizable life of the

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1 gain, as total income tax expense recognized for book and ratemaking purposes
2 would be millions of dollars less than that actually paid to the IRS.

3
4 **Q. WHY IS NO BOOK/TAX BASIS DIFFERENCE INCLUDED IN THE NET-**
5 **OF-TAX CALCULATION?**

6 **A.** No book/tax basis difference is necessary because by netting the gain and the
7 resulting income tax expense, the gain amortization already includes a ratable
8 portion of the income tax expense, calculated at the time of sale, including the
9 effects of the book/tax basis differences. Therefore, to include the basis difference
10 again in the calculation of income tax expense would duplicate its effect already
11 included in the net-of-tax gain amortization.

12
13 **Q. PLEASE EXPLAIN THE NEED TO INCLUDE THE ADJUSTMENT FOR**
14 **THE RATE DIFFERENTIAL IN THE GROSS GAIN CALCULATION, AS**
15 **CALCULATED ON PAGE 3 OF PNM EXHIBIT MFH-16.**

16 **A.** The sale-leaseback transactions occurred in 1985 and 1986. The tax expense was
17 calculated and paid based on the tax law in effect at that time. Subsequently, the
18 Tax Reform Act of 1986 drastically changed the tax laws. It decreased the tax rate
19 on ordinary income, but increased it on capital gains, and it eliminated the
20 minimum tax. Additionally, there have been numerous smaller tax law changes
21 since the sale-leaseback transactions occurred. Assuming the same taxable gain as
22 in the sale-leaseback transactions, the net effect of these tax law changes is that if
23 the sale-leaseback transactions were taxed using the current tax law, the tax would

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1 be substantially higher than it was in 1985 and 1986. To account for the
2 differences in the tax rates and other rules, an adjustment must be included to
3 ensure that customers are not overcharged for income taxes.

4
5 **Q. WHY IS NO RATE DIFFERENTIAL ADJUSTMENT INCLUDED IN THE**
6 **NET-OF-TAX CALCULATION?**

7 **A.** No rate differential is necessary because by netting the gain and the resulting
8 income tax expense, the gain amortization includes the income tax expense
9 calculated at the time of sale, including the effects of the tax rates applicable at that
10 time. Therefore, to include the rate differential again in the calculation of income
11 tax expense would duplicate its effect already included in the net-of-tax gain
12 amortization.

13
14 **Q. WHY DID PNM DEFER THE GAIN NET-OF-TAX?**

15 **A.** It appears that it was done, at least in part, for the sake of simplicity. It was much
16 simpler to include one rate base item, one expense item, and one flow-through
17 book/tax difference in every subsequent cost of service than it would be to report
18 everything on a gross basis. Additionally, by reporting on a net-of-tax basis, PNM
19 ensured that subsequent tax law changes would not cause an inadvertent
20 miscalculation of the tax effects of the gain as it was amortized and returned to
21 customers over time. This methodology protected both the customers and PNM
22 from such inadvertent errors.

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XIII. CONCLUSIONS

1

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

3 **A. Yes, I do:**

- 4 • The ADIT and income tax expense included in the Base Period and Test Period
- 5 cost of service are fair and accurate based on the underlying rate base and
- 6 recoverable expenses included in the cost of service;
- 7 • The calculations of tax expense and ADIT comply with all IRS normalization
- 8 requirements, including those related to accelerated tax depreciation, NOLs,
- 9 and CIAC. The Test Period adjustments to ITC amortization and ARAM
- 10 excess deferred income tax amortization ensure compliance with the IRS
- 11 normalization requirements for those items. The Test Period proration of
- 12 certain plant-related incremental ADIT ensures compliance with the
- 13 normalization requirements for future test periods;
- 14 • The income tax calculations are all done on a fully-normalized basis, consistent
- 15 with Commission precedent and past PNM filings;
- 16 • The income tax calculations are all done on a stand-alone company basis,
- 17 consistent with the Commission's decision in NMPRC Case No. 07-00077-UT
- 18 and past PNM filings;
- 19 • Consistent with the Order in NMPRC Case No. 15-00261-UT, PNM should be
- 20 allowed to establish a regulatory asset for NOL impairment losses incurred
- 21 between December 31, 2014 and June 30, 2016, as the underlying bonus tax

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1 depreciation creates a net benefit to customers, even including the NOL
2 impairment losses;

- 3 • Amortization of an estimate of the excess deferred state income taxes should
4 begin in this case. The amortization should be returned to customers over a
5 period of 20 years, as determined using the RSGM which is a reasonable
6 facsimile of ARAM. Consistent with the Order in NMRPC Case No. 15-
7 00261-UT, the actual amount of the excess deferred state income taxes related
8 to the phased-in reduction in the New Mexico state income tax rate should be
9 determined in PNM's first rate case filed after 2018 when the tax rate reduction
10 will be fully phased-in. At that time, a true-up should occur to adjust to the
11 actual excess deferred state income taxes; and
- 12 • PNM has provided the information required in the Final Order of NMPRC
13 Case No. 15-00261-UT, paragraph 213 regarding the Palo Verde sale-
14 leaseback transactions.

15
16 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17 **A.** Yes.

GCG#522592

Résumé of Matthew F. Harland

PNM Exhibit MFH-1

Is contained in the following 3 pages

MATTHEW F. HARLAND, CPA

EDUCATIONAL AND PROFESSIONAL SUMMARY

Employment:

PNM Resources, Inc. and affiliated companies:

Director of Taxation: 2010-Present
Director of Income Tax: 2008-2010
Senior Manager, Corporate Tax Projects: 2005-2008
Senior Manager, Corporate Tax Projects: 2002-2005
Senior Manager, Corporate Tax Projects: 2000-2002
Manager of Tax Planning: 1999-2000
Senior Tax Analyst: 1991-1999

KPMG Peat Marwick:

Income Tax Senior Accountant: 1989-1991
Income Tax Staff Accountant: 1987-1989

Education:

Master of Accountancy:

New Mexico State University, Las Cruces, NM: 1986

Bachelor of Arts in Economics:

Pomona College, Claremont, CA: 1983

Continuing Professional Education:

Tax and Accounting CPE as required by the New Mexico State Board of Public Accountancy

Certification:

Certified Public Accountant:

New Mexico: 1989-Present

Affiliations:

American Institute of CPAs:

Edison Electric Institute:

Energy Tax Council:

New Mexico Tax Research Institute:

Association of Electric Companies of Texas:

Tax Section Member

Taxation Committee past Chair &
Vice-Chair, Tax Analysis & Research
Subcommittee Member

Member

Board of Directors

Tax Committee Member

Testimony in Regulatory Proceedings:

Nature of Proceeding	Regulatory Body	Docket Number
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	NMPRC	15-00261-UT
In the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates Pursuant to Advice Notice No. 507.	NMPRC	14-00332-UT
In the Matter of the Application of Public Service Company of New Mexico for Approval to Abandon San Juan Generating Station Units 2 and 3, Issuance of Certificates of Public Convenience and Necessity for Replacement Power Resources, Issuance of Accounting Orders and Determination of Related Rate-Making Principles and Treatment.	NMPRC	13-00390-UT
In the Matter of the Application of Public Service Company of New Mexico for Approval of Renewable Energy Rider No. 36 Pursuant to Advice Notice No. 439 and for Variances from Certain Filing Requirements.	NMPRC	12-00007-UT
In the Matter of an Investigation into Public Service Company of New Mexico's Amendments to its Line Extension Policy made by its Advice Notice Nos. 428, 429, 50 and 51.	NMPRC	11-00430-UT
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.s 397 and 32 (former TNMP Services).	NMPRC	10-00086-UT
In the Matter of the Transfer of Public Service Company of New Mexico's Unamortized Accumulated Deferred Investment Tax Credit of its Gas Utility. (Private Letter Ruling)	NMPRC	08-00377-UT
In the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates pursuant to Advice Notice No. 352.	NMPRC	08-00273-UT

In the Matter of the Applications of Public Service Company of New Mexico and New Mexico Gas Company, Inc. for the Abandonment, Purchase and Sale of the Gas Utility Assets and Services and for Related Authorizations and Variances.	NMPRC	08-00078-UT
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. 334.	NMPRC	07-00077-UT
In the Matter of the Petition of Public Service Company of New Mexico for a Revision to its Rates, Rules, and Charges pursuant to Advice Notice No.s 755 and 756.	NMPRC	06-00210-UT
In the Matter of the Petition of Public Service Company of New Mexico for a Revision to its Rates, Rules, and Charges pursuant to Advice Notice No.s 721 and 722.	NMPRC	03-00017-UT
Application of Texas-New Mexico Power Company to Reconcile Advanced System Costs.	PUCT	45213
Application of Texas-New Mexico Power Company for Authority to Change Rates.	PUCT	38480
Application of Texas-New Mexico Power Company for Authority to Change Rates.	PUCT	36025
Application of Texas-New Mexico Power Company to Adjust Carrying Charges pursuant to P.U.C. Subst. R. 25.263.	PUCT	33106
Application of Texas-New Mexico Power Company to Establish a Competitive Transition Charge pursuant to P.U.C. Subst. R. 25.263(n).	PUCT	31994
Public Service Company of New Mexico – Settlement Agreement and Offer of Settlement (IRS Private Letter Ruling).	FERC	ER13-685-000 <i>et al.</i>

ADIT – Accumulated Deferred Income Tax

PNM Exhibit MFH-2

Is contained in the following 190 pages

	A	B	C	D	E
1	Public Service Company of New Mexico				
2	NMPRC Case No. 16-00276-UT				
3	PNM Exhibit MFH-2				
4	ADIT - Lead Sheet				
5					
6				Provides Information To	Requires Information From
7	Tab Reference	Description	Purpose	Tab name	Tab name
8	ADIT-1	Schedule H-12 Base & Test Period	Schedule H-12 Base & Test Period	ADIT-3	ADIT-3
9	ADIT-2	Reconciliations	Reconciles total Base Period ADIT to both the FERC Filings and the General Ledger	None	ADIT-4
10	ADIT-3	Pivot Table of ADIT Balances	Summarizes Data on ADIT tab into rate case categories	ADIT-1	ADIT-1, ADIT-4
11	ADIT-4	ADIT balances and adjustments	Accumulates ADIT activity and adjustments made for the rate case	ADIT-2, ADIT-3	All tabs listed below
12	ADIT-5	Allocation of Corporate depreciation ADIT	Calculates the portion of Company 7 & Company 8 depreciation ADIT to be allocated to PNM, based on the underlying plant allocation	ADIT-4	None
13	ADIT-6	Solar property placed in service in 2011	Determines the portion of depreciation ADIT and NOL ADIT to be allocated to renewables for assets placed in service in 2011	ADIT-4	None
14	ADIT-7	Solar property placed in service in 2013	Determines the portion of depreciation ADIT and NOL ADIT to be allocated to renewables for assets placed in service in 2013	ADIT-4	None
15	ADIT-8	Solar property placed in service in 2014	Determines the portion of depreciation ADIT and NOL ADIT to be allocated to renewables for assets placed in service in 2014	ADIT-4	None
16	ADIT-9	Allocation of Depreciation ADIT to various categories	Summarizes and allocates the base period depreciation ADIT to the various rate case categories on Schedule H-12	ADIT-4	None
17	ADIT-10	Other Rate Base balances	Calculates the ADIT balances to be included in rate base based on the inclusion of Other Rate Base items (Model Driven Calculations)	ADIT-4	None
18	ADIT-11	Regulatory Asset and Liability balances	Calculates the ADIT balances to be included in rate base based on the inclusion of Regulatory Assets and Liabilities (Model Driven Calculations)	ADIT-4	None
19	ADIT-12	Linkage and Test period depreciation ADIT	Provides the linkage and test period depreciation ADIT balances	ADIT-4	None
20	ADIT-13	Reversal of prior depreciation flow-throughs	Provides the linkage and test period amounts for the reversal of prior depreciation flow-throughs	ADIT-4	None
21	ADIT-14	Average Rate Assumption Method excess deferred taxes	Provides the linkage and test period amounts for the reversal of excess deferred income taxes under the Average Rate Assumption Method	ADIT-4	None
22	ADIT-15	Linkage and Test Period AFUDC and Book Capitalized Interest	Provides the linkage and test period amounts for AFUDC Debt and Book Capitalized Interest	ADIT-4	None
23	ADIT-16	Palo Verde Licensing Amortization	Provides the linkage and test period amounts for Palo Verde Licensing Amortization	ADIT-4	None
24	ADIT-17	High Lonesome Mesa Reclass	Calculates adjustment to reclass High Lonesome Mesa	ADIT-4	None
25	ADIT-18	Palo Verde Unit 2 Lease Acquisition Adjustment	Calculates adjustment to remove ADIT associated with the January 2016 Palo Verde Unit 2 lease acquisition adjustment	ADIT-4	None
26	ADIT-19	Balanced Draft Technology Adjustment	Calculates adjustment to remove ADIT associated with the Balanced Draft Technology at San Juan	ADIT-4	None
27	ADIT-20	Palo Verde Unit 2 Leasehold Improvements Adjustment	Calculates adjustment to remove ADIT associated with the Leasehold improvements on January 2016 Palo Verde Unit 2 lease acquisition	ADIT-4	None
28	ADIT-21	San Juan Units 2 & 3 Retirement Adjustment	Calculates adjustment to ADIT upon the retirement on San Juan Units 2 & 3 on December 31, 2017	ADIT-4	None

	A	B	C	D	E	F	G	H	I	J	K	L
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-1 Schedule H-12 Information											
5	Hyperlink to Lead Sheet											
6												
7		30-Jun-15	30-Sep-15	31-Dec-15	31-Mar-16	30-Jun-16	Model Driven Calculations	Unadjusted Base Period	Refer to Note 4	Base Period Adjustments	Adjusted Base Period	31-Dec-16
8												
9	Injury & Damages	1,859,502	1,859,502	1,043,624	1,043,624	1,043,624	1,076,320	2,119,944	o	621,755	2,741,699	2,741,699
10	Palo Verde Gain 1 & 2	533,207	533,207	533,207	533,207	533,207	(373,451)	159,756	o	-	159,756	151,987
11	Renewable NOL Allocation	38,255,600	37,809,273	37,330,651	-	-	-	-	-	-	-	-
12	Palo Verde Construction Credits 1 & 2	59,849	59,849	31,993	31,993	31,993	38,939	70,932	r	-	70,932	57,065
13	Pension Qualified	(108,825,135)	(108,552,169)	(108,384,603)	(107,628,899)	(106,873,195)	36,626,954	(70,246,241)	o	-	(70,246,241)	(69,369,703)
14	Pension AMPP	-	-	-	-	-	2,509,263	2,509,263	o	-	2,509,263	2,458,411
15	Eastern Interconnect Project Gain	27,764	27,764	-	-	-	-	-	-	-	-	-
16	Line Extension Policy	957,131	957,131	957,131	957,131	957,131	-	957,131	-	-	957,131	957,131
17	Tax Capitalized Interest	22,770,273	23,391,648	21,745,007	22,346,234	22,947,461	-	22,947,461	-	-	22,947,461	22,947,461
18	Palo Verde Dry Cask Storage 1 & 2	4,940,270	4,770,388	4,828,830	4,828,830	4,828,830	(1,687,731)	3,141,099	o	(3,141,099)	-	-
19	Palo Verde Dry Cask Storage 3	-	-	-	-	-	1,554,041	1,554,041	o	(1,554,041)	-	-
20	Contributions In Aid of Construction	35,946,425	36,793,298	33,429,138	34,172,556	34,915,974	-	34,915,974	-	-	34,915,974	34,915,974
21	Coal Mine Decommissioning	1,888,925	2,737,895	8,616,662	9,139,220	9,661,778	(19,400,434)	(9,738,656)	r	6,744,925	(2,993,731)	(2,640,936)
22	Pollution Control Facilities 4 Corners	(508,641)	(508,641)	(485,697)	(485,697)	(485,697)	-	(485,697)	-	-	(485,697)	(597,363)
23	FERC Customer Depreciation	1,260,187	1,260,187	1,256,410	1,256,410	1,256,410	-	1,256,410	-	-	1,256,410	1,269,183
24	Liberalized Depreciation - Renewables	(47,142,426)	(47,516,620)	(47,890,965)	(47,888,113)	(47,885,107)	-	(47,885,107)	-	-	(47,885,107)	(47,771,932)
25	Liberalized Depreciation - Other	(9,762,114)	(9,762,114)	(9,545,596)	(9,545,596)	(9,545,596)	-	(9,545,596)	c,p	(10,744,952)	(20,290,548)	(26,099,280)
26	Liberalized Depreciation - Generation	(392,085,790)	(394,547,379)	(423,152,566)	(434,184,028)	(444,268,409)	-	(444,268,409)	p	21,837,435	(422,430,974)	(436,844,558)
27	Liberalized Depreciation - Distribution	(195,608,794)	(197,407,116)	(214,198,690)	(217,890,125)	(221,581,560)	-	(221,581,560)	-	-	(221,581,560)	(230,958,146)
28	Liberalized Depreciation - Transmission	(92,508,642)	(93,603,895)	(103,038,217)	(105,489,355)	(107,940,493)	-	(107,940,493)	p	4,919,699	(103,020,794)	(119,292,051)
29	Liberalized Depreciation - PV 3	(68,917,842)	(68,917,842)	(78,180,885)	(78,907,153)	(78,907,153)	-	(78,907,153)	-	-	(78,907,153)	(80,536,461)
30	Palo Verde Start-Up Amortization	250,026	250,026	250,026	250,026	250,026	-	250,026	-	-	250,026	250,026
31	Nuclear Fuel Amortization PV 1&2	6,360,182	6,360,182	7,166,968	7,166,968	7,166,968	-	7,166,968	-	-	7,166,968	5,841,571
32	Nuclear Fuel Amortization PV 3	3,180,091	3,180,091	3,180,091	3,180,091	3,180,091	-	3,180,091	-	-	3,180,091	3,268,106
33	Debt AFUDC	(20,736,019)	(21,350,752)	(22,546,588)	(23,044,885)	(23,543,182)	-	(23,543,182)	-	-	(23,543,182)	(24,304,538)
34	Pre-1981 Repair Allowance	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	-	(22,138,422)	-	-	(22,138,422)	(22,138,422)
35	Palo Verde Licensing Amortization	(4,486,841)	(4,486,841)	(4,559,854)	(4,559,854)	(4,559,854)	-	(4,559,854)	-	-	(4,559,854)	(4,580,590)
36	Asset Retirement Obligation	13,045,757	12,681,503	12,491,253	12,006,924	11,522,595	34,264,256	45,786,851	o	(39,202,925)	6,583,926	6,294,802
37	Afton Writedown	4,237,379	4,149,090	4,060,801	3,972,533	3,884,264	-	3,884,264	-	-	3,884,264	3,884,264
38	Loss on Reacquired Debt	(4,174,904)	(4,174,904)	(4,106,488)	(4,106,488)	(4,106,488)	1,008,541	(3,097,947)	o	-	(3,097,947)	(3,804,377)
39	Book Capitalized Interest	(7,457,359)	(7,457,359)	(7,753,954)	(7,753,954)	(7,753,954)	-	(7,753,954)	-	-	(7,753,954)	(7,963,223)
40	Prepaid Expenses	(3,817,603)	(3,817,603)	(3,756,987)	(3,756,987)	(3,756,987)	-	(3,756,987)	-	-	(3,756,987)	(3,756,987)
41	Net Operating Loss (NOL)	85,231,513	55,226,935	110,523,137	160,672,776	165,619,554	-	165,619,554	c	1,026,942	166,646,496	133,113,042
42	Deferred Federal Tax Credits	8,474,716	8,474,716	9,211,736	9,211,736	9,211,736	-	9,211,736	-	-	9,211,736	9,211,736
43	PCB Refinancing	(3,939,714)	(3,856,974)	(3,689,370)	(3,606,987)	(3,524,604)	(2,497,300)	(6,021,904)	r	-	(6,021,904)	(5,857,153)
44	LVGS Decommissioning	432,052	432,052	485,323	485,323	485,323	28,950	514,273	r	-	514,273	464,001
45	Renewable NM AETC	1,599,623	1,599,623	1,523,574	1,523,574	1,523,574	(37,809)	1,485,765	r	-	1,485,765	1,447,907
46	Rate Case Expense	(441,893)	(856,677)	(1,004,794)	(1,255,845)	(1,526,569)	(50,126)	(1,576,695)	r	93,310	(1,483,385)	(1,298,527)
47	DOE Spent Fuel Settlement	3,607,570	3,635,309	3,624,489	3,795,539	3,819,449	(1,180,808)	2,638,641	r	-	2,638,641	2,311,174
48	DOE Spent Fuel Settlement PV3	-	-	-	-	-	1,175,700	1,175,700	r	-	1,175,700	1,175,700
49	50% SJGS 2&3	-	-	-	-	-	-	-	-	-	-	-
50	Liberalized Depreciation - SJ4 132 mW	-	-	-	-	-	-	-	p	2,687,661	2,687,661	2,327,655
51	Liberalized Depreciation - SJ4 65 mW	-	-	-	-	-	-	-	-	-	-	-
52	SJGS Coal Agreement Transaction Costs	-	-	-	-	-	(1,137,691)	(1,137,691)	o	65,626	(1,072,065)	(1,072,065)
53	Liberalized Depreciation - HLM	-	-	-	-	-	-	-	p	(4,919,699)	(4,919,699)	(4,944,792)
54												
55		(747,634,099)	(782,765,640)	(792,143,625)	(795,667,693)	(805,557,283)	51,917,614	(753,639,669)	-	(21,565,364)	(775,205,031)	(858,742,207)
56		-	-	-	-	-	-	-	-	-	2	-

	A	M	N	O	P	Q	R	S	T	U	V	W
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-1 Schedule H-12 Information											
5	Hyperlink to Lead Sheet											
6												
7		30-Jun-17	31-Dec-17	31-Jan-18	28-Feb-18	31-Mar-18	30-Apr-18	31-May-18	30-Jun-18	31-Jul-18	31-Aug-18	30-Sep-18
9	Injury & Damages	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699
10	Palo Verde Gain 1 & 2	144,264	136,541	135,259	133,978	132,696	131,414	130,133	128,851	127,570	126,288	125,007
11	Renewable NOL Allocation	-	-	-	-	-	-	-	-	-	-	-
12	Palo Verde Construction Credits 1 & 2	43,280	29,495	27,197	24,900	22,602	20,315	18,027	15,740	13,452	11,165	8,878
13	Pension Qualified	(68,472,267)	(67,574,831)	(67,420,514)	(67,266,197)	(67,111,879)	(66,957,562)	(66,803,245)	(66,648,928)	(66,494,611)	(66,340,294)	(66,185,977)
14	Pension AMPP	2,410,729	2,363,048	2,354,734	2,346,419	2,338,104	2,329,789	2,321,475	2,313,160	2,304,845	2,296,531	2,288,216
15	Eastern Interconnect Project Gain	-	-	-	-	-	-	-	-	-	-	-
16	Line Extension Policy	957,131	957,131	957,131	957,131	957,131	957,131	957,131	957,131	957,131	957,131	957,131
17	Tax Capitalized Interest	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461
18	Palo Verde Dry Cask Storage 1 & 2	-	-	-	-	-	-	-	-	-	-	-
19	Palo Verde Dry Cask Storage 3	-	-	-	-	-	-	-	-	-	-	-
20	Contributions In Aid of Construction	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974
21	Coal Mine Decommissioning	(2,290,221)	(1,939,505)	(1,881,053)	(1,822,600)	(1,764,148)	(1,705,951)	(1,647,755)	(1,589,558)	(1,531,362)	(1,473,166)	(1,414,969)
22	Pollution Control Facilities 4 Corners	(662,440)	(727,516)	(737,427)	(746,510)	(754,675)	(761,953)	(768,314)	(773,787)	(778,343)	(781,982)	(784,734)
23	FERC Customer Depreciation	1,273,461	1,277,738	1,278,389	1,278,986	1,279,523	1,280,001	1,280,419	1,280,779	1,281,078	1,281,318	1,281,498
24	Liberalized Depreciation - Renewables	(47,433,942)	(47,095,952)	(46,694,691)	(46,326,968)	(45,995,980)	(45,700,654)	(45,442,527)	(45,220,026)	(45,034,813)	(44,886,766)	(44,774,667)
25	Liberalized Depreciation - Other	(30,387,424)	(38,142,071)	(38,382,025)	(38,603,484)	(38,824,216)	(39,024,667)	(39,210,294)	(39,362,845)	(39,509,985)	(39,630,684)	(39,732,411)
26	Liberalized Depreciation - Generation	(439,775,421)	(371,777,607)	(372,205,017)	(372,925,472)	(373,691,929)	(374,614,399)	(375,400,845)	(376,087,222)	(376,665,585)	(377,135,344)	(377,595,344)
27	Liberalized Depreciation - Distribution	(230,710,218)	(239,866,935)	(239,931,229)	(240,009,701)	(240,111,241)	(240,239,503)	(240,375,303)	(240,538,719)	(240,728,990)	(240,901,039)	(241,078,075)
28	Liberalized Depreciation - Transmission	(120,984,224)	(135,923,460)	(135,933,327)	(135,952,012)	(136,373,542)	(136,802,555)	(137,377,306)	(137,885,472)	(138,316,857)	(138,708,283)	(139,030,412)
29	Liberalized Depreciation - PV 3	(80,162,937)	(80,549,124)	(80,483,249)	(80,418,656)	(80,365,537)	(80,319,129)	(80,304,463)	(80,294,843)	(80,286,491)	(80,280,130)	(80,281,849)
30	Palo Verde Start-Up Amortization	250,026	250,026	250,026	250,026	250,026	250,026	250,026	250,026	250,026	250,026	250,026
31	Nuclear Fuel Amortization PV 1&2	6,360,750	5,149,141	5,450,051	5,682,746	5,857,161	5,965,317	6,042,244	6,091,956	6,129,120	6,149,780	6,121,565
32	Nuclear Fuel Amortization PV 3	3,895,179	2,890,434	3,007,773	3,093,025	3,176,547	3,139,552	3,238,223	3,297,118	3,349,379	3,390,951	3,403,366
33	Debt AFUDC	(25,743,620)	(27,182,702)	(27,375,202)	(27,565,050)	(27,749,474)	(27,898,669)	(28,011,581)	(28,094,579)	(28,163,921)	(28,221,134)	(28,265,761)
34	Pre-1981 Repair Allowance	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)
35	Palo Verde Licensing Amortization	(4,590,897)	(4,601,204)	(4,602,914)	(4,604,624)	(4,606,335)	(4,608,045)	(4,609,755)	(4,611,465)	(4,613,175)	(4,614,885)	(4,616,595)
36	Asset Retirement Obligation	6,477,618	6,434,063	6,464,857	6,495,816	6,526,941	6,558,233	6,589,694	6,621,324	6,653,123	6,685,094	6,717,236
37	Afton Writedown	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264
38	Loss on Reacquired Debt	(3,645,154)	(3,485,931)	(3,459,510)	(3,433,089)	(3,406,668)	(3,380,247)	(3,353,826)	(3,327,405)	(3,300,984)	(3,274,564)	(3,248,143)
39	Book Capitalized Interest	(8,111,118)	(8,259,014)	(8,262,709)	(8,266,247)	(8,272,073)	(8,280,038)	(8,288,214)	(8,295,822)	(8,301,584)	(8,305,548)	(8,308,845)
40	Prepaid Expenses	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)
41	Net Operating Loss (NOL)	118,782,907	87,459,923	83,319,450	83,891,846	85,367,198	88,986,664	91,092,368	81,223,983	67,358,456	53,721,395	48,197,037
42	Deferred Federal Tax Credits	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736
43	PCB Refinancing	(5,693,373)	(5,529,592)	(5,502,296)	(5,474,999)	(5,447,702)	(5,420,525)	(5,393,348)	(5,366,171)	(5,338,994)	(5,311,817)	(5,284,640)
44	LVGS Decommissioning	333,986	203,971	198,553	193,136	187,719	182,325	176,931	171,538	166,144	160,751	155,357
45	Renewable NM AETC	1,410,273	1,372,639	1,366,367	1,360,095	1,353,822	1,347,577	1,341,333	1,335,088	1,328,843	1,322,598	1,316,353
46	Rate Case Expense	(930,989)	(1,598,932)	(1,554,975)	(1,511,018)	(1,467,061)	(1,423,171)	(1,379,280)	(1,335,390)	(1,291,500)	(1,247,610)	(1,203,720)
47	DOE Spent Fuel Settlement	1,660,100	1,009,025	900,513	792,000	683,488	575,451	467,414	359,377	251,341	143,304	-
48	DOE Spent Fuel Settlement PV3	1,175,700	1,175,700	1,127,213	1,078,725	1,030,238	981,963	933,688	885,413	837,138	788,863	740,588
49	50% SJGS 2&3	-	(49,738,167)	(49,530,924)	(49,323,682)	(49,116,440)	(48,910,106)	(48,703,772)	(48,497,437)	(48,291,103)	(48,084,769)	(47,878,435)
50	Liberalized Depreciation - SJ4 132 mW	2,275,893	1,566,118	1,571,056	1,575,581	1,576,871	1,578,021	1,564,041	1,536,462	1,509,260	1,487,329	1,470,747
51	Liberalized Depreciation - SJ4 65 mW	-	(2,542,646)	(2,546,714)	(2,550,442)	(2,555,162)	(2,559,317)	(2,570,327)	(2,587,242)	(2,603,223)	(2,616,046)	(2,625,739)
52	SJGS Coal Agreement Transaction Costs	(1,072,065)	(1,072,065)	(1,052,416)	(1,032,766)	(1,013,117)	(993,467)	(973,818)	(954,168)	(934,518)	(914,869)	(895,219)
53	Liberalized Depreciation - HLM	(4,944,423)	(4,944,054)	(4,943,682)	(4,943,342)	(4,943,036)	(4,942,764)	(4,942,526)	(4,942,321)	(4,942,150)	(4,942,014)	(4,941,911)
54												
55		(880,353,711)	(932,470,590)	(936,285,580)	(935,486,487)	(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)	(976,848,718)
56		-	-	-	-	-	-	-	-	-	-	-

	A	X	Y	Z	AA	A8	AC	AD	AE	AF	AG
1	Public Service Company of New Mexico										
2	NMPRC Case No. 16-00276-UT										
3	PNM Exhibit MFH-2										
4	ADIT-1 Schedule H-12 Information										
5	Hyperlink to Lead Sheet										
6											
7		31-Oct-18	30-Nov-18	31-Dec-18	Unadjusted Test Period	Averaging Adjustment	Test Period Adjustments	Adjusted Test Period	Adjusted Base to Test Period Variance	Variance Percentage	Refer to Notes
8											
9	Injury & Damages	2,741,699	2,741,699	2,741,699	2,741,699	-	-	2,741,699	-	0.00%	
10	Palo Verde Gain 1 & 2	123,725	122,444	121,162	121,162	7,689	-	128,851	(30,905)	-23.99%	
11	Renewable NOL Allocation	-	-	-	-	-	-	-	-	0.00%	
12	Palo Verde Construction Credits 1 & 2	6,590	4,303	2,038	2,038	13,709	-	15,746	(55,186)	-350.48%	
13	Pension Qualified	(66,091,659)	(65,877,342)	(65,723,025)	(65,723,025)	(925,903)	4,749,971	(61,898,957)	8,347,284	-13.49%	1
14	Pension AMPP	2,279,901	2,271,586	2,263,272	2,263,272	49,888	-	2,313,160	(196,103)	-8.48%	1
15	Eastern Interconnect Project Gain	-	-	-	-	-	-	-	-	0.00%	
16	Line Extension Policy	957,131	957,131	957,131	957,131	-	-	957,131	-	0.00%	
17	Tax Capitalized Interest	22,947,461	22,947,461	22,947,461	22,947,461	-	-	22,947,461	-	0.00%	
18	Palo Verde Dry Cask Storage 1 & 2	-	-	-	-	-	-	-	-	0.00%	
19	Palo Verde Dry Cask Storage 3	-	-	-	-	-	-	-	-	0.00%	
20	Contributions In Aid of Construction	34,915,974	34,915,974	34,915,974	34,915,974	-	-	34,915,974	-	0.00%	
21	Coal Mine Decommissioning	(1,356,773)	(1,298,576)	(1,240,380)	(1,240,380)	(349,297)	-	(1,589,677)	1,404,054	-88.32%	1
22	Pollution Control Facilities 4 Corners	(786,568)	(787,515)	(787,544)	(787,544)	20,093	-	(767,451)	(281,754)		
23	FERC Customer Depreciation	1,281,619	1,281,681	1,281,683	1,281,683	(1,921)	-	1,280,363	23,953		
24	Liberalized Depreciation - Renewables	(44,699,794)	(44,661,112)	(44,659,888)	(44,659,888)	(816,561)	-	(45,476,449)	2,408,658		
25	Liberalized Depreciation - Other	(39,804,128)	(39,847,522)	(39,852,378)	(39,852,378)	627,247	839,253	(38,385,879)	(18,095,331)		
26	Liberalized Depreciation - Generation	(377,474,393)	(377,718,159)	(377,728,975)	(377,728,975)	2,650,500	-	(375,078,475)	47,352,499		
27	Liberalized Depreciation - Distribution	(241,237,440)	(241,338,705)	(241,348,423)	(241,348,423)	755,707	-	(240,592,716)	(19,011,156)	2.75%	
28	Liberalized Depreciation - Transmission	(139,266,292)	(139,397,066)	(139,407,004)	(139,407,004)	1,685,958	-	(137,721,045)	(34,700,251)		
29	Liberalized Depreciation - PV 3	(80,284,579)	(80,284,358)	(80,285,230)	(80,285,230)	(56,127)	-	(80,341,357)	(1,434,204)		
30	Palo Verde Start-Up Amortization	250,026	250,026	250,026	250,026	-	-	250,026	-		
31	Nuclear Fuel Amortization PV 1&2	6,021,422	5,971,573	5,970,088	5,970,088	(77,614)	-	5,892,474	(1,274,494)		
32	Nuclear Fuel Amortization PV 3	3,412,149	3,403,652	3,403,403	3,403,403	(156,821)	-	3,246,582	66,491		
33	Debt AFUDC	(28,295,275)	(28,310,797)	(28,311,271)	(28,311,271)	353,931	-	(27,957,340)	(4,414,158)	15.79%	2
34	Pre-1981 Repair Allowance	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	-	-	(22,138,422)	-	0.00%	
35	Palo Verde Licensing Amortization	(4,618,305)	(4,620,015)	(4,621,726)	(4,621,726)	10,261	-	(4,611,465)	(51,611)	1.12%	
36	Asset Retirement Obligation	6,749,552	6,782,041	6,814,705	6,814,705	(192,191)	-	6,622,514	38,588	0.58%	
37	Afton Writedown	3,884,264	3,884,264	3,884,264	3,884,264	-	-	3,884,264	-	0.00%	
38	Loss on Reacquired Debt	(3,221,722)	(3,195,301)	(3,168,880)	(3,168,880)	(158,525)	-	(3,327,405)	(229,458)	6.90%	1
39	Book Capitalized Interest	(8,311,231)	(8,312,510)	(8,312,555)	(8,312,555)	22,064	-	(8,290,492)	(536,538)	6.47%	2
40	Prepaid Expenses	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	-	-	(3,756,987)	-	0.00%	
41	Net Operating Loss (NOL)	46,925,173	44,459,730	41,865,199	41,865,199	27,663,142	-	69,528,340	(97,118,156)	-139.68%	3
42	Deferred Federal Tax Credits	9,211,736	9,211,736	9,211,736	9,211,736	-	-	9,211,736	-	0.00%	
43	PCB Refinancing	(5,257,463)	(5,230,286)	(5,203,109)	(5,203,109)	(163,118)	-	(5,366,226)	655,678	-12.22%	1
44	LVGS Decommissioning	149,964	144,570	139,176	139,176	32,372	-	171,549	(342,724)	-199.78%	1
45	Renewable NM AETC	1,310,108	1,303,863	1,297,619	1,297,619	37,482	-	1,335,100	(150,665)	-11.28%	1
46	Rate Case Expense	(1,159,830)	(1,115,940)	(1,072,050)	(1,072,050)	(263,372)	-	(1,335,421)	147,964	-11.08%	1
47	DOE Spent Fuel Settlement	-	-	-	-	-	-	-	(2,638,641)	0.00%	
48	DOE Spent Fuel Settlement PV3	692,313	644,038	595,763	595,763	-	(595,763)	-	(1,175,700)	0.00%	
49	50% SJGS 2&3	(47,672,101)	(47,465,767)	(47,259,433)	(47,259,433)	(1,238,424)	-	(48,497,857)	(48,497,857)	100.00%	1
50	Liberalized Depreciation - SJ4 132 mW	1,459,424	1,451,916	1,451,681	1,451,681	71,281	-	1,522,962	(1,164,699)	-76.48%	2
51	Liberalized Depreciation - SJ4 65 mW	(2,632,333)	(2,636,556)	(2,636,687)	(2,636,687)	47,269	-	(2,589,418)	(2,589,418)	100.00%	2
52	SJGS Coal Agreement Transaction Costs	(875,570)	(855,920)	(836,271)	(836,271)	(117,897)	-	(954,168)	117,897	-12.36%	1
53	Liberalized Depreciation - HLM	(4,941,842)	(4,941,807)	(4,941,806)	(4,941,806)	(752)	-	(4,942,558)	(22,859)	0.46%	
54											
55		(978,502,477)	(981,040,973)	(983,177,964)	(983,177,964)	29,530,671	4,993,461	(948,653,833)	(173,448,802)		
56		-	-	-	-	-	-	(2)			

	A	AH	AI
1	Public Service Company of New Mexico		
2	NMPRC Case No. 16-00276-UT		
3	PNM Exhibit MFH-2		
4	ADIT-1 Schedule H-12 Information		
5	Hyperlink to Lead Sheet		
6			
7		Reference	
8			
9	Injury & Damages	PNM Exhibit HEM-3 COS Test, Line	87
10	Palo Verde Gain 1 & 2	PNM Exhibit HEM-3 COS Test, Line	88
11	Renewable NOL Allocation	PNM Exhibit HEM-3 COS Test, Line	89
12	Palo Verde Construction Credits 1 & 2	PNM Exhibit HEM-3 COS Test, Line	90
13	Pension Qualified	PNM Exhibit HEM-3 COS Test, Line	91
14	Pension AMPP	PNM Exhibit HEM-3 COS Test, Line	92
15	Eastern Interconnect Project Gain	PNM Exhibit HEM-3 COS Test, Line	93
16	Line Extension Policy	PNM Exhibit HEM-3 COS Test, Line	94
17	Tax Capitalized Interest	PNM Exhibit HEM-3 COS Test, Line	95
18	Palo Verde Dry Cask Storage 1 & 2	PNM Exhibit HEM-3 COS Test, Line	96
19	Palo Verde Dry Cask Storage 3	PNM Exhibit HEM-3 COS Test, Line	97
20	Contributions In Aid of Construction	PNM Exhibit HEM-3 COS Test, Line	98
21	Coal Mine Decommissioning	PNM Exhibit HEM-3 COS Test, Line	99
22	Pollution Control Facilities 4 Corners	PNM Exhibit HEM-3 COS Test, Line	100
23	FERC Customer Depreciation	PNM Exhibit HEM-3 COS Test, Line	101
24	Liberalized Depreciation - Renewables	PNM Exhibit HEM-3 COS Test, Line	102
25	Liberalized Depreciation - Other	PNM Exhibit HEM-3 COS Test, Line	103
26	Liberalized Depreciation - Generation	PNM Exhibit HEM-3 COS Test, Line	104
27	Liberalized Depreciation - Distribution	PNM Exhibit HEM-3 COS Test, Line	105
28	Liberalized Depreciation - Transmission	PNM Exhibit HEM-3 COS Test, Line	106
29	Liberalized Depreciation - PV 3	PNM Exhibit HEM-3 COS Test, Line	107
30	Palo Verde Start-Up Amortization	PNM Exhibit HEM-3 COS Test, Line	108
31	Nuclear Fuel Amortization PV 1&2	PNM Exhibit HEM-3 COS Test, Line	109
32	Nuclear Fuel Amortization PV 3	PNM Exhibit HEM-3 COS Test, Line	110
33	Debt AFUDC	PNM Exhibit HEM-3 COS Test, Line	111
34	Pre-1981 Repair Allowance	PNM Exhibit HEM-3 COS Test, Line	112
35	Palo Verde Licensing Amortization	PNM Exhibit HEM-3 COS Test, Line	113
36	Asset Retirement Obligation	PNM Exhibit HEM-3 COS Test, Line	114
37	Afton Writedown	PNM Exhibit HEM-3 COS Test, Line	115
38	Loss on Reacquired Debt	PNM Exhibit HEM-3 COS Test, Line	116
39	Book Capitalized Interest	PNM Exhibit HEM-3 COS Test, Line	117
40	Prepaid Expenses	PNM Exhibit HEM-3 COS Test, Line	118
41	Net Operating Loss (NOL)	PNM Exhibit HEM-3 COS Test, Line	119
42	Deferred Federal Tax Credits	PNM Exhibit HEM-3 COS Test, Line	120
43	PCB Refinancing	PNM Exhibit HEM-3 COS Test, Line	121
44	LVGS Decommissioning	PNM Exhibit HEM-3 COS Test, Line	122
45	Renewable NM AETC	PNM Exhibit HEM-3 COS Test, Line	123
46	Rate Case Expense	PNM Exhibit HEM-3 COS Test, Line	124
47	DOE Spent Fuel Settlement	PNM Exhibit HEM-3 COS Test, Line	125
48	DOE Spent Fuel Settlement PV3	PNM Exhibit HEM-3 COS Test, Line	126
49	50% SJGS 2&3	PNM Exhibit HEM-3 COS Test, Line	127
50	Liberalized Depreciation - SJ4 132 mW	PNM Exhibit HEM-3 COS Test, Line	128
51	Liberalized Depreciation - SJ4 65 mW	PNM Exhibit HEM-3 COS Test, Line	129
52	SJGS Coal Agreement Transaction Costs	PNM Exhibit HEM-3 COS Test, Line	130
53	Liberalized Depreciation - HLM	PNM Exhibit HEM-3 COS Test, Line	131
54			
55		PNM Exhibit HEM-3 COS Test, Line	132
56			

	A	B	C	D	E	F
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-2 Reconciliations					
5	Hyperlink to Lead Sheet					
6						Before MDC adj
7		6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016
8						
9	Total ADIT per ADIT Tab	(684,198,775)	(707,844,891)	(636,668,698)	(646,080,394)	(655,950,753)
10						
11	Per FERC Form 1 or 3Q					
12	Account 190	230,073,177	201,756,055	335,304,564	340,401,573	346,067,092
13	Account 281	(4,735,816)	(4,735,816)	(4,269,799)	(4,269,799)	(4,269,799)
14	Account 282	(802,175,160)	(807,180,163)	(870,460,487)	(899,668,410)	(914,838,519)
15	Account 283	(96,263,717)	(86,587,708)	(84,878,673)	(82,543,766)	(82,909,537)
16	Total ADIT per FERC Filings	(673,101,516)	(696,747,632)	(624,304,395)	(646,080,402)	(655,950,763)
17						
18	Difference ADIT Tab to FERC Filings	(11,097,259)	(11,097,259)	(12,364,303)	8	10
19	Reconciling Items					
20	Co C not included in FERC Filings	(11,097,268)	(11,097,268)	(12,364,312)	-	-
21	Unexplained Difference (Rounding)	9	9	9	8	10
22						
23						
24	Total ADIT Per G/L	(673,823,697)	(697,469,813)	(636,081,625)	(645,493,321)	(655,363,680)
25						
26	Difference ADIT Tab to G/L	(10,375,078)	(10,375,078)	(587,073)	(587,073)	(587,073)
27	Reconciling Items					
28	Fin 48 reserves against ADIT not recognized by FERC	(10,375,087)	(10,375,087)	(587,082)	(587,082)	(587,082)
29	Unexplained Difference (Rounding)	9	9	9	9	9

	A	B	C	D	E	F	G
1	Public Service Company of New Mexico		R = Included in base period rate base at book value				
2	NMPRC Case No. 16-00276-UT		G = Renewable Rider				
3	PNM Exhibit MFH-2		M = Included in base period rate base at MDC value				
4	ADIT-3 ADIT Pivot Table		N = NON-UTILITY				
5	Hyperlink to Lead Sheet		X = Underlying acct not in rate base				
6			Z = Zero adjusted balance				
7							
8							
9							
10							
11							
12		Values					
13	Row Labels	Adj Bal 06/30/15	Adj Bal 09/30/15	Adj Bal 12/31/15	Adj Bal 03/31/16	Adj Bal 06/30/16	Reverse Book MDCs
14	r	(649,360,145)	(683,954,660)	(697,577,010)	(664,569,595)	(675,091,693)	-
15	Liberalized Depreciation - Distribution	(195,608,794)	(197,407,116)	(214,198,690)	(217,890,125)	(221,581,560)	-
16	Liberalized Depreciation - Generation	(392,085,790)	(394,547,379)	(423,152,566)	(434,184,028)	(444,268,409)	-
17	Liberalized Depreciation - Transmission	(92,508,642)	(93,603,895)	(103,038,217)	(105,489,355)	(107,940,493)	-
18	Deferred Federal Tax Credits	8,474,716	8,474,716	9,211,736	9,211,736	9,211,736	-
19	Contributions In Aid of Construction	35,946,425	36,793,298	33,429,138	34,172,556	34,915,974	-
20	TAX CAPITALIZED INTEREST	22,770,273	23,391,648	21,745,007	22,346,234	22,947,461	-
21	Liberalized Depreciation - Other	(9,762,114)	(9,762,114)	(9,545,596)	(9,545,596)	(9,545,596)	-
22	LINE EXTENSION POLICY	957,131	957,131	957,131	957,131	957,131	-
23	Net Operating Loss (NOL)	85,231,513	55,226,935	110,523,137	160,672,776	165,619,554	-
24	Pollution Control Facilities 4 Corners	(508,641)	(508,641)	(485,697)	(485,697)	(485,697)	-
25	FERC Customer Depreciation	1,260,187	1,260,187	1,256,410	1,256,410	1,256,410	-
26	Palo Verde Start-Up Amortization	250,026	250,026	250,026	250,026	250,026	-
27	Nuclear Fuel Amortization PV 1&2	6,360,182	6,360,182	7,166,968	7,166,968	7,166,968	-
28	Liberalized Depreciation - PV 3	(68,917,842)	(68,917,842)	(78,180,885)	(78,907,153)	(78,907,153)	-
29	Debt AFUDC	(20,736,019)	(21,350,752)	(22,546,588)	(23,044,885)	(23,543,182)	-
30	Palo Verde Licensing Amortization	(4,486,841)	(4,486,841)	(4,559,854)	(4,559,854)	(4,559,854)	-
31	Pre-1981 Repair Allowance	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	-
32	AFTON WRITEDOWN	4,237,379	4,149,090	4,060,801	3,972,533	3,884,264	-
33	BOOK CAPITALIZED INTEREST	(7,457,359)	(7,457,359)	(7,753,954)	(7,753,954)	(7,753,954)	-
34	PREPAID EXPENSES	(3,817,603)	(3,817,603)	(3,756,987)	(3,756,987)	(3,756,987)	-
35	Nuclear Fuel Amortization PV 3	3,180,091	3,180,091	3,180,091	3,180,091	3,180,091	-
36	Liberalized Depreciation - SJ4 132 mW	-	-	-	-	-	-
37	Liberalized Depreciation - SJ4 65 mW	-	-	-	-	-	-
38	Liberalized Depreciation - HLM						
39	G	(7,287,204)	(8,107,724)	(9,036,740)	(46,364,539)	(46,361,533)	(1,523,574)
40	Liberalized Depreciation - Renewables	(47,142,426)	(47,516,620)	(47,890,965)	(47,888,113)	(47,885,107)	-
41	Renewable NOL Allocation	38,255,600	37,809,273	37,330,651	-	-	-
42	Renewable NM AETC	1,599,623	1,599,623	1,523,574	1,523,574	1,523,574	(1,523,574)
43	M	(90,986,750)	(90,703,255)	(85,529,874)	(84,733,559)	(84,104,057)	84,104,057
44	Pension Qualified	(108,825,135)	(108,552,169)	(108,384,603)	(107,628,899)	(106,873,195)	106,873,195
45	Eastern Interconnect Project Gain	27,764	27,764	-	-	-	-
46	ASSET RETIREMENT OBLIGATION	13,045,757	12,681,503	12,491,253	12,006,924	11,522,595	(11,522,595)
47	Palo Verde Construction Credits 1 & 2	59,849	59,849	31,993	31,993	31,993	(31,993)
48	PCB REFINANCING	(3,939,714)	(3,856,974)	(3,689,370)	(3,606,987)	(3,524,604)	3,524,604

	A	B	C	D	E	F	G
1	Public Service Company of New Mexico		R = Included in base period rate base at book value				
2	NMPRC Case No. 16-00276-UT		G = Renewable Rider				
3	PNM Exhibit MFH-2		M = Included in base period rate base at MDC value				
4	ADIT-3 ADIT Pivot Table		N = NON-UTILITY				
5	Hyperlink to Lead Sheet		X = Underlying acct not in rate base				
6			Z = Zero adjusted balance				
7							
8							
9							
10							
11							
12		Values					
13	Row Labels	Adj Bal 06/30/15	Adj Bal 09/30/15	Adj Bal 12/31/15	Adj Bal 03/31/16	Adj Bal 06/30/16	Reverse Book MDCs
49	Palo Verde Gain 1 & 2	533,207	533,207	533,207	533,207	533,207	(533,207)
50	Palo Verde Dry Cask Storage 1 & 2	4,940,270	4,770,388	4,828,830	4,828,830	4,828,830	(4,828,830)
51	Coal Mine Decommissioning	1,888,925	2,737,895	8,616,662	9,139,220	9,661,778	(9,661,778)
52	INJURY & DAMAGES	1,859,502	1,859,502	1,043,624	1,043,624	1,043,624	(1,043,624)
53	DOE SPENT FUEL SETTLEMENT	3,607,570	3,635,309	3,624,489	3,795,539	3,819,449	(3,819,449)
54	LVGS Decommissioning	432,052	432,052	485,323	485,323	485,323	(485,323)
55	LOSS ON REACQUIRED DEBT	(4,174,904)	(4,174,904)	(4,106,488)	(4,106,488)	(4,106,488)	4,106,488
56	RATE CASE EXPENSE	(441,893)	(856,677)	(1,004,794)	(1,255,845)	(1,526,569)	1,526,569
57	RENEWABLE ENERGY EXPENSES	-	-	-	-	-	-
58	DOE Spent Fuel Settlement PV3	-	-	-	-	-	-
59	50% SJGS 2&3	-	-	-	-	-	-
60	PENSION AMPP	-	-	-	-	-	-
61	Palo Verde Dry Cask Storage 3	-	-	-	-	-	-
62	SJGS Coal Agreement Transaction Costs						
63	N	(8,317,698)	(2,344,233)	(2,959,755)	(1,239,667)	(578,604)	-
64	MISC NON OPERATING	525,214	525,214	525,214	462,996	462,996	-
65	GAS PLANT DECOMM S FE	(166,093)	(166,093)	(2,477)	(2,477)	(2,477)	-
66	NINE MILE TAP	25,870	25,870	452	452	452	-
67	PVNGS DECOMM NON UTILITY	(13,367,486)	(7,394,021)	(7,964,389)	(6,182,083)	(5,521,020)	-
68	FEDERAL TAX CORRECTION	(59,937)	(59,937)	(59,937)	(59,937)	(59,937)	-
69	LIBERALIZED DEPRECIATION NONOP	4,267,674	4,267,674	4,084,322	4,084,322	4,084,322	-
70	HEDGE LOSS	457,060	457,060	457,060	457,060	457,060	-
71	X	71,753,022	77,264,982	158,434,682	150,826,966	150,185,135	-
72	TRI STATE RIGHT OF WAY	(7,918)	(7,918)	(7,918)	(7,918)	(7,918)	-
73	ALVARADO SQUARE	467,253	467,253	467,253	467,253	467,253	-
74	WAGES	334,809	334,809	356,294	356,294	356,294	-
75	ACCRUED VACATION	2,479,298	2,479,298	2,459,137	2,459,137	2,459,137	-
76	Palo Verde Prudence Audit 1 & 2	(68,222)	(68,222)	(99,503)	(99,503)	(99,503)	-
77	GENERAL RESERVE	1,002,965	1,002,965	1,034,268	1,034,268	1,034,268	-
78	COMPENSATION EXPENSE	(3,961,311)	(3,681,545)	(3,429,080)	(4,245,967)	(4,232,510)	-
79	OTHER LEGAL ACCRUALS	(637,763)	(637,763)	(473,251)	(473,251)	(473,251)	-
80	OTHER POST EMPLOYMENT BENEFITS	(4,912,473)	(4,195,853)	(4,366,548)	(5,223,164)	(5,423,852)	-
81	PENSION VALUATION ALLOWANCE	3,903,079	3,903,079	3,903,079	3,903,079	3,903,079	-
82	REGULATORY RESERVE	(5,938)	(5,938)	(5,938)	(5,938)	(5,938)	-
83	ENVIRONMENTAL LIABILITY	5,622	5,622	5,622	5,622	5,622	-

	A	B	C	D	E	F	G
1	Public Service Company of New Mexico		R = Included in base period rate base at book value				
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3	PNM Exhibit MFH-2		M = Included in base period rate base at MDC value				
4	ADIT-3 ADIT Pivot Table		N = NON-UTILITY				
5	Hyperlink to Lead Sheet		X = Underlying acct not in rate base				
6			Z = Zero adjusted balance				
7							
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9							
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11							
12		Values					
13	Row Labels	Adj Bal 06/30/15	Adj Bal 09/30/15	Adj Bal 12/31/15	Adj Bal 03/31/16	Adj Bal 06/30/16	Reverse Book MDCs
84	FAS 109	10,637,313	10,637,313	10,753,221	3,646,078	3,646,078	-
85	WORKERS COMP	1,143,371	1,143,371	884,511	884,511	884,511	-
86	SELF INSURANCE	255,941	255,941	372,487	372,487	372,487	-
87	HI VOLTAGE RESERVE	2,485,857	2,485,857	2,485,857	2,485,857	2,485,857	-
88	STATE AND LOCAL TAX RESERVE	58,797	58,797	58,797	58,797	58,797	-
89	BAD DEBT ALLOWANCE	(158,385)	(158,385)	(158,385)	(158,385)	(158,385)	-
90	BIOMASS	11	11	11	11	11	-
91	PREPAID RENT REVENUE	(1,175)	(1,175)	29,842	29,842	29,842	-
92	REVENUE SUBJECT TO REFUND	377,190	379,355	568,217	568,217	475,351	-
93	SJGS GROUNDWATER RESERVE	117,699	117,699	119,326	119,326	119,326	-
94	ROW RESERVE	(37,832)	(37,832)	140,431	140,431	140,431	-
95	PROPERTY TAX RESERVE	63,534	63,534	(73,248)	(73,248)	(73,248)	-
96	SJGS AUDIT RESERVES	16,967	16,967	16,967	16,967	16,967	-
97	RATE RIDER	(368,771)	(368,771)	(320,939)	(320,939)	(320,939)	-
98	RENEWABLE CREDITS	27,564,601	27,564,601	49,496,441	49,496,441	49,496,441	-
99	INCENTIVE PAY PLANS	2,777,916	2,777,916	2,781,566	2,781,566	2,781,566	-
100	ENERGY EFFICIENCY	1,430,952	1,430,952	1,430,952	1,430,952	1,430,952	-
101	NM SOLAR ENERGY CENTER	119,094	119,094	42,311	42,311	42,311	-
102	SIERRA CLUB	-	-	-	-	-	-
103	EXTENDED LEAVE	28,581	28,581	45,594	45,594	45,594	-
104	EFFECT OF NM TAX RATE	499,981	499,981	499,981	474,886	474,886	-
105	NAVAJO WORKFORCE TRAINING	237,872	237,872	159,526	159,526	159,526	-
106	SJ RECLAMATION TRUST	118,395	118,395	279,365	279,365	279,365	-
107	FOUR CORNERS SURTAX SETTLEMENT	185,668	185,668	37,990	37,990	37,990	-
108	SAN JUAN UNITS 2 & 3 WRITEDOWN	-	-	54,625,645	54,625,645	54,625,645	-
109	ALVARADO SQUARE ABANDONMENT	(1,575,258)	(1,575,258)	(1,575,258)	(1,575,258)	(1,575,258)	-
110	BONUS ACCRUAL	(700,133)	(700,133)	(700,133)	(700,133)	(700,133)	-
111	GAIN REACQUIRED DEBT	(212,774)	(212,774)	(212,774)	(212,774)	(212,774)	-
112	FAS 115	(932,021)	(932,021)	(932,021)	(932,021)	(932,021)	-
113	MARK TO MARKET	41,555,750	40,124,017	40,908,168	41,783,461	40,973,108	-
114	UNREALIZED GAIN ON ENERGY TRADING	(114,251)	(2,025,484)	(482,515)	(1,042,541)	1,531,995	-
115	ACCRUED ILLNESS	302,627	302,627	276,337	276,337	276,337	-
116	SUN REFINANCING	(2,028,415)	(1,957,160)	(1,964,519)	(1,914,264)	(1,864,009)	-
117	DEBT ISSUANCE COST	(20,149)	(20,149)	(316)	(316)	(316)	-
118	SO2 ALLOWANCE CREDITS	32,661	32,661	32,678	32,678	32,678	-

	A	B	C	D	E	F	G
1	Public Service Company of New Mexico		R = Included in base period rate base at book value				
2	NMPRC Case No. 16-00276-UT		G = Renewable Rider				
3	PNM Exhibit MFH-2		M = Included in base period rate base at MDC value				
4	ADIT-3 ADIT Pivot Table		N = NON-UTILITY				
5	Hyperlink to Lead Sheet		X = Underlying acct not in rate base				
6			Z = Zero adjusted balance				
7							
8							
9							
10							
11							
12		Values					
13	Row Labels	Adj Bal 06/30/15	Adj Bal 09/30/15	Adj Bal 12/31/15	Adj Bal 03/31/16	Adj Bal 06/30/16	Reverse Book MDCs
119	PV INCENTIVE PROGRAM	524,680	1,253,765	(930,264)	149,014	(429,504)	-
120	RENEWABLE ENERGY CERTIFICATES	(465,754)	1,045,807	670,195	367,450	60,489	-
121	FIN 48 INTEREST	(1,507,216)	(1,507,216)	(1,376,678)	(1,376,678)	(1,376,678)	-
122	PVNGS #2 CARRYING COSTS	-	-	-	-	-	-
123	FUEL CLAUSE ADJUSTMENT	(6,985,458)	(1,258,661)	(57,629)	(57,629)	(1,357,631)	-
124	RATE RIDER 12	513,384	513,384	513,384	513,384	513,384	-
125	Renewable Rider	319,328	266,198	348,659	295,759	242,859	-
126	DEFERRED COAL COSTS	(403,961)	(293,417)	(182,873)	(74,003)	(11,794)	-
127	SCR DEFERRED EXPENSES	(1,944,359)	(2,184,096)	(425,981)	(425,981)	(425,981)	-
128	TOU Reg asset/liab	-	-	-	-	-	-
129	EPA BART ALTERNATIVE DEFERRED EXPENSES	(758,637)	(758,637)	406,341	406,341	406,341	-
130	Z	-	-	-	-	-	-
131	(blank)						
132	Grand Total	(684,198,775)	(707,844,891)	(636,668,698)	(646,080,394)	(655,950,753)	82,580,483
133							
134							
135							
136							
137							
138							
139							
140							
141	Per ADIT sheet	(684,198,775)	(707,844,891)	(636,668,698)	(646,080,394)	(655,950,753)	82,580,483
142	Difference	(684,198,775)	(707,844,891)	(636,668,698)	(646,080,394)	(655,950,753)	82,580,483
143							
144	Per H-12	(747,634,099)	(782,765,640)	(792,143,625)	(795,667,693)	(805,557,283)	51,917,614
145	Rate base including renewables & mdcs, above	(747,634,099)	(782,765,640)	(792,143,625)	(795,667,693)	(805,557,283)	82,580,483
146	Difference	-	-	-	-	-	(30,662,869)
147							These Columns are combi

	A	H	I	J	K	L	M	N
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-3 ADIT Pivot Table							
5	Hyperlink to Lead Sheet							
6								
7								
8								
9								
10								
11								
12								
13	Row Labels	Add Base MDCs	Unadjusted Base	Base Adjustments	Adjusted Base	Adj Bal 12/31/16	Adj Bal 06/30/17	Adj Bal 12/31/17
14	r		(675,091,693)	14,807,086	(660,284,606)	(744,030,261)	(767,213,349)	(769,901,795)
15	Liberalized Depreciation - Distribution		(221,581,560)		(221,581,560)	(230,958,146)	(230,710,218)	(239,866,935)
16	Liberalized Depreciation - Generation		(444,268,409)	21,837,435	(422,430,974)	(436,844,558)	(439,775,421)	(371,777,607)
17	Liberalized Depreciation - Transmission		(107,940,493)	4,919,699	(103,020,794)	(119,292,051)	(120,984,224)	(135,923,460)
18	Deferred Federal Tax Credits		9,211,736		9,211,736	9,211,736	9,211,736	9,211,736
19	Contributions In Aid of Construction		34,915,974		34,915,974	34,915,974	34,915,974	34,915,974
20	TAX CAPITALIZED INTEREST		22,947,461		22,947,461	22,947,461	22,947,461	22,947,461
21	Liberalized Depreciation - Other		(9,545,596)	(10,744,952)	(20,290,548)	(26,099,280)	(30,387,424)	(38,142,071)
22	LINE EXTENSION POLICY		957,131		957,131	957,131	957,131	957,131
23	Net Operating Loss (NOL)		165,619,554	1,026,942	166,646,496	133,113,042	118,782,907	87,459,923
24	Pollution Control Facilities 4 Corners		(485,697)		(485,697)	(597,363)	(662,440)	(727,516)
25	FERC Customer Depreciation		1,256,410		1,256,410	1,269,183	1,273,461	1,277,738
26	Palo Verde Start-Up Amortization		250,026		250,026	250,026	250,026	250,026
27	Nuclear Fuel Amortization PV 1&2		7,166,968		7,166,968	5,841,571	6,360,750	5,149,141
28	Liberalized Depreciation - PV 3		(78,907,153)		(78,907,153)	(80,536,461)	(80,162,937)	(80,549,124)
29	Debt AFUDC		(23,543,182)		(23,543,182)	(24,304,538)	(25,743,620)	(27,182,702)
30	Palo Verde Licensing Amortization		(4,559,854)		(4,559,854)	(4,580,590)	(4,590,897)	(4,601,204)
31	Pre-1981 Repair Allowance		(22,138,422)		(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)
32	AFTON WRITEDOWN		3,884,264		3,884,264	3,884,264	3,884,264	3,884,264
33	BOOK CAPITALIZED INTEREST		(7,753,954)		(7,753,954)	(7,963,223)	(8,111,118)	(8,259,014)
34	PREPAID EXPENSES		(3,756,987)		(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)
35	Nuclear Fuel Amortization PV 3		3,180,091		3,180,091	3,268,106	3,895,179	2,890,434
36	Liberalized Depreciation - SJ4 132 mW		-	2,687,661	2,687,661	2,327,655	2,275,893	1,566,118
37	Liberalized Depreciation - SJ4 65 mW		-		-	-	-	(2,542,646)
38	Liberalized Depreciation - HLM		-	(4,919,699)	(4,919,699)	(4,944,792)	(4,944,423)	(4,944,054)
39	G	1,485,765	(46,399,343)	-	(46,399,343)	(46,324,025)	(46,023,669)	(45,723,312)
40	Liberalized Depreciation - Renewables		(47,885,107)		(47,885,107)	(47,771,932)	(47,433,942)	(47,095,952)
41	Renewable NOL Allocation		-		-	-	-	-
42	Renewable NM AETC	1,485,765	1,485,765	-	1,485,765	1,447,907	1,410,273	1,372,639
43	M	(32,148,634)	(32,148,634)	(36,372,450)	(68,521,084)	(68,387,922)	(67,116,693)	(116,845,482)
44	Pension Qualified	(70,246,241)	(70,246,241)	-	(70,246,241)	(69,369,703)	(68,472,267)	(67,574,831)
45	Eastern Interconnect Project Gain	-	-	-	-	-	-	-
46	ASSET RETIREMENT OBLIGATION	45,786,851	45,786,851	(39,202,925)	6,583,926	6,294,802	6,477,618	6,434,063
47	Palo Verde Construction Credits 1 & 2	70,932	70,932	-	70,932	57,065	43,280	29,495
48	PCB REFINANCING	(6,021,904)	(6,021,904)	-	(6,021,904)	(5,857,153)	(5,693,373)	(5,529,592)

	A	H	I	J	K	L	M	N
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
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5	Hyperlink to Lead Sheet							
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12								
13	Row Labels	Add Base MDCs	Unadjusted Base	Base Adjustments	Adjusted Base	Adj Bal 12/31/16	Adj Bal 06/30/17	Adj Bal 12/31/17
49	Palo Verde Gain 1 & 2	159,756	159,756	-	159,756	151,987	144,264	136,541
50	Palo Verde Dry Cask Storage 1 & 2	3,141,099	3,141,099	(3,141,099)	-	-	-	-
51	Coal Mine Decommissioning	(9,738,656)	(9,738,656)	6,744,925	(2,993,731)	(2,640,936)	(2,290,221)	(1,939,505)
52	INJURY & DAMAGES	2,119,944	2,119,944	621,755	2,741,699	2,741,699	2,741,699	2,741,699
53	DOE SPENT FUEL SETTLEMENT	2,638,641	2,638,641	-	2,638,641	2,311,174	1,660,100	1,009,025
54	LVGS Decommissioning	514,273	514,273	-	514,273	464,001	333,986	203,971
55	LOSS ON REACQUIRED DEBT	(3,097,947)	(3,097,947)	-	(3,097,947)	(3,804,377)	(3,645,154)	(3,485,931)
56	RATE CASE EXPENSE	(1,576,695)	(1,576,695)	93,310	(1,483,385)	(1,298,527)	(930,989)	(1,598,932)
57	RENEWABLE ENERGY EXPENSES	-	-	-	-	-	-	-
58	DOE Spent Fuel Settlement PV3	1,175,700	1,175,700	-	1,175,700	1,175,700	1,175,700	1,175,700
59	50% SJGS 2&3	-	-	-	-	-	-	(49,738,167)
60	PENSION AMPP	2,509,263	2,509,263	-	2,509,263	2,458,411	2,410,729	2,363,048
61	Palo Verde Dry Cask Storage 3	1,554,041	1,554,041	(1,554,041)	-	-	-	-
62	SJGS Coal Agreement Transaction Costs	(1,137,691)	(1,137,691)	65,626	(1,072,065)	(1,072,065)	(1,072,065)	(1,072,065)
63	N		(578,604)		(578,604)			
64	MISC NON OPERATING		462,996		462,996			
65	GAS PLANT DECOMM S FE		(2,477)		(2,477)			
66	NINE MILE TAP		452		452			
67	PVNGS DECOMM NON UTILITY		(5,521,020)		(5,521,020)			
68	FEDERAL TAX CORRECTION		(59,937)		(59,937)			
69	LIBERALIZED DEPRECIATION NONOP		4,084,322		4,084,322			
70	HEDGE LOSS		457,060		457,060			
71	X	-	150,185,135	-	150,185,135	-		
72	TRI STATE RIGHT OF WAY		(7,918)		(7,918)			
73	ALVARADO SQUARE		467,253		467,253			
74	WAGES		356,294		356,294			
75	ACCRUED VACATION		2,459,137		2,459,137			
76	Palo Verde Prudence Audit 1 & 2	-	(99,503)	-	(99,503)			
77	GENERAL RESERVE		1,034,268		1,034,268			
78	COMPENSATION EXPENSE		(4,232,510)		(4,232,510)			
79	OTHER LEGAL ACCRUALS		(473,251)		(473,251)			
80	OTHER POST EMPLOYMENT BENEFITS		(5,423,852)		(5,423,852)			
81	PENSION VALUATION ALLOWANCE		3,903,079		3,903,079			
82	REGULATORY RESERVE		(5,938)		(5,938)			
83	ENVIRONMENTAL LIABILITY		5,622		5,622			

	A	H	I	J	K	L	M	N
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5	Hyperlink to Lead Sheet							
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13	Row Labels	Add Base MDCs	Unadjusted Base	Base Adjustments	Adjusted Base	Adj Bal 12/31/16	Adj Bal 06/30/17	Adj Bal 12/31/17
84	FAS 109		3,646,078		3,646,078			
85	WORKERS COMP		884,511		884,511			
86	SELF INSURANCE		372,487		372,487			
87	HI VOLTAGE RESERVE		2,485,857		2,485,857			
88	STATE AND LOCAL TAX RESERVE		58,797		58,797			
89	BAD DEBT ALLOWANCE		(158,385)		(158,385)			
90	BIOMASS		11		11			
91	PREPAID RENT REVENUE		29,842		29,842			
92	REVENUE SUBJECT TO REFUND		475,351		475,351			
93	SJGS GROUNDWATER RESERVE		119,326		119,326			
94	ROW RESERVE		140,431		140,431			
95	PROPERTY TAX RESERVE		(73,248)		(73,248)			
96	SJGS AUDIT RESERVES		16,967		16,967			
97	RATE RIDER		(320,939)		(320,939)			
98	RENEWABLE CREDITS		49,496,441		49,496,441			
99	INCENTIVE PAY PLANS		2,781,566		2,781,566			
100	ENERGY EFFICIENCY		1,430,952		1,430,952			
101	NM SOLAR ENERGY CENTER		42,311		42,311			
102	SIERRA CLUB		-		-			
103	EXTENDED LEAVE		45,594		45,594			
104	EFFECT OF NM TAX RATE		474,886		474,886			
105	NAVAJO WORKFORCE TRAINING		159,526		159,526			
106	SJ RECLAMATION TRUST		279,365		279,365			
107	FOUR CORNERS SURTAX SETTLEMENT		37,990		37,990			
108	SAN JUAN UNITS 2 & 3 WRITEDOWN		54,625,645		54,625,645			
109	ALVARADO SQUARE ABANDONMENT	-	(1,575,258)	-	(1,575,258)	-		
110	BONUS ACCRUAL		(700,133)		(700,133)			
111	GAIN REACQUIRED DEBT		(212,774)		(212,774)			
112	FAS 115		(932,021)		(932,021)			
113	MARK TO MARKET		40,973,108		40,973,108			
114	UNREALIZED GAIN ON ENERGY TRADING		1,531,995		1,531,995			
115	ACCRUED ILLNESS		276,337		276,337			
116	SUN REFINANCING		(1,864,009)		(1,864,009)			
117	DEBT ISSUANCE COST		(316)		(316)			
118	SO2 ALLOWANCE CREDITS		32,678		32,678			

	A	H	I	J	K	L	M	N
1	Public Service Company of New Mexico							
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5	Hyperlink to Lead Sheet							
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13	Row Labels	Add Base MDCs	Unadjusted Base	Base Adjustments	Adjusted Base	Adj Bal 12/31/16	Adj Bal 06/30/17	Adj Bal 12/31/17
119	PV INCENTIVE PROGRAM		(429,504)		(429,504)			
120	RENEWABLE ENERGY CERTIFICATES		60,489		60,489			
121	FIN 48 INTEREST		(1,376,678)		(1,376,678)			
122	PVNGS #2 CARRYING COSTS		-		-			
123	FUEL CLAUSE ADJUSTMENT		(1,357,631)		(1,357,631)			
124	RATE RIDER 12		513,384		513,384			
125	Renewable Rider		242,859		242,859			
126	DEFERRED COAL COSTS	-	(11,794)		(11,794)			
127	SCR DEFERRED EXPENSES		(425,981)		(425,981)			
128	TOU Reg asset/liab	-	-	-	-			
129	EPA BART ALTERNATIVE DEFERRED EXPENSES		406,341		406,341			
130	Z		-		-			
131	(blank)							
132	Grand Total	(30,662,869)	(604,033,139)	(21,565,364)	(625,598,503)	(858,742,207)	(880,353,711)	(932,470,590)
133								
134								
135								
136								
137								
138								
139								
140								
141	Per ADIT sheet	(30,662,869)	(604,033,139)	(21,565,364)	(625,598,503)	(858,742,207)	(880,353,711)	(932,470,590)
142	Difference	(30,662,869)	(604,033,139)	(21,565,364)	(625,598,503)	(858,742,207)	(880,353,711)	(932,470,590)
143								
144	Per H-12		(753,639,669)	(21,565,364)	(775,205,031)	(858,742,207)	(880,353,711)	(932,470,590)
145	Rate base including renewables & mdcs, above	(30,662,869)	(753,639,669)	(21,565,364)	(775,205,033)	(858,742,207)	(880,353,711)	(932,470,590)
146	Difference	30,662,869	-	-	2	-	-	-
147	ned on H-12							

	A	O	P	Q	R	S	T	U	V
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-3 ADIT Pivot Table								
5	Hyperlink to Lead Sheet								
6									
7									
8									
9									
10									
11									
12									
13	Row Labels	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18
14	r	(774,505,593)	(774,461,934)	(773,952,282)	(771,907,831)	(771,584,002)	(783,086,458)	(798,433,466)	(813,365,372)
15	Liberalized Depreciation - Distribution	(239,931,229)	(240,009,701)	(240,111,241)	(240,239,503)	(240,375,303)	(240,538,719)	(240,728,990)	(240,901,039)
16	Liberalized Depreciation - Generation	(372,205,017)	(372,595,231)	(372,925,472)	(373,691,929)	(374,614,399)	(375,400,845)	(376,087,222)	(376,665,585)
17	Liberalized Depreciation - Transmission	(135,933,327)	(135,952,012)	(136,373,542)	(136,802,555)	(137,377,306)	(137,885,472)	(138,316,857)	(138,708,283)
18	Deferred Federal Tax Credits	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736	9,211,736
19	Contributions In Aid of Construction	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974	34,915,974
20	TAX CAPITALIZED INTEREST	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461	22,947,461
21	Liberalized Depreciation - Other	(38,382,025)	(38,603,484)	(38,824,216)	(39,024,667)	(39,210,294)	(39,362,845)	(39,509,985)	(39,630,684)
22	LINE EXTENSION POLICY	957,131	957,131	957,131	957,131	957,131	957,131	957,131	957,131
23	Net Operating Loss (NOL)	83,319,450	83,891,846	85,367,198	88,986,664	91,092,369	81,223,983	67,358,456	53,721,396
24	Pollution Control Facilities 4 Corners	(737,427)	(746,510)	(754,675)	(761,953)	(768,314)	(773,787)	(778,343)	(781,982)
25	FERC Customer Depreciation	1,278,389	1,278,986	1,279,523	1,280,001	1,280,419	1,280,779	1,281,078	1,281,318
26	Palo Verde Start-Up Amortization	250,026	250,026	250,026	250,026	250,026	250,026	250,026	250,026
27	Nuclear Fuel Amortization PV 1&2	5,450,051	5,682,746	5,857,161	5,965,317	6,042,244	6,091,956	6,129,120	6,149,780
28	Liberalized Depreciation - PV 3	(80,483,249)	(80,418,656)	(80,365,537)	(80,319,129)	(80,304,463)	(80,294,843)	(80,286,491)	(80,280,130)
29	Debt AFUDC	(27,375,202)	(27,565,050)	(27,749,474)	(27,898,669)	(28,011,581)	(28,094,579)	(28,163,921)	(28,221,134)
30	Palo Verde Licensing Amortization	(4,602,914)	(4,604,624)	(4,606,335)	(4,608,045)	(4,609,755)	(4,611,465)	(4,613,175)	(4,614,885)
31	Pre-1981 Repair Allowance	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)
32	AFTON WRITEDOWN	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264	3,884,264
33	BOOK CAPITALIZED INTEREST	(8,262,709)	(8,266,247)	(8,272,073)	(8,280,038)	(8,288,214)	(8,295,822)	(8,301,584)	(8,305,548)
34	PREPAID EXPENSES	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)
35	Nuclear Fuel Amortization PV 3	3,007,773	3,093,025	3,176,547	3,139,552	3,238,223	3,297,118	3,349,379	3,390,951
36	Liberalized Depreciation - SJ4 132 mW	1,571,056	1,575,581	1,576,871	1,578,021	1,564,041	1,536,462	1,509,260	1,487,329
37	Liberalized Depreciation - SJ4 65 mW	(2,546,714)	(2,550,442)	(2,555,162)	(2,559,317)	(2,570,327)	(2,587,242)	(2,603,223)	(2,616,046)
38	Liberalized Depreciation - HLM	(4,943,682)	(4,943,342)	(4,943,036)	(4,942,764)	(4,942,526)	(4,942,321)	(4,942,150)	(4,942,014)
39	G	(45,328,324)	(44,966,874)	(44,642,157)	(44,353,076)	(44,101,195)	(43,884,938)	(43,705,971)	(43,564,168)
40	Liberalized Depreciation - Renewables	(46,694,691)	(46,326,968)	(45,995,980)	(45,700,654)	(45,442,527)	(45,220,026)	(45,034,813)	(44,886,766)
41	Renewable NOL Allocation								
42	Renewable NM AETC	1,366,367	1,360,095	1,353,822	1,347,577	1,341,333	1,335,088	1,328,843	1,322,598
43	M	(116,451,663)	(116,057,679)	(115,663,528)	(115,269,839)	(114,875,983)	(114,481,957)	(114,087,761)	(113,693,394)
44	Pension Qualified	(67,420,514)	(67,266,197)	(67,111,879)	(66,957,562)	(66,803,245)	(66,648,928)	(66,494,611)	(66,340,294)
45	Eastern Interconnect Project Gain	-	-	-	-	-	-	-	-
46	ASSET RETIREMENT OBLIGATION	6,464,857	6,495,816	6,526,941	6,558,233	6,589,694	6,621,324	6,653,123	6,685,094
47	Palo Verde Construction Credits 1 & 2	27,197	24,900	22,602	20,315	18,027	15,740	13,452	11,165
48	PCB REFINANCING	(5,502,296)	(5,474,999)	(5,447,702)	(5,420,525)	(5,393,348)	(5,366,171)	(5,338,994)	(5,311,817)

	A	O	P	Q	R	S	T	U	V
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
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4	ADIT-3 ADIT Pivot Table								
5	Hyperlink to Lead Sheet								
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13	Row Labels	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18
49	Palo Verde Gain 1 & 2	135,259	133,978	132,696	131,414	130,133	128,851	127,570	126,288
50	Palo Verde Dry Cask Storage 1 & 2	-	-	-	-	-	-	-	-
51	Coal Mine Decommissioning	(1,881,053)	(1,822,600)	(1,764,148)	(1,705,951)	(1,647,755)	(1,589,558)	(1,531,362)	(1,473,166)
52	INJURY & DAMAGES	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699
53	DOE SPENT FUEL SETTLEMENT	900,513	792,000	683,488	575,451	467,414	359,377	251,341	143,304
54	LVGS Decommissioning	198,553	193,136	187,719	182,325	176,931	171,538	166,144	160,751
55	LOSS ON REACQUIRED DEBT	(3,459,510)	(3,433,089)	(3,406,668)	(3,380,247)	(3,353,826)	(3,327,405)	(3,300,984)	(3,274,564)
56	RATE CASE EXPENSE	(1,554,975)	(1,511,018)	(1,467,061)	(1,423,171)	(1,379,280)	(1,335,390)	(1,291,500)	(1,247,610)
57	RENEWABLE ENERGY EXPENSES								
58	DOE Spent Fuel Settlement PV3	1,127,213	1,078,725	1,030,238	981,963	933,688	885,413	837,138	788,863
59	50% SJGS 2&3	(49,530,924)	(49,323,682)	(49,116,440)	(48,910,106)	(48,703,772)	(48,497,437)	(48,291,103)	(48,084,769)
60	PENSION AMPP	2,354,734	2,346,419	2,338,104	2,329,789	2,321,475	2,313,160	2,304,845	2,296,531
61	Palo Verde Dry Cask Storage 3	-	-	-	-	-	-	-	-
62	SJGS Coal Agreement Transaction Costs	(1,052,416)	(1,032,766)	(1,013,117)	(993,467)	(973,818)	(954,168)	(934,518)	(914,869)
63	N								
64	MISC NON OPERATING								
65	GAS PLANT DECOMM S FE								
66	NINE MILE TAP								
67	PVNGS DECOMM NON UTILITY								
68	FEDERAL TAX CORRECTION								
69	LIBERALIZED DEPRECIATION NONOP								
70	HEDGE LOSS								
71	X								
72	TRI STATE RIGHT OF WAY								
73	ALVARADO SQUARE								
74	WAGES								
75	ACCRUED VACATION								
76	Palo Verde Prudence Audit 1 & 2								
77	GENERAL RESERVE								
78	COMPENSATION EXPENSE								
79	OTHER LEGAL ACCRUALS								
80	OTHER POST EMPLOYMENT BENEFITS								
81	PENSION VALUATION ALLOWANCE								
82	REGULATORY RESERVE								
83	ENVIRONMENTAL LIABILITY								

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13	Row Labels	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18
84	FAS 109								
85	WORKERS COMP								
86	SELF INSURANCE								
87	HI VOLTAGE RESERVE								
88	STATE AND LOCAL TAX RESERVE								
89	BAD DEBT ALLOWANCE								
90	BIOMASS								
91	PREPAID RENT REVENUE								
92	REVENUE SUBJECT TO REFUND								
93	SJGS GROUNDWATER RESERVE								
94	ROW RESERVE								
95	PROPERTY TAX RESERVE								
96	SJGS AUDIT RESERVES								
97	RATE RIDER								
98	RENEWABLE CREDITS								
99	INCENTIVE PAY PLANS								
100	ENERGY EFFICIENCY								
101	NM SOLAR ENERGY CENTER								
102	SIERRA CLUB								
103	EXTENDED LEAVE								
104	EFFECT OF NM TAX RATE								
105	NAVAJO WORKFORCE TRAINING								
106	SJ RECLAMATION TRUST								
107	FOUR CORNERS SURTAX SETTLEMENT								
108	SAN JUAN UNITS 2 & 3 WRITEDOWN								
109	ALVARADO SQUARE ABANDONMENT								
110	BONUS ACCRUAL								
111	GAIN REACQUIRED DEBT								
112	FAS 115								
113	MARK TO MARKET								
114	UNREALIZED GAIN ON ENERGY TRADING								
115	ACCRUED ILLNESS								
116	SUN REFINANCING								
117	DEBT ISSUANCE COST								
118	SO2 ALLOWANCE CREDITS								

	A	O	P	Q	R	S	T	U	V
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13	Row Labels	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18
119	PV INCENTIVE PROGRAM								
120	RENEWABLE ENERGY CERTIFICATES								
121	FIN 48 INTEREST								
122	PVNGS #2 CARRYING COSTS								
123	FUEL CLAUSE ADJUSTMENT								
124	RATE RIDER 12								
125	Renewable Rider								
126	DEFERRED COAL COSTS								
127	SCR DEFERRED EXPENSES								
128	TOU Reg asset/liab								
129	EPA BART ALTERNATIVE DEFERRED EXPENSES								
130	Z								
131	(blank)								
132	Grand Total	(936,285,580)	(935,486,487)	(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)
133									
134									
135									
136									
137									
138									
139									
140									
141	Per ADIT sheet	(936,285,580)	(935,486,487)	(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)
142	Difference	(936,285,580)	(935,486,487)	(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)
143									
144	Per H-12	(936,285,580)	(935,486,487)	(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)
145	Rate base including renewables & mdcs, above	(936,285,580)	(935,486,487)	(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)
146	Difference	-	-	-	-	-	-	-	-
147									

	A	W	X	Y	Z	AA	AB	AC	AD
1	Public Service Company of New Mexico								
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13	Row Labels	09/30/18	10/31/18	11/30/18	12/31/18	IRS Proration	Averaging	Unadj Test	Test Adjs
14	r	(820,056,281)	(822,281,417)	(825,355,273)	(827,990,362)	35	33,614,819	(794,375,544)	839,253
15	Liberalized Depreciation - Distribution	(241,078,075)	(241,237,440)	(241,338,705)	(241,348,423)	1	755,707	(240,592,716)	
16	Liberalized Depreciation - Generation	(377,135,344)	(377,474,393)	(377,718,159)	(377,728,975)	7	2,650,500	(375,078,475)	
17	Liberalized Depreciation - Transmission	(139,030,412)	(139,266,292)	(139,397,066)	(139,407,004)	1	1,685,958	(137,721,045)	
18	Deferred Federal Tax Credits	9,211,736	9,211,736	9,211,736	9,211,736		-	9,211,736	
19	Contributions In Aid of Construction	34,915,974	34,915,974	34,915,974	34,915,974		-	34,915,974	
20	TAX CAPITALIZED INTEREST	22,947,461	22,947,461	22,947,461	22,947,461		-	22,947,461	
21	Liberalized Depreciation - Other	(39,732,411)	(39,804,128)	(39,847,522)	(39,852,378)	8	627,247	(39,225,132)	839,253
22	LINE EXTENSION POLICY	957,131	957,131	957,131	957,131		-	957,131	
23	Net Operating Loss (NOL)	48,197,037	46,925,173	44,459,730	41,865,199		27,663,142	69,528,340	
24	Pollution Control Facilities 4 Corners	(784,734)	(786,568)	(787,515)	(787,544)	2	20,093	(767,451)	
25	FERC Customer Depreciation	1,281,498	1,281,619	1,281,681	1,281,683	2	(1,321)	1,280,363	
26	Palo Verde Start-Up Amortization	250,026	250,026	250,026	250,026		-	250,026	
27	Nuclear Fuel Amortization PV 1&2	6,121,565	6,021,422	5,971,573	5,970,088	1	(77,614)	5,892,474	
28	Liberalized Depreciation - PV 3	(80,281,849)	(80,284,579)	(80,284,358)	(80,285,230)	2	(56,127)	(80,341,357)	
29	Debt AFUDC	(28,265,761)	(28,295,275)	(28,310,797)	(28,311,271)	2	353,931	(27,957,340)	
30	Palo Verde Licensing Amortization	(4,616,595)	(4,618,305)	(4,620,015)	(4,621,726)		10,261	(4,611,465)	
31	Pre-1981 Repair Allowance	(22,138,422)	(22,138,422)	(22,138,422)	(22,138,422)		-	(22,138,422)	
32	AFTON WRITEDOWN	3,884,264	3,884,264	3,884,264	3,884,264		-	3,884,264	
33	BOOK CAPITALIZED INTEREST	(8,308,845)	(8,311,231)	(8,312,510)	(8,312,555)	2	22,064	(8,290,492)	
34	PREPAID EXPENSES	(3,756,987)	(3,756,987)	(3,756,987)	(3,756,987)		-	(3,756,987)	
35	Nuclear Fuel Amortization PV 3	3,403,366	3,412,149	3,403,652	3,403,403	1	(156,821)	3,246,582	
36	Liberalized Depreciation - SJ4 132 mW	1,470,747	1,459,424	1,451,916	1,451,681	3	71,281	1,522,962	
37	Liberalized Depreciation - SJ4 65 mW	(2,625,739)	(2,632,333)	(2,636,556)	(2,636,687)	1	47,269	(2,589,418)	
38	Liberalized Depreciation - HLM	(4,941,911)	(4,941,842)	(4,941,807)	(4,941,806)	2	(752)	(4,942,558)	
39	G	(43,458,314)	(43,389,686)	(43,357,248)	(43,362,269)	2	(779,079)	(44,141,349)	-
40	Liberalized Depreciation - Renewables	(44,774,667)	(44,699,794)	(44,661,112)	(44,659,888)	2	(816,561)	(45,476,449)	
41	Renewable NOL Allocation						-	-	
42	Renewable NM AETC	1,316,353	1,310,108	1,303,863	1,297,619		37,482	1,335,100	-
43	M	(113,334,123)	(112,831,374)	(112,328,452)	(111,825,332)		(3,305,068)	(115,130,400)	4,154,209
44	Pension Qualified	(66,185,977)	(66,031,659)	(65,877,342)	(65,723,025)		(925,903)	(66,648,928)	4,749,971
45	Eastern Interconnect Project Gain	-	-	-	-		-	-	-
46	ASSET RETIREMENT OBLIGATION	6,717,236	6,749,552	6,782,041	6,814,705		(192,191)	6,622,514	-
47	Palo Verde Construction Credits 1 & 2	8,878	6,590	4,303	2,038		13,709	15,746	-
48	PCB REFINANCING	(5,284,640)	(5,257,463)	(5,230,286)	(5,203,109)		(163,118)	(5,366,226)	-

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13	Row Labels	09/30/18	10/31/18	11/30/18	12/31/18	IRS Proration	Averaging	Unadj Test	Test Adjs
49	Palo Verde Gain 1 & 2	125,007	123,725	122,444	121,162		7,689	128,851	-
50	Palo Verde Dry Cask Storage 1 & 2	-	-	-	-		-	-	-
51	Coal Mine Decommissioning	(1,414,969)	(1,356,773)	(1,298,576)	(1,240,380)		(349,297)	(1,589,677)	-
52	INJURY & DAMAGES	2,741,699	2,741,699	2,741,699	2,741,699		-	2,741,699	-
53	DOE SPENT FUEL SETTLEMENT	-	-	-	-		-	-	-
54	LVGS Decommissioning	155,357	149,964	144,570	139,176		32,372	171,549	-
55	LOSS ON REACQUIRED DEBT	(3,248,143)	(3,221,722)	(3,195,301)	(3,168,880)		(158,525)	(3,327,405)	-
56	RATE CASE EXPENSE	(1,203,720)	(1,159,830)	(1,115,940)	(1,072,050)		(263,372)	(1,335,421)	-
57	RENEWABLE ENERGY EXPENSES						-	-	-
58	DOE Spent Fuel Settlement PV3	740,588	692,313	644,038	595,763			595,763	(595,763)
59	50% SJGS 2&3	(47,878,435)	(47,672,101)	(47,465,767)	(47,259,433)		(1,238,424)	(48,497,857)	-
60	PENSION AMPP	2,288,216	2,279,901	2,271,586	2,263,272		49,888	2,313,160	-
61	Palo Verde Dry Cask Storage 3	-	-	-	-		-	-	-
62	SJGS Coal Agreement Transaction Costs	(895,219)	(875,570)	(855,920)	(836,271)		(117,897)	(954,168)	-
63	N						-	-	-
64	MISC NON OPERATING						-	-	-
65	GAS PLANT DECOMM 5 FE						-	-	-
66	NINE MILE TAP						-	-	-
67	PVNGS DECOMM NON UTILITY						-	-	-
68	FEDERAL TAX CORRECTION						-	-	-
69	LIBERALIZED DEPRECIATION NONOP						-	-	-
70	HEDGE LOSS						-	-	-
71	X						-	-	-
72	TRI STATE RIGHT OF WAY						-	-	-
73	ALVARADO SQUARE						-	-	-
74	WAGES						-	-	-
75	ACCRUED VACATION						-	-	-
76	Palo Verde Prudence Audit 1 & 2						-	-	-
77	GENERAL RESERVE						-	-	-
78	COMPENSATION EXPENSE						-	-	-
79	OTHER LEGAL ACCRUALS						-	-	-
80	OTHER POST EMPLOYMENT BENEFITS						-	-	-
81	PENSION VALUATION ALLOWANCE						-	-	-
82	REGULATORY RESERVE						-	-	-
83	ENVIRONMENTAL LIABILITY						-	-	-

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13	Row Labels	09/30/18	10/31/18	11/30/18	12/31/18	IRS Proration	Averaging	Unadj Test	Test Adjs
84	FAS 109						-	-	
85	WORKERS COMP						-	-	
86	SELF INSURANCE						-	-	
87	HI VOLTAGE RESERVE						-	-	
88	STATE AND LOCAL TAX RESERVE						-	-	
89	BAD DEBT ALLOWANCE						-	-	
90	BIOMASS						-	-	
91	PREPAID RENT REVENUE						-	-	
92	REVENUE SUBJECT TO REFUND						-	-	
93	SJGS GROUNDWATER RESERVE						-	-	
94	ROW RESERVE						-	-	
95	PROPERTY TAX RESERVE						-	-	
96	SJGS AUDIT RESERVES						-	-	
97	RATE RIDER						-	-	
98	RENEWABLE CREDITS						-	-	
99	INCENTIVE PAY PLANS						-	-	
100	ENERGY EFFICIENCY						-	-	
101	NM SOLAR ENERGY CENTER						-	-	
102	SIERRA CLUB						-	-	
103	EXTENDED LEAVE						-	-	
104	EFFECT OF NM TAX RATE						-	-	
105	NAVAJO WORKFORCE TRAINING						-	-	
106	SJ RECLAMATION TRUST						-	-	
107	FOUR CORNERS SURTAX SETTLEMENT						-	-	
108	SAN JUAN UNITS 2 & 3 WRITEDOWN						-	-	
109	ALVARADO SQUARE ABANDONMENT						-	-	
110	BONUS ACCRUAL						-	-	
111	GAIN REACQUIRED DEBT						-	-	
112	FAS 115						-	-	
113	MARK TO MARKET						-	-	
114	UNREALIZED GAIN ON ENERGY TRADING						-	-	
115	ACCRUED ILLNESS						-	-	
116	SUN REFINANCING						-	-	
117	DEBT ISSUANCE COST						-	-	
118	SO2 ALLOWANCE CREDITS						-	-	

	A	W	X	Y	Z	AA	AB	AC	AD
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-3 ADIT Pivot Table								
5	Hyperlink to Lead Sheet								
6									
7									
8									
9									
10									
11									
12									
13	Row Labels	09/30/18	10/31/18	11/30/18	12/31/18	IRS Proration	Averaging	Unadj Test	Test Adjs
119	PV INCENTIVE PROGRAM						-	-	
120	RENEWABLE ENERGY CERTIFICATES						-	-	
121	FIN 48 INTEREST						-	-	
122	PVNGS #2 CARRYING COSTS						-	-	
123	FUEL CLAUSE ADJUSTMENT						-	-	
124	RATE RIDER 12						-	-	
125	Renewable Rider						-	-	
126	DEFERRED COAL COSTS						-	-	-
127	SCR DEFERRED EXPENSES						-	-	
128	TOU Reg asset/liab						-	-	-
129	EPA BART ALTERNATIVE DEFERRED EXPENSES						-	-	
130	Z						-	-	
131	(blank)								
132	Grand Total	(976,848,718)	(978,502,477)	(981,040,973)	(983,177,964)	37	29,530,671	(953,647,293)	4,993,461
133									
134									
135									
136									
137									
138									
139									
140									
141	Per ADIT sheet	(976,848,718)	(978,502,477)	(981,040,973)	(983,177,964)		29,530,671	(953,647,293)	4,993,461
142	Difference	(976,848,718)	(978,502,477)	(981,040,973)	(983,177,964)	-	29,530,671	(953,647,293)	4,993,461
143									
144	Per H-12	(976,848,718)	(978,502,477)	(981,040,973)	(983,177,964)		29,530,671		4,993,461
145	Rate base including renewables & mdcs, above	(976,848,718)	(978,502,477)	(981,040,973)	(983,177,964)		29,530,671	(953,647,293)	4,993,461
146	Difference	-	-	-	-	-	-	953,647,293	-
147									

	A	AE
1	Public Service Company of New Mexico	
2	NMPRC Case No. 16-00276-UT	
3	PNM Exhibit MFH-2	
4	ADIT-3 ADIT Pivot Table	
5	Hyperlink to Lead Sheet	
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13	Row Labels	Adjusted Test Period
14	r	(793,536,291)
15	Liberalized Depreciation - Distribution	(240,592,716)
16	Liberalized Depreciation - Generation	(375,078,475)
17	Liberalized Depreciation - Transmission	(137,721,045)
18	Deferred Federal Tax Credits	9,211,736
19	Contributions In Aid of Construction	34,915,974
20	TAX CAPITALIZED INTEREST	22,947,461
21	Liberalized Depreciation - Other	(38,385,879)
22	LINE EXTENSION POLICY	957,131
23	Net Operating Loss (NOL)	69,528,340
24	Pollution Control Facilities 4 Corners	(767,451)
25	FERC Customer Depreciation	1,280,363
26	Palo Verde Start-Up Amortization	250,026
27	Nuclear Fuel Amortization PV 1&2	5,892,474
28	Liberalized Depreciation - PV 3	(80,341,357)
29	Debt AFUDC	(27,957,340)
30	Palo Verde Licensing Amortization	(4,611,465)
31	Pre-1981 Repair Allowance	(22,138,422)
32	AFTON WRITEDOWN	3,884,264
33	BOOK CAPITALIZED INTEREST	(8,290,492)
34	PREPAID EXPENSES	(3,756,987)
35	Nuclear Fuel Amortization PV 3	3,246,582
36	Liberalized Depreciation - SJ4 132 mW	1,522,962
37	Liberalized Depreciation - SJ4 65 mW	(2,589,418)
38	Liberalized Depreciation - HLM	(4,942,558)
39	G	(44,141,349)
40	Liberalized Depreciation - Renewables	(45,476,449)
41	Renewable NOL Allocation	-
42	Renewable NM AETC	1,335,100
43	M	(110,976,192)
44	Pension Qualified	(61,898,957)
45	Eastern Interconnect Project Gain	-
46	ASSET RETIREMENT OBLIGATION	6,622,514
47	Palo Verde Construction Credits 1 & 2	15,746
48	PCB REFINANCING	(5,366,226)

	A	AE
1	Public Service Company of New Mexico	
2	NMPRC Case No. 16-00276-UT	
3	PNM Exhibit MFH-2	
4	ADIT-3 ADIT Pivot Table	
5	Hyperlink to Lead Sheet	
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13	Row Labels	Adjusted Test Period
49	Palo Verde Gain 1 & 2	128,851
50	Palo Verde Dry Cask Storage 1 & 2	-
51	Coal Mine Decommissioning	(1,589,677)
52	INJURY & DAMAGES	2,741,699
53	DOE SPENT FUEL SETTLEMENT	-
54	LVGS Decommissioning	171,549
55	LOSS ON REACQUIRED DEBT	(3,327,405)
56	RATE CASE EXPENSE	(1,335,421)
57	RENEWABLE ENERGY EXPENSES	-
58	DOE Spent Fuel Settlement PV3	-
59	50% SJGS 2&3	(48,497,857)
60	PENSION AMPP	2,313,160
61	Palo Verde Dry Cask Storage 3	-
62	SJGS Coal Agreement Transaction Costs	(954,168)
63	N	-
64	MISC NON OPERATING	-
65	GAS PLANT DECOMM S FE	-
66	NINE MILE TAP	-
67	PVNGS DECOMM NON UTILITY	-
68	FEDERAL TAX CORRECTION	-
69	LIBERALIZED DEPRECIATION NONOP	-
70	HEDGE LOSS	-
71	X	-
72	TRI STATE RIGHT OF WAY	-
73	ALVARADO SQUARE	-
74	WAGES	-
75	ACCRUED VACATION	-
76	Palo Verde Prudence Audit 1 & 2	-
77	GENERAL RESERVE	-
78	COMPENSATION EXPENSE	-
79	OTHER LEGAL ACCRUALS	-
80	OTHER POST EMPLOYMENT BENEFITS	-
81	PENSION VALUATION ALLOWANCE	-
82	REGULATORY RESERVE	-
83	ENVIRONMENTAL LIABILITY	-

	A	AE
1	Public Service Company of New Mexico	
2	NMPRC Case No. 16-00276-UT	
3	PNM Exhibit MFH-2	
4	ADIT-3 ADIT Pivot Table	
5	Hyperlink to Lead Sheet	
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12		
13	Row Labels	Adjusted Test Period
84	FAS 109	-
85	WORKERS COMP	-
86	SELF INSURANCE	-
87	HI VOLTAGE RESERVE	-
88	STATE AND LOCAL TAX RESERVE	-
89	BAD DEBT ALLOWANCE	-
90	BIOMASS	-
91	PREPAID RENT REVENUE	-
92	REVENUE SUBJECT TO REFUND	-
93	SJGS GROUNDWATER RESERVE	-
94	ROW RESERVE	-
95	PROPERTY TAX RESERVE	-
96	SJGS AUDIT RESERVES	-
97	RATE RIDER	-
98	RENEWABLE CREDITS	-
99	INCENTIVE PAY PLANS	-
100	ENERGY EFFICIENCY	-
101	NM SOLAR ENERGY CENTER	-
102	SIERRA CLUB	-
103	EXTENDED LEAVE	-
104	EFFECT OF NM TAX RATE	-
105	NAVAJO WORKFORCE TRAINING	-
106	SJ RECLAMATION TRUST	-
107	FOUR CORNERS SURTAX SETTLEMENT	-
108	SAN JUAN UNITS 2 & 3 WRITEDOWN	-
109	ALVARADO SQUARE ABANDONMENT	-
110	BONUS ACCRUAL	-
111	GAIN REACQUIRED DEBT	-
112	FAS 115	-
113	MARK TO MARKET	-
114	UNREALIZED GAIN ON ENERGY TRADING	-
115	ACCRUED ILLNESS	-
116	SUN REFINANCING	-
117	DEBT ISSUANCE COST	-
118	SO2 ALLOWANCE CREDITS	-

	A	AE
1	Public Service Company of New Mexico	
2	NMPRC Case No. 16-00276-UT	
3	PNM Exhibit MFH-2	
4	ADIT-3 ADIT Pivot Table	
5	Hyperlink to Lead Sheet	
6		
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9		
10		
11		
12		
13	Row Labels	Adjusted Test Period
119	PV INCENTIVE PROGRAM	-
120	RENEWABLE ENERGY CERTIFICATES	-
121	FIN 48 INTEREST	-
122	PVNGS #2 CARRYING COSTS	-
123	FUEL CLAUSE ADJUSTMENT	-
124	- RATE RIDER 12	-
125	Renewable Rider	-
126	DEFERRED COAL COSTS	-
127	SCR DEFERRED EXPENSES	-
128	TOU Reg asset/liab	-
129	EPA BART ALTERNATIVE DEFERRED EXPENSES	-
130	Z	-
131	(blank)	
132	Grand Total	(948,653,831)
133		
134		
135		
136		
137		
138		
139		
140		
141	Per ADIT sheet	(948,653,831)
142	Difference	(948,653,831)
143		
144	Per H-12	(948,653,833)
145	Rate base including renewables & mdcs, above	(948,653,831)
146	Difference	(2)
147		

	A	B	C	D	E	F	G	H	L	Q	V
1	Public Service Company of New Mexico						n = NON-UTILITY				
2	NMPRC Case No. 16-00276-UT						x = Underlying acct not in rate base				
3	PNM Exhibit MFH-2						z = Zero adjusted balance				
4	ADIT-4 ADIT Rollforward						r = Included in base period rate base at book value				
5	Hyperlink to Lead Sheet						g = Renewable Rider				
6							m = Included in base period rate base at	12/31/13	12/31/14	03/31/15	06/30/15
			Description	Rate Cod	Juris	Bal Sht Acct	Account Name				
7	Doc Ref	acct						Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
8	190000	190	MISC NON OPERATING	N	f		ACCUM DIT - MISC NON OPER FIT	525,203	525,203	525,203	525,203
9	1900003	190	Zero Balance	Z	f	253060	ADIT FIT - REGULATORY RESERVE	-	-	-	-
10	1900004	190	Zero Balance	Z	s		ADIT SIT - REGULATORY RESERVE	-	-	-	-
11	1900001	190	TRI STATE RIGHT OF WAY	X	f	253091	TRI STATE RIGHT OF WAY FIT	108,238	108,238	108,238	108,238
12	1900002	190	TRI STATE RIGHT OF WAY	X	s		TRI STATE RIGHT OF WAY SIT	(116,156)	(116,156)	(116,156)	(116,156)
13	190004	190	ALVARADO SQUARE	X	f	253002	ACCUM DIT - ALVARADO SQUARE FIT	383,930	383,930	383,930	383,930
14	190005	190	ALVARADO SQUARE	X	s		ACCUM DIT - ALVARADO SQUARE SIT	83,323	83,323	83,323	83,323
15	190009	190	WAGES	X	f	242008	DEFERRED FIT WAGES	260,286	273,987	273,987	273,987
16	190010	190	WAGES	X	s		DEFERRED SIT WAGES	56,491	60,822	60,822	60,822
17	190015	190	Pension Qualified	M	f	Q 242108, 182360	DEFERRED FIT PENSION	(81,396,424)	(90,007,829)	(89,779,786)	(89,551,743)
18	190016	190	Pension Qualified	M	s	182361	DEFERRED SIT PENSION	(16,666,393)	(18,461,536)	(18,416,613)	(18,371,690)
19	190019	190	Deferred Federal Tax Credits	r	f	Tax only	Alt Min Credit	105,491	105,491	105,491	105,491
20	190023	190	ACCRUED VACATION	X	f	242010 012 013	DEFERRED FIT ACCRUED VACATION	2,044,694	2,037,200	2,037,200	2,037,200
21	190024	190	ACCRUED VACATION	X	s		DEFERRED SIT ACCRUED VACATION	443,776	442,098	442,098	442,098
22	190027	190	Zero Balance	z	f	253021	DEF FIT USBR	-	-	-	-
23	190028	190	Zero Balance	z	s		DEF SIT USBR	-	-	-	-
24	190035	190	Eastern Interconnect Project Gain	m	f	253015	ACCUM DIT - EIP GAIN FIT	168,028	24,004	24,004	24,004
25	190036	190	Eastern Interconnect Project Gain	m	s		ACCUM DIT - EIP GAIN SIT	26,320	3,760	3,760	3,760
26	190039	190	Palo Verde Prudence Audit 1 & 2	x	f	55.75% * 254025-700	DEF FIT PV PRUDENCY AUDIT AMORT	140,114	81,346	81,346	81,346
27	190040	190	Palo Verde Prudence Audit 1 & 2	x	s		DEF SIT PV PRUDENCY AUDIT AMORT	(137,317)	(149,568)	(149,568)	(149,568)
28	190046	190	Contributions In Aid of Construction	R	f	107000 ct 807	DEFERRED FIT CONTRIB IN AID	26,670,928	27,042,240	27,749,739	28,457,238
29	190047	190	Contributions In Aid of Construction	R	s		DEFERRED SIT CONTRIB IN AID	5,788,579	5,868,838	6,008,212	6,147,586
30	190048	190	TAX CAPITALIZED INTEREST	R	f	Tax only	DEFERRED FIT CAPITALIZED INTEREST	18,788,793	18,578,323	19,097,437	19,616,551
31	190049	190	TAX CAPITALIZED INTEREST	R	s		DEFERRED SIT CAPITALIZED INTEREST	2,997,230	2,949,200	3,051,461	3,153,722
32	190050	190	GAS PLANT DECOMM S FE	N	f	253040, 283028	DEFERRED FIT GAS PLANT DECOMM S	(126,739)	(136,544)	(136,544)	(136,544)
33	190051	190	GAS PLANT DECOMM S FE	N	s		DEFERRED SIT GAS PLANT DECOMM	(27,505)	(29,549)	(29,549)	(29,549)
34	190052	190	ASSET RETIREMENT OBLIGATION	m	f	128000, 128100	DEF FIT NUCLEAR DECOMM	(30,811)	(4,401,423)	(5,498,181)	(6,594,939)
35	190053	190	ASSET RETIREMENT OBLIGATION	m	s	253019, 283023	DEF SIT NUCLEAR DECOMM	(9,779)	(920,882)	(1,136,933)	(1,352,984)
36	190054	190	Liberalized Depreciation - Other	R	f	Tax only	ACC DIT - IRS EXAMS 84 - 90 FIT	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)
37	190055	190	Liberalized Depreciation - Other	R	s		ACC DIT - IRS EXAMS 84 - 90 SIT	2,222,086	2,222,086	2,222,086	2,222,086
38	190056	190	Palo Verde Construction Credits 1 & 2	M	f	254024	DEF FIT PV CONSTRUCTION CREDITS	118,441	95,256	95,256	95,256
39	190057	190	Palo Verde Construction Credits 1 & 2	M	s		DEF SIT PV CONSTRUCTION CREDITS	25,702	20,869	20,869	20,869
40	190084	190	GENERAL RESERVE	X	f	253000	DEFERRED FIT GENERAL RESERVE	677,606	824,369	824,369	824,369
41	190085	190	GENERAL RESERVE	X	s		DEFERRED SIT GENERAL RESERVE	147,068	178,596	178,596	178,596
42	190086	190	PCB REFINANCING	m	f	182303	DEFERRED FIT INTEREST RATE SWAP	32,615	32,615	32,615	32,615
43	190087	190	PCB REFINANCING	m	s		DEFERRED SIT INTEREST RATE SWAP	7,078	7,078	7,078	7,078
44	190088	190	COMPENSATION EXPENSE	X	f	242008	DEF FIT COMPENSATION EXPENSE	(2,058,442)	(2,369,257)	(3,115,998)	(3,265,755)
45	190089	190	COMPENSATION EXPENSE	X	s		DEF SIT COMPENSATION EXPENSE	(446,757)	(511,553)	(658,653)	(688,156)
46	190115	190	OTHER LEGAL ACCRUALS	X	f	253050	FIT DEFERRED OTHER LAWSUITS	439,340	439,340	439,340	439,340
47	190116	190	OTHER LEGAL ACCRUALS	X	s		SIT DEFERRED OTHER LAWSUITS	95,354	95,354	95,354	95,354

	A	B	C	D	E	F	G	H	L	Q	V
1	Public Service Company of New Mexico						n = NON-UTILITY				
2	NMPRC Case No. 16-00276-UT						x = Underlying acct not in rate base				
3	PNM Exhibit MFH-2						z = Zero adjusted balance				
4	ADIT-4 ADIT Rollforward						r = Included in base period rate base at book value				
5	Hyperlink to Lead Sheet						g = Renewable Rider				
6							m = Included in base period rate base at	12/31/13	12/31/14	03/31/15	06/30/15
			Description	Rate Cod	Juris	Bal Sht Acct	Account Name				
7	Doc Ref	acct						Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
48	190128	190	NINE MILE TAP	N	f	Tax only	DEF FIT NINE MILE TAP	59,070	20,990	20,990	20,990
49	190129	190	NINE MILE TAP	N	s		DEF SIT NINE MILE TAP	12,818	4,880	4,880	4,880
50	190140	190	PVNGS DECOMM NON UTILITY	N	f		NUC DECOMM - NON OP FIT	484,816	484,816	484,816	484,816
51	190141	190	PVNGS DECOMM NON UTILITY	N	s		NUC DECOMM - NON OP SIT	108,318	108,318	108,318	108,318
52	190142	190	Palo Verde Gain 1 & 2	M	f	253027	FIT DEF PV GAIN ADJ	435,833	435,833	435,833	435,833
53	190143	190	Palo Verde Gain 1 & 2	M	s		SIT DEF PV GAIN ADJ	97,374	97,374	97,374	97,374
54	190146	190	Deferred Federal Tax Credits	R	f	Tax only	FIT DEFERRED R&D CREDIT	8,776,452	8,369,225	8,369,225	8,369,225
55	190147	190	MISC NON OPERATING	N	f	228400	DEF FIT PV DECONTAMINATION NU	-	-	-	-
56	190148	190	MISC NON OPERATING	N	s		DEF SIT PV DECONTAMINATION NU	(1)	(1)	(1)	(1)
57	190151	190	OTHER POST EMPLOYMENT BENEFITS	x	f	228300, 302, 303	DEFERRED FIT 401(h) CONTRIBUTION	(912,759)	(2,321,957)	(2,682,275)	(4,075,221)
58	190152	190	OTHER POST EMPLOYMENT BENEFITS	x	s		DEFERRED SIT 401(h) CONTRIBUTION	(198,110)	(491,873)	(562,853)	(837,252)
59	190161	190	PENSION VALUATION ALLOWANCE	x	f	OCI	FIT PENSION VALUATION ALLOWANCE	67,196,635	67,196,635	67,196,635	67,196,635
60	190162	190	PENSION VALUATION ALLOWANCE	x	s		SIT PENSION VALUATION ALLOWANCE	(63,293,556)	(63,293,556)	(63,293,556)	(63,293,556)
61	190163	190	REGULATORY RESERVE	X	f		FIT REGULATORY RESERVE	(4,879)	(4,879)	(4,879)	(4,879)
62	190164	190	REGULATORY RESERVE	X	s		SIT REGULATORY RESERVE	(1,059)	(1,059)	(1,059)	(1,059)
63	190165	190	ENVIRONMENTAL LIABILITY	X	f	253040	DEFERRED FIT ENVIRONMENTAL	4,619	4,619	4,619	4,619
64	190166	190	ENVIRONMENTAL LIABILITY	X	s		DEFERRED SIT ENVIRONMENTAL	1,003	1,003	1,003	1,003
65	190169	190	FAS 109	X	f	Tax only	ADIT FAS 109 FED	24,365,893	29,349,711	29,867,170	29,867,170
66	190170	190	FAS 109	X	s		ADIT FAS 109 ST	54,047,458	44,496,073	42,025,472	42,025,472
67	190175	190	WORKERS COMP	x	f	228200	DEF FIT WORKERS COMP	1,326,779	936,724	936,724	936,724
68	190176	190	WORKERS COMP	x	s		DEF SIT WORKERS COMP	287,959	206,647	206,647	206,647
69	190177	190	SELF INSURANCE	x	f	228201, 202	DEFERRED FIT GENERAL LIABILITY SELF	283,363	200,885	200,885	200,885
70	190178	190	SELF INSURANCE	x	s		DEFERRED SIT GENERAL LIABILITY SELF	61,500	44,307	44,307	44,307
71	190187	190	ASSET RETIREMENT OBLIGATION	m	f	101317, 326, 347, 108200	DEF FIT GAS PLANT DECOM SJ4,	13,004,738	13,004,738	13,004,738	13,004,738
72	190188	190	ASSET RETIREMENT OBLIGATION	m	s	210, 299, 230000, 254023	DEF SIT GAS PLANT DECOM SJ4,	2,822,511	2,822,511	2,822,511	2,822,511
73	190191	190	SELF INSURANCE	X	f		DEFERRED FIT AUTO SELF INSURANCE	8,837	8,837	8,837	8,837
74	190192	190	SELF INSURANCE	X	s		DEFERRED SIT AUTO SELF INSURANCE	1,912	1,912	1,912	1,912
75	190193	190	Zero Balance	z	f	Tax only	DEF FIT EIP REFINANCING COSTS	-	-	-	-
76	190194	190	Zero Balance	z	s		DEF SIT EIP REFINANCING COSTS	-	-	-	-
77	190195	190	Zero Balance	z	f	Tax only	DEF FIT PVNGS REG STUDY AMORT	1	1	1	1
78	190196	190	Zero Balance	z	s		DEF SIT PVNGS REG STUDY AMORT	(1)	(1)	(1)	(1)
79	190201	190	Palo Verde Dry Cask Storage 1 & 2	M	f	253077	DEF FIT PVNGS DRY CASKS	3,871,586	4,013,581	4,029,394	4,061,040
80	190202	190	Palo Verde Dry Cask Storage 1 & 2	M	s		DEF SIT PVNGS DRY CASKS	840,280	869,881	872,996	879,230
81	190205	190	LINE EXTENSION POLICY	R	f	Tax only	DEF FIT LINE EXTENSION POLICY	786,444	786,444	786,444	786,444
82	190206	190	LINE EXTENSION POLICY	R	s		DEF SIT LINE EXTENSION POLICY	170,687	170,687	170,687	170,687
83	190209	190	MISC NON OPERATING	N	f	Tax only	DEF FIT TAX RATE ADJ. WAS 190209	1	1	1	1
84	190210	190	MISC NON OPERATING	N	s		DEF SIT TAX RATE ADJ. WAS 190210	-	-	-	-
85	190215	190	OTHER LEGAL ACCRUALS	X	f		DEFERRED FIT ENVIRONMENTAL/LEG	(954,462)	(963,433)	(963,433)	(963,433)
86	190216	190	OTHER LEGAL ACCRUALS	X	s		DEFERRED SIT ENVIRONMENTAL/LEG	(207,154)	(209,024)	(209,024)	(209,024)
87	190217	190	HI VOLTAGE RESERVE	X	f	Offset at Co 7	DEFERRED FIT HI VOLTAGE RESERVE	2,042,548	2,042,548	2,042,548	2,042,548

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4	ADIT-4 ADIT Rollforward						r = Included in base period rate base at book value				
5	Hyperlink to Lead Sheet						g = Renewable Rider				
6							m = Included in base period rate base a	12/31/13	12/31/14	03/31/15	06/30/15
7	Doc Ref	acct	Description	Rate Cod	Juris	Bal Sht Acct	Account Name	Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
88	190218	190	HI VOLTAGE RESERVE	X	s		DEFERRED SIT HI VOLTAGE RESERVE	443,309	443,309	443,309	443,309
89	190219	190	STATE AND LOCAL TAX RESERVE	X	f	236000 ct 874	DEFERRED FIT PROPERTY TAX	-	-	-	-
90	190220	190	STATE AND LOCAL TAX RESERVE	X	s		DEFERRED SIT PROPERTY TAX	-	-	-	-
91	190223	190	Zero Balance	Z	f		DEF FIT SONORA/AZ	(1,040,789)	(1,040,789)	(1,040,789)	(1,040,789)
92	190224	190	Zero Balance	Z	s		DEF SIT SONORA/AZ	(225,890)	(225,890)	(225,890)	(225,890)
93	190225	190	Zero Balance	Z	f	253056	DEF FIT WPM VOLATILITY RESERVE	7,060	7,060	7,060	7,060
94	190226	190	Zero Balance	Z	s		DEF SIT WPM VOLATILITY RESERVE	(7,060)	(7,060)	(7,060)	(7,060)
95	190229	190	Coal Mine Decommissioning	M	f	182301, 253008	DEF FIT COAL MINE DECOMM	9,362,480	12,188,881	12,898,135	13,607,389
96	190230	190	Coal Mine Decommissioning	M	s		DEF SIT COAL MINE DECOMM	2,032,007	2,621,202	2,760,918	2,900,634
97	190233	190	Zero Balance	Z	f		DEF FIT SONORA/AZ	1,040,789	1,040,789	1,040,789	1,040,789
98	190234	190	Zero Balance	Z	s		DEF SIT SONORA/AZ	225,890	225,890	225,890	225,890
99	190235	190	Coal Mine Decommissioning	M	f	182301, 253008	DEF FIT COAL MINE DECOMM NON OP	(193,067)	(193,067)	(193,067)	(193,067)
100	190236	190	Coal Mine Decommissioning	M	s		DEF SIT COAL MINE DECOMM NON OP	(41,903)	(41,903)	(41,903)	(41,903)
101	190252	190	BAD DEBT ALLOWANCE	X	f	174150, 242150, 144000	DEF FIT BAD DEBT ALLOWANCE	(54,925)	(140,126)	(140,126)	(140,126)
102	190253	190	BAD DEBT ALLOWANCE	X	s		DEF SIT BAD DEBT ALLOWANCE	(11,921)	(30,532)	(30,532)	(30,532)
103	190284	190	Contributions In Aid of Construction	r	f	107000 ct 807	ACCUM NM DIT-CONTRIB IN AID-FIT	1,102,350	1,102,350	1,102,350	1,102,350
104	190285	190	Contributions In Aid of Construction	r	s		ACCUM NM DIT-CONTRIB IN AID-SIT	239,251	239,251	239,251	239,251
105	190287	190	BIOMASS	x	f	182311	BIOMASS FIT	(27,508)	76,304	76,304	76,304
106	190288	190	BIOMASS	x	s		BIOMASS SIT	16,561	16,561	16,561	16,561
107	190291	190	PREPAID RENT REVENUE	X	f	253003	DEFERRED FIT PREPAID RENT	22,017	(1,128)	(1,128)	(1,128)
108	190292	190	PREPAID RENT REVENUE	X	s		DEFERRED SIT PREPAID RENT	4,778	(47)	(47)	(47)
109	190293	190	REVENUE SUBJECT TO REFUND	x	f	254002	DEFERRED FIT REVENUE SUBJECT TO	192,436	266,551	309,382	311,182
110	190294	190	REVENUE SUBJECT TO REFUND	x	s		DEFERRED SIT REVENUE SUBJECT TO	41,767	57,217	65,654	66,008
111	190310	190	Net Operating Loss (NOL)	R	f	Tax only	DEF FIT NOL	90,661,109	110,035,750	102,002,724	59,010,950
112	190311	190	Net Operating Loss (NOL)	R	s		DEF SIT NOL	36,094,738	40,350,687	38,816,628	29,023,960
113	190312	190	Zero Balance	z	f	Tax only	DEF FIT NOL FIN 48	-	-	-	-
114	190313	190	Zero Balance	z	s		DEF SIT NOL FIN 48	-	-	-	-
115	190343	190	MISC NON OPERATING	N	f	253401, 402, 403	DEFERRED FIT SJGS EMISSION	(13)	(13)	(13)	(13)
116	190344	190	MISC NON OPERATING	N	s		DEFERRED SIT SJGS EMISSION	(2)	(2)	(2)	(2)
117	190345	190	SJGS GROUNDWATER RESERVE	X	f	253401, 402, 403	DEFERRED FIT SJGS GROUNDWATER	45,395	97,073	97,073	97,073
118	190346	190	SJGS GROUNDWATER RESERVE	X	s		DEFERRED SIT SJGS GROUNDWATER	9,853	20,626	20,626	20,626
119	190347	190	Zero Balance	z	f	253401, 402, 403	DEFERRED FIT SJGS GRAND CANYON	-	-	-	-
120	190348	190	Zero Balance	z	s		DEFERRED SIT SJGS GRAND CANYON	-	-	-	-
121	190349	190	MISC NON OPERATING	N	f		DEFERRED FIT CFC TRUST	21	21	21	21
122	190350	190	MISC NON OPERATING	N	s		DEFERRED SIT CFC TRUST	4	4	4	4
123	190358	190	INJURY & DAMAGES	M	f	228210, 211, 212	DEF FIT IBNR RESERVE	14,679	14,679	14,679	14,679
124	190359	190	INJURY & DAMAGES	M	s		DEF SIT IBNR RESERVE	3,186	3,186	3,186	3,186
125	190360	190	INJURY & DAMAGES	M	f	228210, 211, 212	DEF FIT IBNR WORKERS COMP	986,093	903,660	903,660	903,660
126	190361	190	INJURY & DAMAGES	M	s		DEF SIT IBNR WORKERS COMP	214,022	196,839	196,839	196,839
127	190362	190	INJURY & DAMAGES	M	f	228210, 211, 212	DEF FIT IBNR AUTO LIABILITY	(3)	(3)	(3)	(3)

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6							m = Included in base period rate base a	12/31/13	12/31/14	03/31/15	06/30/15
7	Doc Ref	acct	Description	Rate Cod	Juris	Bal Sht Acct	Account Name	Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
128	190363	190	INJURY & DAMAGES	M	s		DEF SIT IBNR AUTO LIABILITY	2	2	2	2
129	190364	190	INJURY & DAMAGES	M	f	228210, 211, 212	DEF FIT IBNR PUBLIC LIABILITY	610,727	608,962	608,962	608,962
130	190365	190	INJURY & DAMAGES	M	s		DEF SIT IBNR PUBLIC LIABILITY	132,544	132,177	132,177	132,177
131	190366	190	ROW RESERVE	X	f		DEF FIT ROW RESERVE GAS	238,922	238,922	238,922	238,922
132	190367	190	ROW RESERVE	X	s		DEF SIT ROW RESERVE GAS	51,854	51,854	51,854	51,854
133	190369	190	FEDERAL TAX CORRECTION	N	f	Tax only	DEF FIT FEDERAL TAX CORRECTION	40,597	40,597	40,597	40,597
134	190370	190	FEDERAL TAX CORRECTION	N	s		DEF SIT STATE TAX CORRECTION	(100,534)	(100,534)	(100,534)	(100,534)
135	190381	190	ROW RESERVE	X	f	186000 var	DEF FIT ROW RESERVE	(253,776)	(270,120)	(270,120)	(270,120)
136	190382	190	ROW RESERVE	X	s		DEF SIT ROW RESERVE	(55,081)	(58,488)	(58,488)	(58,488)
137	190383	190	Zero Balance	Z	f		DEF FIT RATE HEARING ADJ	-	-	-	-
138	190384	190	Zero Balance	Z	s		DEF SIT RATE HEARING ADJ	-	-	-	-
139	190385	190	Palo Verde Construction Credits 1 & 2	m	f	254024	DEF FIT COMBUSTION ENGINEERING	(46,240)	(46,240)	(46,240)	(46,240)
140	190386	190	Palo Verde Construction Credits 1 & 2	m	s		DEF SIT COMBUSTION ENGINEERING	(10,036)	(10,036)	(10,036)	(10,036)
141	190389	190	PROPERTY TAX RESERVE	X	f	236000 ct 874	DEF FIT NM TECH JOBS TAX CREDIT	(214,909)	52,203	52,203	52,203
142	190390	190	PROPERTY TAX RESERVE	X	s		DEF SIT NM TECH JOBS TAX CREDIT	(46,643)	11,331	11,331	11,331
143	190395	190	MISC NON OPERATING	N	f		DEF FIT IMPAIRMENT RESERVE	1	1	1	1
144	190396	190	MISC NON OPERATING	N	s		DEF SIT IMPAIRMENT RESERVE	-	-	-	-
145	190399	190	SJGS AUDIT RESERVES	x	f		DEF FIT SJ AUDIT RESERVES	-	12,378	12,378	12,378
146	190400	190	SJGS AUDIT RESERVES	x	s		DEF SIT SJ AUDIT RESERVES	-	2,686	2,686	2,686
147	190401	190	RATE RIDER	x	f		DEF FIT Rate Rider	(2,157)	(302,939)	(302,939)	(302,939)
148	190402	190	RATE RIDER	x	s		DEF SIT Rate Rider	(468)	(65,832)	(65,832)	(65,832)
149	190403	190	RENEWABLE CREDITS	x	f	Tax only	Def Renewable GBC Carryover	14,407,752	27,564,601	27,564,601	27,564,601
150	190404	190	INCENTIVE PAY PLANS	X	f	242000	DEF FIT INCENTIVE PAY PLANS	2,256,892	2,282,705	2,282,705	2,282,705
151	190405	190	INCENTIVE PAY PLANS	X	s		DEF SIT INCENTIVE PAY PLANS	489,830	495,211	495,211	495,211
152	190406	190	ENERGY EFFICIENCY	x	f	182315	DEF FIT ENERGY EFFICIENCY	1,175,767	1,175,767	1,175,767	1,175,767
153	190407	190	ENERGY EFFICIENCY	x	s		DEF SIT ENERGY EFFICIENCY	255,185	255,185	255,185	255,185
154	190413	190	NM SOLAR ENERGY CENTER	X	f		DEF FIT NM SOLAR ENERGY CENTER	27,982	98,351	98,351	98,351
155	190414	190	NM SOLAR ENERGY CENTER	X	s		DEF SIT NM SOLAR ENERGY CENTER	6,074	20,743	20,743	20,743
156	190415	190	DOE SPENT FUEL SETTLEMENT	m	f	253077	DEF FIT DOE SPENT FUEL SETTLEMENT	96,430	(270)	1,006,019	1,175,393
157	190416	190	DOE SPENT FUEL SETTLEMENT	m	s		DEF SIT DOE SPENT FUEL SETTLEMENT	20,930	772	199,002	232,367
158	190419	190	SIERRA CLUB	X	f	253050	DEF FIT Sierra Club	-	-	-	-
159	190420	190	SIERRA CLUB	X	s		DEF SIT Sierra Club	-	-	-	-
160	190421	190	LVGS Decommissioning	m	f	182371, 254363	DEF FIT LV Decom	315,852	355,281	355,281	355,281
161	190422	190	LVGS Decommissioning	m	s		DEF SIT LV Decm	68,552	76,771	76,771	76,771
162	190423	190	EXTENDED LEAVE	x	f		DEF FIT Extended Leave	33,786	23,412	23,412	23,412
163	190424	190	EXTENDED LEAVE	x	s		DEF SIT Extended Leave	7,331	5,169	5,169	5,169
164	190425	190	Coal Mine Decommissioning	M	f		DEF FIT San Juan Reclamation Trust	(5,882)	(95,748)	(95,748)	(95,748)
165	190426	190	Coal Mine Decommissioning	M	s		DEF SIT San Juan Reclamation Trust	(1,277)	(20,010)	(20,010)	(20,010)
166	190429	190	EFFECT OF NM TAX RATE	x	f		DEF FIT EFFECT OF NM TAX RATE	372,844	382,565	427,857	427,857
167	190430	190	EFFECT OF NM TAX RATE	x	s		DEF SIT EFFECT OF NM TAX RATE	62,851	64,490	72,124	72,124

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7	Doc Ref	acct	Description	Rate Cod	Juris	Bal Sht Acct	Account Name	Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
168	190431	190	Renewable NM AETC	G	f		DEF FIT RENEWABLES NM AETC AMO	1,377,209	1,313,913	1,313,913	1,313,913
169	190432	190	Renewable NM AETC	G	s		DEF SIT RENEWABLES NM AETC AMO	298,905	285,710	285,710	285,710
170	190433	190	NAVAJO WORKFORCE TRAINING	x	f		DEF FIT NAVAJO WORKFORCE TRAIN	195,174	194,992	194,992	194,992
171	190434	190	NAVAJO WORKFORCE TRAINING	x	s		DEF SIT NAVAJO WORKFORCE TRAIN	42,360	42,880	42,880	42,880
172	190435	190	SJGS AUDIT RESERVES	x	f		DEF FIT SJ AUDIT RESERVES	366,300	(1,025)	(1,025)	(1,025)
173	190436	190	SJGS AUDIT RESERVES	x	s		DEF SIT SJ AUDIT RESERVES	79,501	2,928	2,928	2,928
174	190437	190	SJ RECLAMATION TRUST	x	f		DEF FIT SJ RECLAMATION TRUST I	16,921	97,626	97,626	97,626
175	190438	190	SJ RECLAMATION TRUST	x	s		DEF SIT SJ RECLAMATION TRUST I	3,673	20,769	20,769	20,769
176	190441	190	Net Operating Loss (NOL)	R	f		DEF FIT NOL - VALUATION ALLOWA	-	1,155,243	1,509,523	1,509,523
177	190442	190	Net Operating Loss (NOL)	R	s		DEF SIT NOL - VALUATION ALLOWA	-	(3,300,692)	(4,312,920)	(4,312,920)
178	190443	190	FOUR CORNERS SURTAX SETTLEMENT	x	f	253050 loc 715	DEF FIT FOUR CORNERS SURTAX SE	-	153,640	153,640	153,640
179	190444	190	FOUR CORNERS SURTAX SETTLEMENT	x	s		DEF SIT FOUR CORNERS SURTAX SE	-	32,028	32,028	32,028
180	190445	190	DOE SPENT FUEL SETTLEMENT	m	f	253050 loc 723	DEF FIT DOE REFUND 2010 RATE C	-	637,833	637,833	637,833
181	190446	190	DOE SPENT FUEL SETTLEMENT	m	s		DEF SIT DOE REFUND 2010 RATE C	-	132,963	132,963	132,963
182	190447	190	DOE SPENT FUEL SETTLEMENT	m	f	254,375	DEF FIT DOE REFUND 2010 RATE C	-	1,182,507	1,182,507	1,182,507
183	190448	190	DOE SPENT FUEL SETTLEMENT	m	s		DEF SIT DOE REFUND 2010 RATE C	-	246,507	246,507	246,507
184	190451	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	x	f		DEF FIT LARGE POWER CUSTOMERS	-	-	-	-
185	190452	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	x	s		DEF SIT LARGE POWER CUSTOMERS	-	-	-	-
186	190453	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	x	f		DEF FIT SAN JUAN PNM SHARE OF	-	-	-	-
187	190454	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	x	s		DEF SIT SAN JUAN PNM SHARE OF	-	-	-	-
188	190455	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	x	f		DEF FIT SAN JUAN UNIT 2 AND UN	-	-	-	-
189	190456	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	x	s		DEF SIT SAN JUAN UNIT 2 AND UN	-	-	-	-
190	190900	190	MISC NON OPERATING	N	f		CURRENT ADIT asset	-	-	-	-
191	281000	281	Pollution Control Facilities 4 Corners	R	f	101	DEF FIT FOUR CORNERS SO2 REV	(458,264)	(439,168)	(439,168)	(439,168)
192	281001	281	Pollution Control Facilities 4 Corners	R	s		DEF SIT FOUR CORNERS SO2 REV BULK	(73,454)	(69,473)	(69,473)	(69,473)
193	281003	281	FAS 109	X	f	Tax only	FAS 109 FIT	(3,812,392)	(3,479,713)	(3,479,713)	(3,479,713)
194	281004	281	FAS 109	X	s		FAS 109 SIT	(853,410)	(747,462)	(747,462)	(747,462)
195	282000	282	LIBERALIZED DEPRECIATION NONOP	N	f	101	FIT EXCESS TAX DEPRECIATION	3,121,008	3,458,183	3,458,183	3,458,183
196	282001	282	LIBERALIZED DEPRECIATION NONOP	N	s		SIT EXCESS TAX DEPRECIATION	739,203	809,491	809,491	809,491
197	282003	282	Liberalized Depreciation - Other	R	f	101	FIT EXCESS TAX DEPRECIATION	(327,899,569)	242,524,745	242,682,108	242,824,448
198	282004	282	Liberalized Depreciation - Other	R	s		SIT EXCESS TAX DEPRECIATION	(65,518,003)	39,990,424	39,411,510	38,847,619
199	282005	282	FERC Customer Depreciation	R	f	101	DEF FIT PRE ACRS	972,703	970,134	970,134	970,134
200	282006	282	FERC Customer Depreciation	R	s		DEF SIT PRE ACRS	290,589	290,053	290,053	290,053
201	282007	282	Palo Verde Start-Up Amortization	R	f	101	FIT PVNGS STARTUP	263,465	263,465	263,465	263,465
202	282008	282	Palo Verde Start-Up Amortization	R	s		SIT PVNGS STARTUP	(13,439)	(13,439)	(13,439)	(13,439)
203	282009	282	Nuclear Fuel Amortization PV 1&2	R	f		FIT EXCESS TAX DEPREC NUC FUEL	(5,954,997)	-	-	-
204	282010	282	Nuclear Fuel Amortization PV 1&2	R	s		SIT EXCESS TAX DEPREC NUC FUEL	(1,429,308)	-	-	-
205	282011	282	Liberalized Depreciation - PV 3	R	f	101	FIT PALO VERDE #3	(55,437,784)	(61,685,347)	(60,928,974)	(60,928,974)
206	282012	282	Liberalized Depreciation - PV 3	R	s		SIT PALO VERDE #3	(11,381,591)	(9,991,970)	(7,988,868)	(7,988,868)
207	282013	282	Liberalized Depreciation - Other	R	f	101	FIT SAN JUAN #4	(16,096,598)	(14,439,647)	(14,439,647)	(14,439,647)

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7	Doc Ref	acct	Description	Rate Cod	Juris	Bal Sht Acct	Account Name	Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
208	282014	282	Liberalized Depreciation - Other	R	s		SIT SAN JUAN #4	(2,193,518)	(1,847,932)	(1,847,932)	(1,847,932)
209	282015	282	Liberalized Depreciation - Other	R	f	Tax only	REVERSE EXCESS ADIT FOR PAYROLL	(2,833,900)	(2,806,831)	(2,806,831)	(2,806,831)
210	282016	282	Liberalized Depreciation - Other	R	s		REVERSE EXCESS ADIT FOR PAYROLL	(531,630)	(534,253)	(534,253)	(534,253)
211	282017	282	Debt AFUDC	R	f	101	DEF FIT AFUDC DEBT	(14,661,407)	(16,017,613)	(16,531,180)	(17,044,747)
212	282018	282	Debt AFUDC	R	s		DEF SIT AFUDC DEBT	(3,206,224)	(3,488,940)	(3,590,106)	(3,691,272)
213	282019	282	Palo Verde Licensing Amortization	R	f	tax only	DEF FIT PV LICENSING AMT	(3,537,187)	(3,685,481)	(3,685,481)	(3,685,481)
214	282020	282	Palo Verde Licensing Amortization	R	s		DEF SIT PV LICENSING AMT	(770,447)	(801,360)	(801,360)	(801,360)
215	282021	282	ASSET RETIREMENT OBLIGATION	m	f	128000, 128100,	DEF FIT NUCLEAR DECOM TRUST INT	16,096,038	18,986,774	19,672,862	20,358,950
216	282022	282	ASSET RETIREMENT OBLIGATION	m	s	253019, 253023	DEF SIT NUCLEAR DECOM TRUST INT	3,489,984	4,093,934	4,229,087	4,364,240
217	282025	282	Pre-1981 Repair Allowance	R	f	Tax only	REPAIR ALLOWANCE ON PRE 81	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)
218	282026	282	Pre-1981 Repair Allowance	R	s		REPAIR ALLOWANCE ON PRE 81	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)
219	282031	282	Liberalized Depreciation - Other	R	f	Tax only	DEF FIT DREXEL AMORTIZATION	1,767,848	1,768,180	1,768,180	1,768,180
220	282032	282	Liberalized Depreciation - Other	R	s		DEF SIT DREXEL AMORTIZATION	383,691	382,741	382,741	382,741
221	282033	282	FAS 109	x	f	Tax only	ADIT FAS 109 FED	(27,176,231)	(32,781,249)	(32,781,249)	(32,781,249)
222	282034	282	FAS 109	x	s		ADIT FAS 109 ST	(8,158,951)	(4,343,328)	(4,343,328)	(4,343,328)
223	282050	282	Liberalized Depreciation - Other	R	f	101	DEF FIT REMOVAL COSTS	(35,303)	(35,303)	(35,303)	(35,303)
224	282051	282	Liberalized Depreciation - Other	R	s		DEF SIT REMOVAL COSTS	(7,662)	(7,662)	(7,662)	(7,662)
225	282052	282	ASSET RETIREMENT OBLIGATION	M	f	101317, 326, 347, 108200	DEF FIT ASSET RETIREMENT	21,463,108	23,519,690	24,026,072	24,532,454
226	282053	282	ASSET RETIREMENT OBLIGATION	M	s	210, 299, 253000,254023	DEF SIT ASSET RETIREMENT	4,658,290	5,087,007	5,186,760	5,286,513
227	282185	282	Liberalized Depreciation - Other	R	f	Tax only	REVERSE EXCESS ADIT FOR	9,246,178	9,959,075	9,959,075	9,959,075
228	282186	282	Liberalized Depreciation - Other	R	s		REVERSE EXCESS ADIT FOR	75,408	75,408	75,408	75,408
229	282187	282	Liberalized Depreciation - Other	R	f	Tax only	DEFERRED FIT LXP DEPRECIATION	(41,612)	(41,612)	(41,612)	(41,612)
230	282188	282	Liberalized Depreciation - Other	R	s		DEFERRED SIT LXP DEPRECIATION	(9,031)	(9,031)	(9,031)	(9,031)
231	282189	282	Liberalized Depreciation - Other	R	f	Tax only	DEFERRED FIT REMOVAL LAG 481(a)	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)
232	282190	282	Liberalized Depreciation - Other	R	s		DEFERRED SIT REMOVAL LAG 481(a)	(217,148)	(217,148)	(217,148)	(217,148)
233	282191	282	Liberalized Depreciation - Other	R	f	Tax only	DEFERRED FIT INDIAN RESERVATION	(274,173)	(274,173)	(274,173)	(274,173)
234	282192	282	Liberalized Depreciation - Other	R	s		DEFERRED SIT INDIAN RESERVATION	(59,505)	(59,505)	(59,505)	(59,505)
235	282193	282	Liberalized Depreciation - Other	R	f	Tax only	DEFERRED FIT BONUS DEPRECIATION	(266,068)	(266,068)	(266,068)	(266,068)
236	282194	282	Liberalized Depreciation - Other	R	s		DEFERRED SIT BONUS DEPRECIATION	(57,746)	(57,746)	(57,746)	(57,746)
237	282195	282	Liberalized Depreciation - Other	R	f	Tax only	DEFERRED FIT REMOVAL COSTS	(230,269)	(626,170)	(626,170)	(626,170)
238	282196	282	Liberalized Depreciation - Other	R	s		DEFERRED SIT REMOVAL COSTS	(49,976)	(127,479)	(127,479)	(127,479)
239	282197	282	Liberalized Depreciation - Other	R	f	Tax only	DEFERRED FIT AMORTIZATION SRP	47,684	47,684	47,684	47,684
240	282198	282	Liberalized Depreciation - Other	R	s		DEFERRED SIT AMORTIZATION SRP	10,349	10,349	10,349	10,349
241	282201	282	Liberalized Depreciation - Other	R	f	101	DEF FIT TURBINE WRITE DOWN	-	-	-	-
242	282202	282	Liberalized Depreciation - Other	R	s		DEF SIT TURBINE WRITE DOWN	-	-	-	-
243	282203	282	ASSET RETIREMENT OBLIGATION	m	f		ADFIT - ARO CUMULATIVE EFFECT	224,672	224,672	224,672	224,672
244	282204	282	ASSET RETIREMENT OBLIGATION	m	s		ADSIT - ARO CUMULATIVE EFFECT	48,762	48,762	48,762	48,762
245	282243	282	Liberalized Depreciation - Other	R	f	101	DEF FIT GAIN\LOSS ON ASSET	7,331,511	7,011,337	7,011,337	7,011,337
246	282244	282	Liberalized Depreciation - Other	R	s		DEF SIT NM GAIN\LOSS ON ASSET	1,591,207	1,524,460	1,524,460	1,524,460
247	282267	282	AFTON WRITEDOWN	R	f	101	DEF FIT AFTON WRITE OFF	6,503,263	6,503,263	6,503,263	3,481,717

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3	PNM Exhibit MFH-2						z = Zero adjusted balance				
4	ADIT-4 ADIT Rollforward						r = Included in base period rate base at book value				
5	Hyperlink to Lead Sheet						g = Renewable Rider				
6							m = Included in base period rate base a	12/31/13	12/31/14	03/31/15	06/30/15
7	Doc Ref	acct	Description	Rate Cod	Juris	Bal Sht Acct	Account Name	Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
248	282268	282	AFTON WRITEDOWN	R	s		DEF SIT AFTON WRITE OFF	1,411,449	1,411,449	1,411,449	755,661
249	282304	282	Nuclear Fuel Amortization PV 1&2	R	f		DEF FIT EXCESS BOOK AMORT NUC	13,172,869	-	-	-
250	282305	282	Nuclear Fuel Amortization PV 1&2	R	s		DEF SIT EXCESS BOOK AMORT NUC	2,859,001	-	-	-
251	282306	282	Liberalized Depreciation - Other	R	f	Tax only	DEF FIT Sec 174	(8,558,504)	(10,311,930)	(10,311,930)	(10,311,930)
252	282307	282	Liberalized Depreciation - Other	R	s		DEF SIT Sec 174	(1,857,515)	(2,225,588)	(2,225,588)	(2,225,588)
253	282308	282	Liberalized Depreciation - Other	R	f	Tax only	DEF FIT 263A ADJ	(17,435,403)	(28,189,943)	(27,527,468)	(26,864,993)
254	282309	282	Liberalized Depreciation - Other	R	s		DEF SIT 263A ADJ	(3,784,130)	(6,108,204)	(5,977,701)	(5,847,198)
255	282310	282	Liberalized Depreciation - Other	R	f	Tax only	DEF FIT - F&C	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)
256	282311	282	Liberalized Depreciation - Other	R	s		DEF SIT - F&C	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)
257	282312	282	Liberalized Depreciation - Other	R	f	Tax only	ADIT SECTION 481 ADJ. - FEDERAL	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)
258	282313	282	Liberalized Depreciation - Other	R	s		ADIT SECTION 481 ADJ. - STATE	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)
259	282314	282	Liberalized Depreciation - Other	R	f	Tax only	DEF FIT - REPAIRS 481(a)	(7,658,736)	(7,658,736)	(7,658,736)	(7,658,736)
260	282315	282	Liberalized Depreciation - Other	R	s		DEF SIT - REPAIRS 481(a)	(1,662,229)	(1,662,229)	(1,662,229)	(1,662,229)
261	282318	282	Liberalized Depreciation - Other	R	f	tax only	DEF FIT RELOCATIONS	4,274,986	4,274,976	4,274,976	4,274,976
262	282319	282	Liberalized Depreciation - Other	R	s		DEF SIT RELOCATIONS	927,829	927,827	927,827	927,827
263	282320	282	Liberalized Depreciation - Other	R	f	tax only	DEF FIT REPAIRS	(117,153,207)	(121,545,511)	(121,715,251)	(121,884,991)
264	282321	282	Liberalized Depreciation - Other	R	s		DEF SIT REPAIRS	(23,348,392)	(26,281,575)	(26,315,010)	(26,348,445)
265	282322	282	ALVARADO SQUARE ABANDONMENT	x	f		DEF FIT Alvarado Square	(1,294,338)	(1,294,338)	(1,294,338)	(1,294,338)
266	282323	282	ALVARADO SQUARE ABANDONMENT	x	s		DEF SIT Alvarado Square	(280,920)	(280,920)	(280,920)	(280,920)
267	282386	282	Liberalized Depreciation - Other	R	f	Tax only	DEF FIT Sec 174	-	-	(140,562)	(281,124)
268	282387	282	Liberalized Depreciation - Other	R	s		DEF SIT Sec 174	-	-	(27,690)	(55,380)
269	282500	282	Zero Balance	Z	f		GAS SALE TRANSFER	-	-	-	-
270	283001	283	BONUS ACCRUAL	X	f		RESULTS PAY FIT	(575,272)	(575,272)	(575,272)	(575,272)
271	283002	283	BONUS ACCRUAL	X	s		RESULTS PAY SIT	(124,855)	(124,855)	(124,855)	(124,855)
272	283004	283	Zero Balance	Z	f		DEFERRED FUEL FIT	-	-	-	-
273	283005	283	Zero Balance	Z	s		DEFERRED FUEL SIT	-	-	-	-
274	283008	283	Liberalized Depreciation - Other	R	f		DEF FIT COMPUTER SOFTWARE	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)
275	283009	283	Liberalized Depreciation - Other	R	s		DEF SIT COMPUTER SOFTWARE	(758,667)	(758,667)	(758,667)	(758,667)
276	283010	283	LOSS ON REACQUIRED DEBT	M	f	189000, 001	DEF FIT AMORT LOSS REACQUIRED	(3,119,659)	(3,271,767)	(3,271,767)	(3,271,767)
277	283013	283	LOSS ON REACQUIRED DEBT	M	s		DEF SIT AMOR LOSS REACQUIRED	(653,346)	(686,848)	(686,848)	(686,848)
278	283019	283	GAIN REACQUIRED DEBT	X	f	257000	DEF FIT AMORT GAIN REACQUIRED	(174,832)	(174,832)	(174,832)	(174,832)
279	283020	283	GAIN REACQUIRED DEBT	X	s		DEF SIT AMORT GAIN REACQUIRED	(37,942)	(37,942)	(37,942)	(37,942)
280	283023	283	Pension Qualified	m	f	242108	FIT PENSION CURTAILMENT	(740,908)	(740,908)	(740,908)	(740,908)
281	283024	283	Pension Qualified	m	s		SIT PENSION CURTAILMENT	(160,794)	(160,794)	(160,794)	(160,794)
282	283034	283	RATE CASE EXPENSE	M	f	316	DEF FIT RATE CASE EXPENSE	(390,828)	(497,808)	(598,150)	(249,409)
283	283035	283	RATE CASE EXPENSE	M	s		DEF SIT RATE CASE EXPENSE	(84,826)	(107,128)	(126,895)	(58,196)
284	283144	283	FAS 109	X	f	Tax only	ADIT FAS 109 FED	(15,830,604)	(16,947,914)	(16,947,914)	(16,947,914)
285	283145	283	FAS 109	X	s		ADIT FAS 109 ST	(3,630,338)	(2,955,663)	(2,955,663)	(2,955,663)
286	283154	283	ASSET RETIREMENT OBLIGATION	m	f	128000, 128100, 182340	FIT NUCLEAR DECOM QUALIFIED BULK	(18,382,946)	(19,977,039)	(20,377,059)	(20,777,079)
287	283155	283	ASSET RETIREMENT OBLIGATION	m	s	341, 306, 316	SIT NUCLEAR DECOM QUALIFIED BULK	(3,989,779)	(4,322,085)	(4,400,886)	(4,479,687)

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			Description	Rate Cod	Juris	Bal Sht Acct	Account Name				
7	Doc Ref	acct						Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
288	283156	283	COMPENSATION EXPENSE	x	f	211140	STOCK OPTIONS FIT	(6,080)	(6,080)	(6,080)	(6,080)
289	283157	283	COMPENSATION EXPENSE	x	s		STOCK OPTIONS SIT	(1,320)	(1,320)	(1,320)	(1,320)
290	283158	283	PVNGS DECOMM NON UTILITY	N	f	OCI	PVNGS DECOMM NON UTILITY FIT	(12,930,375)	(13,959,782)	(14,917,602)	(11,570,716)
291	283159	283	PVNGS DECOMM NON UTILITY	N	s		PVNGS DECOMM NON UTILITY SIT	(2,806,285)	(3,020,876)	(3,049,263)	(2,389,904)
292	283160	283	FAS 115	X	f	OCI	FAS 115 FIT	(1,163,510)	(1,163,510)	(1,163,510)	(1,163,510)
293	283161	283	FAS 115	X	s		FAS 115 SIT	231,489	231,489	231,489	231,489
294	283162	283	MARK TO MARKET	x	f	OCI	DEF FIT MARK TO MARKET	33,949,513	38,819,732	38,497,248	37,938,274
295	283163	283	MARK TO MARKET	x	s		DEF SIT MARK TO MARKET	8,963,990	6,536,386	4,103,832	3,617,476
296	283164	283	Zero Balance	Z	f		DEF FIT SANTA FE	(1,171,094)	(1,171,094)	(1,171,094)	(1,171,094)
297	283165	283	Zero Balance	Z	s		DEF SIT SANTA FE	(254,171)	(254,171)	(254,171)	(254,171)
298	283166	283	Zero Balance	Z	f	Tax only	DEFERRED FIT ACCRUAL HOLIDAY PAY	-	-	-	-
299	283167	283	Zero Balance	Z	s		DEFERRED SIT ACCRUAL HOLIDAY PAY	-	-	-	-
300	283168	283	UNREALIZED GAIN ON ENERGY TRADING	X	f	174000, 219000	DEF FIT UNREALIZED GAIN ON ENERGY	39,561	(2,081,983)	(1,518,967)	(75,782)
301	283169	283	UNREALIZED GAIN ON ENERGY TRADING	X	s		DEF SIT UNREALIZED GAIN ON ENERGY	8,584	(433,675)	(322,765)	(38,469)
302	283170	283	Zero Balance	Z	f	186010	DEFERRED FIT TRANSITION COSTS	-	-	-	-
303	283171	283	Zero Balance	Z	s		DEFERRED SIT TRANSITION COSTS	-	-	-	-
304	283174	283	HEDGE LOSS	N	f		DEFERRED FIT HEDGE LOSS	395,030	395,030	395,030	395,030
305	283175	283	HEDGE LOSS	N	s		DEFERRED SIT HEDGE LOSS	62,030	62,030	62,030	62,030
306	283180	283	ACCRUED ILLNESS	X	f	242011	DEFERRED FIT ACCRUED ILLNESS	248,655	248,655	248,655	248,655
307	283181	283	ACCRUED ILLNESS	X	s		DEFERRED SIT ACCRUED ILLNESS	53,972	53,972	53,972	53,972
308	283182	283	BOOK CAPITALIZED INTEREST	R	f	101	DEFERRED FIT BOOK CAPITALIZED	(5,786,118)	(6,129,891)	(6,129,891)	(6,129,891)
309	283183	283	BOOK CAPITALIZED INTEREST	R	s		DEFERRED SIT BOOK CAPITALIZED	(1,255,805)	(1,327,468)	(1,327,468)	(1,327,468)
310	283185	283	Liberalized Depreciation - Other	R	f		DEF FIT ERP	(74,679)	(74,679)	(74,679)	(74,679)
311	283186	283	Liberalized Depreciation - Other	R	s		DEF SIT ERP	(16,208)	(16,208)	(16,208)	(16,208)
312	283187	283	ASSET RETIREMENT OBLIGATION	m	f	101317, 326, 347, 108200	FAS 143 FIT	(20,042,441)	(20,042,441)	(20,042,441)	(20,042,441)
313	283188	283	ASSET RETIREMENT OBLIGATION	m	s	210, 299, 230000, 254023	FAS 143 SIT	(4,349,953)	(4,349,953)	(4,349,953)	(4,349,953)
314	283189	283	Zero Balance	z	f	186000	DEF FIT RTO TRANSITION COSTS	-	-	-	-
315	283190	283	Zero Balance	z	s		DEF SIT RTO TRANSITION COSTS	-	-	-	-
316	283191	283	Coal Mine Decommissioning	M	f	182301, 253008	DEF FIT COAL CONTRACT BUYOUT	(11,723,858)	(11,723,858)	(11,723,858)	(11,723,858)
317	283192	283	Coal Mine Decommissioning	M	s		DEF SIT COAL CONTRACT BUYOUT	(2,544,512)	(2,544,512)	(2,544,512)	(2,544,512)
318	283193	283	PREPAID EXPENSES	R	f	165000, 001, 025	DEFERRED FIT PREPAID EXPENSES	(3,026,563)	(3,137,587)	(3,137,587)	(3,137,587)
319	283194	283	PREPAID EXPENSES	R	s		DEFERRED SIT PREPAID EXPENSES	(656,873)	(680,016)	(680,016)	(680,016)
320	283201	283	PCB REFINANCING	m	f	182303	DEF FIT - PCB REFINANCING	(5,947,091)	(5,671,633)	(5,602,510)	(5,533,387)
321	283202	283	PCB REFINANCING	m	s		DEF SIT - PCB REFINANCING	(1,290,741)	(1,233,319)	(1,219,702)	(1,206,085)
322	283203	283	SUN REFINANCING	x	f	182304	DEF FIT - SUN REFINANCING	315,031	1,447,171	1,447,171	1,447,171
323	283204	283	SUN REFINANCING	x	s		DEF SIT - SUN REFINANCING	82,001	327,672	327,672	327,672
324	283205	283	Zero Balance	Z	f		DEF FIT - SANTA FE LAND DONATION	1,171,094	1,171,094	1,171,094	1,171,094
325	283206	283	Zero Balance	Z	s		DEF SIT - SANTA FE LAND DONATION	254,171	254,171	254,171	254,171
326	283207	283	DEBT ISSUANCE COST	X	f	181228	DEF FIT REG ASSET - DEBT ISSUANCE	(39,697)	(16,393)	(16,393)	(16,393)
327	283208	283	DEBT ISSUANCE COST	X	s		DEF SIT REG ASSET - DEBT ISSUANCE	(8,614)	(3,756)	(3,756)	(3,756)

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7	Doc Ref	acct	Description	Rate Cod	Juris	Bal Sht Acct	Account Name	Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
328	283210	283	LOSS ON REACQUIRED DEBT	M	f		DEF FIT AMORT LOSS ON REAQC DEBT	(177,718)	(177,718)	(177,718)	(177,718)
329	283213	283	LOSS ON REACQUIRED DEBT	M	s		DEF SIT AMORT LOSS ON REAQC DEBT	(38,571)	(38,571)	(38,571)	(38,571)
330	283215	283	SUN REFINANCING	X	f	189228	DEF FIT AMORT LOSS REACQ DEBT	(1,704,127)	(1,704,127)	(1,704,127)	(1,704,127)
331	283216	283	SUN REFINANCING	X	s		DEF SIT AMORT LOSS REACQ DEBT	(369,858)	(369,858)	(369,858)	(369,858)
332	283217	283	SUN REFINANCING	X	f	182304	DEF FIT REGULATORY ASSET - SUN	(404,119)	(166,898)	(107,370)	(47,842)
333	283218	283	SUN REFINANCING	X	s		DEF SIT REGULATORY ASSET - SUN	(87,710)	(38,259)	(26,532)	(14,805)
334	283223	283	STATE AND LOCAL TAX RESERVE	X	f		DEFERRED FIT PROPERTY TAX	48,312	48,312	48,312	48,312
335	283224	283	STATE AND LOCAL TAX RESERVE	X	s		DEFERRED SIT PROPERTY TAX	10,485	10,485	10,485	10,485
336	283225	283	Zero Balance	z	f	253S11	DEFERRED FIT CALIFORNIA	-	-	-	-
337	283226	283	Zero Balance	z	s		DEFERRED SIT CALIFORNIA	-	-	-	-
338	283231	283	PCB REFINANCING	m	f	189182	DEF FIT AMORT LOSS REACQ DEBT -	801,318	871,951	871,951	871,951
339	283232	283	PCB REFINANCING	m	s		DEF SIT AMORT LOSS REACQ DEBT -	173,914	188,638	188,638	188,638
340	283233	283	PCB REFINANCING	m	f	189182	DEF FIT LOSS REACQ DEBT - PCB	1,396,404	1,396,404	1,396,404	1,396,404
341	283234	283	PCB REFINANCING	m	s		DEF SIT LOSS REACQ DEBT - PCB	303,072	303,072	303,072	303,072
342	283235	283	SUN REFINANCING	x	f	189228	DEF FIT LOSS ON REACQ DEBT - SUN	(789,373)	(1,369,413)	(1,369,413)	(1,369,413)
343	283236	283	SUN REFINANCING	x	s		DEF SIT LOSS ON REACQ DEBT - SUN	(171,323)	(297,213)	(297,213)	(297,213)
344	283240	283	SO2 ALLOWANCE CREDITS	x	f		DEF FIT SO2 ALLOWANCES INVENTORY	225,689	1	1	1
345	283241	283	SO2 ALLOWANCE CREDITS	x	s		DEF NM SIT SO2 ALLOWANCES	48,983	-	-	-
346	283275	283	BAD DEBT ALLOWANCE	X	f	147150, 252150, 144000	DEF FIT BAD DEBT ALLOWANCE	10,084	10,084	10,084	10,084
347	283276	283	BAD DEBT ALLOWANCE	X	s		DEF SIT BAD DEBT ALLOWANCE	2,189	2,189	2,189	2,189
348	283296	283	PV INCENTIVE PROGRAM	x	f	182312	PV INCENTIVE PROGRAM FIT	(692,292)	(534,860)	325,909	448,416
349	283297	283	PV INCENTIVE PROGRAM	x	s		PV INCENTIVE PROGRAM SIT	(150,252)	(117,433)	52,131	76,264
350	283298	283	BIOMASS	x	f	182311	DEFERRED FIT BIOMASS	(76,295)	(76,295)	(76,295)	(76,295)
351	283299	283	BIOMASS	x	s		DEFERRED SIT BIOMASS	(16,559)	(16,559)	(16,559)	(16,559)
352	283300	283	RENEWABLE ENERGY CERTIFICATES	x	f	182305	DEFERRED FIT RENEWABLE ENERGY	(3,738,928)	(1,046,672)	(557,949)	(352,287)
353	283301	283	RENEWABLE ENERGY CERTIFICATES	x	s		DEFERRED SIT RENEWABLE ENERGY	(811,486)	(250,255)	(153,981)	(113,467)
354	283317	283	RATE CASE EXPENSE	M	f		DEF FIT TRANSMISSION RATE CASE	(110,340)	(110,340)	(110,340)	(110,340)
355	283318	283	RATE CASE EXPENSE	M	s		DEF SIT TRANSMISSION RATE CASE	(23,948)	(23,948)	(23,948)	(23,948)
356	283325	283	Zero Balance	z	f	Tax only	DEF FIT SELF PROPOSED	-	-	-	-
357	283326	283	Zero Balance	z	s		DEF SIT SELF PROPOSED	-	-	-	-
358	283361	283	BONUS ACCRUAL	X	f		DEF FIT RBP 481A ADJ.	3,061,076	3,061,076	3,061,076	3,061,076
359	283362	283	BONUS ACCRUAL	X	s		DEF SIT RBP 481A ADJ.	664,357	664,357	664,357	664,357
360	283363	283	BONUS ACCRUAL	X	f		DEF FIT RBP	(3,061,077)	(3,061,077)	(3,061,077)	(3,061,077)
361	283364	283	BONUS ACCRUAL	X	s		DEF SIT RBP	(664,362)	(664,362)	(664,362)	(664,362)
362	283367	283	FIN 48 INTEREST	X	f	171002, 237008	DEF FIT FIN 48 INT	(2,197,878)	(2,197,755)	(2,197,755)	(2,197,755)
363	283368	283	FIN 48 INTEREST	X	s		DEF SIT FIN 48 INT	(477,021)	(476,995)	(476,995)	(476,995)
364	283369	283	RATE CASE EXPENSE	M	f		DEF FIT NM RATE CASE	-	-	-	-
365	283370	283	RATE CASE EXPENSE	M	s		DEF SIT NM RATE CASE	-	-	-	-
366	283382	283	Zero Balance	Z	f	186000	DEF FIT EMERGENCY FUEL COSTS	-	-	-	-
367	283383	283	Zero Balance	Z	s		DEF SIT EMERGENCY FUEL COSTS	-	-	-	-

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4	ADIT-4 ADIT Rollforward						r = Included in base period rate base at book value				
5	Hyperlink to Lead Sheet						g = Renewable Rider				
6							m = Included in base period rate base at	12/31/13	12/31/14	03/31/15	06/30/15
			Description	Rate Cod	Juris	Bal Sht Acct	Account Name				
7	Doc Ref	acct						Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
368	283386	283	FIN 48 INTEREST	X	f	171002, 237008	DEF FIT FIN 48 INT NON-OP	804,211	960,426	960,426	960,426
369	283387	283	FIN 48 INTEREST	X	s		DEF SIT FIN 48 INT NON-OP	174,543	207,108	207,108	207,108
370	283388	283	PVNGS #2 CARRYING COSTS	x	f	182370	DEF FIT PV 2 CARRYING COSTS	-	-	-	-
371	283389	283	PVNGS #2 CARRYING COSTS	x	s		DEF SIT PV 2 CARRYING COSTS	-	-	-	-
372	283390	283	RENEWABLE ENERGY EXPENSES	m	f	186000	DEF FIT RENEWABLE ENERGY	-	-	-	-
373	283391	283	RENEWABLE ENERGY EXPENSES	m	s		DEF SIT RENEWABLE ENERGY	-	-	-	-
374	283392	283	SO2 ALLOWANCE CREDITS	x	f	254097	DEF FIT SO2 ALLOWANCE CREDIT	26,774	26,835	26,835	26,835
375	283393	283	SO2 ALLOWANCE CREDITS	x	s		DEF SIT SO2 ALLOWANCE CREDIT	5,812	5,825	5,825	5,825
376	283396	283	FUEL CLAUSE ADJUSTMENT	x	f	182320	DEF FIT FUEL CLAUSE ADJUSTMENT	(13,644,245)	(14,214,185)	(9,614,430)	(5,601,890)
377	283397	283	FUEL CLAUSE ADJUSTMENT	x	s		DEF SIT FUEL CLAUSE ADJUSTMENT	(2,961,308)	(3,080,118)	(2,174,005)	(1,383,568)
378	283398	283	RATE RIDER 12	x	f	182323	DEF FIT RATE RIDER 12-UNDERGRO	421,831	421,831	421,831	421,831
379	283399	283	RATE RIDER 12	x	s		DEF SIT RATE RIDER 12-UNDERGRO	91,553	91,553	91,553	91,553
380	283410	283	Renewable Rider	X	f		DEF FIT Renewable Rider	413,269	349,241	304,855	260,469
381	283411	283	Renewable Rider	X	s		DEF SIT Renewable Rider	89,694	76,347	67,603	58,859
382	283416	283	DEFERRED COAL COSTS	x	f		DEF FIT Deferred Coal Costs	(1,469,313)	(486,177)	(402,600)	(322,295)
383	283417	283	DEFERRED COAL COSTS	x	s		DEF SIT Deferred Coal Costs	(318,895)	(113,949)	(97,485)	(81,666)
384	283500	283	Zero Balance	Z	s		DEF SIT state renewable PTCs	-	-	-	-
385	283420	283	SCR DEFERRED EXPENSES	x	f		DEFERRED FIT SCR DEFERRED EXPE	(1,444,560)	(1,269,789)	(1,406,505)	(1,603,402)
386	283421	283	SCR DEFERRED EXPENSES	x	s		DEFERRED SIT SCR DEFERRED EXPE	(313,523)	(275,238)	(302,170)	(340,957)
387			TOU Reg asset/liab	x	f		TOU Regulatory Asset ADFIT	-	-	-	-
388			TOU Reg asset/liab	x	s		TOU Regulatory Asset ADSIT	-	-	-	-
389	283426	283	EPA BART ALTERNATIVE DEFERRED EXPENSES	X	f	186000 LOCS 766 770	DEFERRED FIT EPA BART ALTERNAT	-	(627,771)	(627,771)	(627,771)
390	283427	283	EPA BART ALTERNATIVE DEFERRED EXPENSES	X	s		DEFERRED SIT EPA BART ALTERNAT	-	(130,866)	(130,866)	(130,866)
391	283900	283	Zero Balance	Z	f		CURRENT ADIT LIABILITY	-	-	-	-
392	283000	283	Zero Balance	Z	f		Reverse current ADIT liab reclass	-	-	-	-
393			DOE Spent Fuel Settlement PV3	m	f	rate case reclasses		-	-	-	-
394			DOE Spent Fuel Settlement PV3	m	s			-	-	-	-
395			50% SJGS 2&3	m	f	rate case reclasses		-	-	-	-
396			50% SJGS 2&3	m	s			-	-	-	-
397			PENSION AMPP	m	f	rate case reclasses		-	-	-	-
398			PENSION AMPP	m	s			-	-	-	-
399			Palo Verde Dry Cask Storage 3	m	f	rate case reclasses		-	-	-	-
400			Palo Verde Dry Cask Storage 3	m	s			-	-	-	-
401			SJGS Coal Agreement Transaction Costs	m	f	rate case reclasses					
402			SJGS Coal Agreement Transaction Costs	m	s						
403	Renew	282	Liberalized Depreciation - Renewables	G	f		Liberalized Depreciation - Renewables	(30,485,058)	(38,237,829)	(38,237,829)	(38,799,448)
404		282	Liberalized Depreciation - Renewables	G	s			(6,616,185)	(8,232,336)	(8,232,336)	(8,342,979)
405	CorpDepr	282	Liberalized Depreciation - Other	R	f		Liberalized Depreciation - Corp	-	-	-	-
406		282	Liberalized Depreciation - Other	R	s			-	-	-	-
407	CorpNOL	190	Net Operating Loss (NOL)	R	f		NOL - Corporate Allocation	-	-	-	-

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6							m = Included in base period rate base at	12/31/13	12/31/14	03/31/15	06/30/15
			Description	Rate Cod	Juris	Bal Sht Acct	Account Name				
7	Doc Ref	acct						Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
408		190	Net Operating Loss (NOL)	R	s				-	-	-
409	Gen	282	Liberalized Depreciation - Generation	R	f		Liberalized Depreciation - Generation	30,485,058	(329,391,197)	(332,074,903)	(331,175,445)
410		282	Liberalized Depreciation - Generation	R	s			6,616,185	(61,196,046)	(61,436,411)	(60,910,345)
411	NF12	282	Nuclear Fuel Amortization PV 1&2	R	f		Nuclear Fuel PV 1&2	-	5,304,391	5,304,391	5,304,391
412		282	Nuclear Fuel Amortization PV 1&2	R	s				1,055,791	1,055,791	1,055,791
413	NF3	282	Nuclear Fuel Amortization PV 3	R	f		Nuclear Fuel PV 3	-	2,652,196	2,652,196	2,652,196
414		282	Nuclear Fuel Amortization PV 3	R	s				527,895	527,895	527,895
415	Trans	282	Liberalized Depreciation - Transmission	R	f		Liberalized Depreciation -	-	(75,970,725)	(76,975,946)	(77,981,167)
416		282	Liberalized Depreciation - Transmission	R	s				(14,347,411)	(14,437,443)	(14,527,475)
417	Dist	282	Liberalized Depreciation - Distribution	R	f		Liberalized Depreciation - Distribution	-	(161,510,223)	(163,160,720)	(164,811,216)
418		282	Liberalized Depreciation - Distribution	R	s				(30,501,927)	(30,649,752)	(30,797,578)
419	RenewNOL	190	Renewable NOL Allocation	G	f		Renewable NOL allocation	-	-	-	31,485,357
420		190	Renewable NOL Allocation	g	s				-	-	6,770,243
421		282	Liberalized Depreciation - Generation	R	f		Remove Balanced Draft		-	-	-
422		282	Liberalized Depreciation - Generation	R	s				-	-	-
423		282	Liberalized Depreciation - Generation	R	f		Remove PV2 64.1 mW LHI		-	-	-
424		282	Liberalized Depreciation - Generation	R	s				-	-	-
425		282	Liberalized Depreciation - Generation	R	f		Remove 64.1 mW Acquisition Adj		-	-	-
426		282	Liberalized Depreciation - Generation	R	s				-	-	-
427		282	Liberalized Depreciation - Generation	R	f		SJ U 2&3 Adjustment to Depr ADIT		-	-	-
428		282	Liberalized Depreciation - Generation	R	s				-	-	-
429		282	Liberalized Depreciation - SJ4 132 mW	R	f		132 mW Generation		-	-	-
430		282	Liberalized Depreciation - SJ4 132 mW	R	s				-	-	-
431		282	Liberalized Depreciation - SJ4 132 mW	R	f		Remove Balanced Draft 132 mW				
432		282	Liberalized Depreciation - SJ4 132 mW	R	s						
433		282	Liberalized Depreciation - Generation	R	f		PV3 Into Rates at 12/31/17		-	-	-
434		282	Liberalized Depreciation - Generation	R	s				-	-	-
435		282	Liberalized Depreciation - SJ4 65 mW	R	f		65 mW Generation		-	-	-
436		282	Liberalized Depreciation - SJ4 65 mW	R	s				-	-	-
437		282	Liberalized Depreciation - Other	R	f		NM Rate Change Reduction				
438		282	Liberalized Depreciation - Other	R	s						
439		282	Liberalized Depreciation - HLM	R	f		Reclass HLM Depreciation				
440		282	Liberalized Depreciation - HLM	R	s						
441											
442							Total	(616,522,744)	(664,470,966)	(674,122,585)	(684,198,775)
443			G/L ADIT balances by FERC Account				G/L ADIT balances by FERC Account				
444			190000				190000	237,956,432	295,647,434	284,749,136	269,893,836
445			190058				190058	-	-	-	-
446			190161				190161	15,392,870	15,392,870	15,392,870	15,392,870
447			190162				190162	(67,497,937)	(67,497,937)	(67,497,937)	(67,497,937)

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6							m = Included in base period rate base at	12/31/13	12/31/14	03/31/15	06/30/15
			Description	Rate			Account Name				
7	Doc Ref	acct		Cod	Juris	Bal Sht Acct		Bal 13Q4	Adj. Bal 14Q4	Adj. Bal 15Q1	Adj. Bal 15Q2
448			190200				190200	-	-	-	-
449			190900				190900	53,239,787	12,417,861	12,417,861	12,417,861
450			281000				281000	(5,197,520)	(4,735,816)	(4,735,816)	(4,735,816)
451			282000				282000	(731,156,312)	(795,780,264)	(798,025,792)	(803,030,795)
452			282050				282050	-	-	-	-
453			283000				283000	(129,163,746)	(139,734,993)	(132,501,541)	(125,678,343)
454			283050				283050	-	-	-	-
455			283158				283158	(11,435,298)	(12,464,705)	(13,422,525)	(10,075,639)
456			283159				283159	(2,481,869)	(2,696,461)	(2,724,848)	(2,065,489)
457			283162				283162	33,949,514	38,819,733	38,497,249	37,938,274
458			283163				283163	8,963,993	6,536,389	4,103,835	3,617,479
459			283900				283900	(9,413,313)	-	-	-
460											
461			Total G/L ADIT balance				Total G/L ADIT balance	(606,843,399)	(654,095,888)	(663,747,507)	(673,823,697)
462			Difference				Difference	(9,679,345)	(10,375,078)	(10,375,078)	(10,375,078)
463			Reconciling Items				Reconciling Items				
464			Corp alloc of depr ADIT				Corp alloc of depr ADIT	-	-	-	-
465			Corp alloc of NOL ADIT				Corp alloc of NOL ADIT	-	-	-	-
466			Fin 48 reclasses				Fin 48 reclasses	(9,679,354)	(10,375,087)	(10,375,087)	(10,375,087)
467			Total Reconciling Items				Total Reconciling Items	(9,679,354)	(10,375,087)	(10,375,087)	(10,375,087)
468			ULD				ULD	9	9	9	9
469											
470			NON-UTILITY	N			NON-UTILITY	(10,443,334)	(11,337,736)	(12,323,944)	(8,317,698)
471			Underlying acct not in rate base	X			Underlying acct not in rate base	57,635,650	66,020,447	67,840,964	71,753,022
472			Zero adjusted balance	Z			Zero adjusted balance	-	-	-	-
473			Renewable Rider	G			Renewable Rider	(35,425,129)	(44,870,542)	(44,870,542)	(7,287,204)
474			Included in base period rate base at MDC value	M			Included in base period rate base at MD	(88,210,502)	(94,428,991)	(92,485,231)	(90,986,750)
475			Included in base period rate base at book value	R			Included in base period rate base at bo	(540,079,429)	(579,854,144)	(592,283,833)	(649,360,145)
476											
477			Total				Total	(616,522,744)	(664,470,966)	(674,122,585)	(684,198,775)
478			ULD				ULD	-	-	-	-
479											

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6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
8	190000	190	MISC NON OPERATING	525,203	12,943,064	12,880,846	12,880,846	-		12,880,846
9	1900003	190	Zero Balance	-	-	-	-	-		-
10	1900004	190	Zero Balance	-	-	-	-	-		-
11	1900001	190	TRI STATE RIGHT OF WAY	108,238	108,238	108,238	108,238	-		108,238
12	1900002	190	TRI STATE RIGHT OF WAY	(116,156)	(116,156)	(116,156)	(116,156)	-		(116,156)
13	1900004	190	ALVARADO SQUARE	383,930	383,930	383,930	383,930	-		383,930
14	1900005	190	ALVARADO SQUARE	83,323	83,323	83,323	83,323	-		83,323
15	1900009	190	WAGES	273,987	291,936	291,936	291,936	-		291,936
16	190010	190	WAGES	60,822	64,358	64,358	64,358	-		64,358
17	190015	190	Pension Qualified	(89,323,700)	(89,184,098)	(88,548,266)	(87,912,434)	87,912,434	(57,864,789)	(57,864,789)
18	190016	190	Pension Qualified	(18,326,767)	(18,298,803)	(18,178,931)	(18,059,059)	18,059,059	(12,381,452)	(12,381,452)
19	190019	190	Deferred Federal Tax Credits	105,491	105,491	105,491	105,491	-		105,491
20	190023	190	ACCRUED VACATION	2,037,200	2,019,813	2,019,813	2,019,813	-		2,019,813
21	190024	190	ACCRUED VACATION	442,098	439,324	439,324	439,324	-		439,324
22	190027	190	Zero Balance	-	-	-	-	-		-
23	190028	190	Zero Balance	-	-	-	-	-		-
24	190035	190	Eastern Interconnect Project Gain	24,004	-	-	-	-	-	-
25	190036	190	Eastern Interconnect Project Gain	3,760	-	-	-	-	-	-
26	190039	190	Palo Verde Prudence Audit 1 & 2	81,346	55,213	55,213	55,213	-	-	55,213
27	190040	190	Palo Verde Prudence Audit 1 & 2	(149,568)	(154,716)	(154,716)	(154,716)	-		(154,716)
28	190046	190	Contributions In Aid of Construction	29,164,737	26,358,412	26,983,906	27,609,400	-		27,609,400
29	190047	190	Contributions In Aid of Construction	6,286,960	5,729,125	5,847,049	5,964,973	-		5,964,973
30	190048	190	TAX CAPITALIZED INTEREST	20,135,665	18,760,456	19,266,313	19,772,170	-		19,772,170
31	190049	190	TAX CAPITALIZED INTEREST	3,255,983	2,984,551	3,079,921	3,175,291	-		3,175,291
32	190050	190	GAS PLANT DECOMM S FE	(136,544)	145	145	145	-		145
33	190051	190	GAS PLANT DECOMM S FE	(29,549)	(2,622)	(2,622)	(2,622)	-		(2,622)
34	190052	190	ASSET RETIREMENT OBLIGATION	(7,691,697)	(9,932,339)	(11,318,912)	(12,705,485)	12,705,485	37,719,207	37,719,207
35	190053	190	ASSET RETIREMENT OBLIGATION	(1,569,035)	(2,010,427)	(2,271,832)	(2,533,237)	2,533,237	8,067,644	8,067,644
36	190054	190	Liberalized Depreciation - Other	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)	-		(1,352,963)
37	190055	190	Liberalized Depreciation - Other	2,222,086	2,222,086	2,222,086	2,222,086	-		2,222,086
38	190056	190	Palo Verde Construction Credits 1 & 2	95,256	71,984	71,984	71,984	(71,984)	57,464	57,464
39	190057	190	Palo Verde Construction Credits 1 & 2	20,869	16,285	16,285	16,285	(16,285)	13,468	13,468
40	190084	190	GENERAL RESERVE	824,369	850,521	850,521	850,521	-		850,521
41	190085	190	GENERAL RESERVE	178,596	183,747	183,747	183,747	-		183,747
42	190086	190	PCB REFINANCING	32,615	32,615	32,615	32,615	(32,615)	(4,938,299)	(4,938,299)
43	190087	190	PCB REFINANCING	7,078	7,078	7,078	7,078	(7,078)	(1,083,606)	(1,083,606)
44	190088	190	COMPENSATION EXPENSE	(3,084,627)	(2,821,114)	(3,508,425)	(3,497,102)	-		(3,497,102)
45	190089	190	COMPENSATION EXPENSE	(589,518)	(600,566)	(730,142)	(728,008)	-		(728,008)
46	190115	190	OTHER LEGAL ACCRUALS	439,340	439,340	439,340	439,340	-		439,340
47	190116	190	OTHER LEGAL ACCRUALS	95,354	95,354	95,354	95,354	-		95,354

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6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
48	190128	190	NINE MILE TAP	20,990	(245)	(245)	(245)	-		(245)
49	190129	190	NINE MILE TAP	4,880	697	697	697	-		697
50	190140	190	PVNGS DECOMM NON UTILITY	484,816	484,816	484,816	484,816	-		484,816
51	190141	190	PVNGS DECOMM NON UTILITY	108,318	108,318	108,318	108,318	-		108,318
52	190142	190	Palo Verde Gain 1 & 2	435,833	435,833	435,833	435,833	(435,833)	129,822	129,822
53	190143	190	Palo Verde Gain 1 & 2	97,374	97,374	97,374	97,374	(97,374)	29,934	29,934
54	190146	190	Deferred Federal Tax Credits	8,369,225	9,106,245	9,106,245	9,106,245	-		9,106,245
55	190147	190	MISC NON OPERATING	-	-	-	-	-		-
56	190148	190	MISC NON OPERATING	(1)	(1)	(1)	(1)	-		(1)
57	190151	190	OTHER POST EMPLOYMENT BENEFITS	(3,476,537)	(3,621,773)	(4,342,511)	(4,511,366)	-		(4,511,366)
58	190152	190	OTHER POST EMPLOYMENT BENEFITS	(719,316)	(744,775)	(880,653)	(912,486)	-		(912,486)
59	190161	190	PENSION VALUATION ALLOWANCE	67,196,635	67,196,635	67,196,635	67,196,635	-		67,196,635
60	190162	190	PENSION VALUATION ALLOWANCE	(63,293,556)	(63,293,556)	(63,293,556)	(63,293,556)	-		(63,293,556)
61	190163	190	REGULATORY RESERVE	(4,879)	(4,879)	(4,879)	(4,879)	-		(4,879)
62	190164	190	REGULATORY RESERVE	(1,059)	(1,059)	(1,059)	(1,059)	-		(1,059)
63	190165	190	ENVIRONMENTAL LIABILITY	4,619	4,619	4,619	4,619	-		4,619
64	190166	190	ENVIRONMENTAL LIABILITY	1,003	1,003	1,003	1,003	-		1,003
65	190169	190	FAS 109	29,867,170	39,912,330	40,133,586	40,133,586	-		40,133,586
66	190170	190	FAS 109	42,025,472	35,476,735	28,148,336	28,148,336	-		28,148,336
67	190175	190	WORKERS COMP	936,724	720,465	720,465	720,465	-		720,465
68	190176	190	WORKERS COMP	206,647	164,046	164,046	164,046	-		164,046
69	190177	190	SELF INSURANCE	200,885	298,249	298,249	298,249	-		298,249
70	190178	190	SELF INSURANCE	44,307	63,489	63,489	63,489	-		63,489
71	190187	190	ASSET RETIREMENT OBLIGATION	13,004,738	13,004,738	13,004,738	13,004,738	(13,004,738)		-
72	190188	190	ASSET RETIREMENT OBLIGATION	2,822,511	2,822,511	2,822,511	2,822,511	(2,822,511)		-
73	190191	190	SELF INSURANCE	8,837	8,837	8,837	8,837	-		8,837
74	190192	190	SELF INSURANCE	1,912	1,912	1,912	1,912	-		1,912
75	190193	190	Zero Balance	-	-	-	-	-		-
76	190194	190	Zero Balance	-	-	-	-	-		-
77	190195	190	Zero Balance	1	1	1	1	-		1
78	190196	190	Zero Balance	(1)	(1)	(1)	(1)	-		(1)
79	190201	190	Palo Verde Dry Cask Storage 1 & 2	3,919,116	3,967,940	3,967,940	3,967,940	(3,967,940)	2,579,163	2,579,163
80	190202	190	Palo Verde Dry Cask Storage 1 & 2	851,272	860,890	860,890	860,890	(860,890)	561,936	561,936
81	190205	190	LINE EXTENSION POLICY	786,444	786,444	786,444	786,444	-		786,444
82	190206	190	LINE EXTENSION POLICY	170,687	170,687	170,687	170,687	-		170,687
83	190209	190	MISC NON OPERATING	1	1	1	1	-		1
84	190210	190	MISC NON OPERATING	-	-	-	-	-		-
85	190215	190	OTHER LEGAL ACCRUALS	(963,433)	(825,995)	(825,995)	(825,995)	-		(825,995)
86	190216	190	OTHER LEGAL ACCRUALS	(209,024)	(181,950)	(181,950)	(181,950)	-		(181,950)
87	190217	190	HI VOLTAGE RESERVE	2,042,548	2,042,548	2,042,548	2,042,548	-		2,042,548

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4	ADIT-4 ADIT Rollforward									
5	Hyperlink to Lead Sheet									
6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
88	190218	190	HI VOLTAGE RESERVE	443,309	443,309	443,309	443,309	-		443,309
89	190219	190	STATE AND LOCAL TAX RESERVE	-	-	-	-	-		-
90	190220	190	STATE AND LOCAL TAX RESERVE	-	-	-	-	-		-
91	190223	190	Zero Balance	(1,040,789)	(1,040,789)	(1,040,789)	(1,040,789)	-		(1,040,789)
92	190224	190	Zero Balance	(225,890)	(225,890)	(225,890)	(225,890)	-		(225,890)
93	190225	190	Zero Balance	7,060	7,060	7,060	7,060	-		7,060
94	190226	190	Zero Balance	(7,060)	(7,060)	(7,060)	(7,060)	-		(7,060)
95	190229	190	Coal Mine Decommissioning	14,316,643	19,344,023	19,783,691	20,223,359	(20,223,359)	(7,954,517)	(7,954,517)
96	190230	190	Coal Mine Decommissioning	3,040,350	4,030,705	4,113,595	4,196,485	(4,196,485)	(1,784,139)	(1,784,139)
97	190233	190	Zero Balance	1,040,789	1,040,789	1,040,789	1,040,789	-		1,040,789
98	190234	190	Zero Balance	225,890	225,890	225,890	225,890	-		225,890
99	190235	190	Coal Mine Decommissioning	(193,067)	(193,067)	(193,067)	(193,067)	193,067		-
100	190236	190	Coal Mine Decommissioning	(41,903)	(41,903)	(41,903)	(41,903)	41,903		-
101	190252	190	BAD DEBT ALLOWANCE	(140,126)	(140,500)	(140,500)	(140,500)	-		(140,500)
102	190253	190	BAD DEBT ALLOWANCE	(30,532)	(30,158)	(30,158)	(30,158)	-		(30,158)
103	190284	190	Contributions In Aid of Construction	1,102,350	1,102,350	1,102,350	1,102,350	-		1,102,350
104	190285	190	Contributions In Aid of Construction	239,251	239,251	239,251	239,251	-		239,251
105	190287	190	BIOMASS	76,304	76,304	76,304	76,304	-		76,304
106	190288	190	BIOMASS	16,561	16,561	16,561	16,561	-		16,561
107	190291	190	PREPAID RENT REVENUE	(1,128)	24,784	24,784	24,784	-		24,784
108	190292	190	PREPAID RENT REVENUE	(47)	5,058	5,058	5,058	-		5,058
109	190293	190	REVENUE SUBJECT TO REFUND	312,991	470,770	470,770	392,635	-		392,635
110	190294	190	REVENUE SUBJECT TO REFUND	66,364	97,447	97,447	82,716	-		82,716
111	190310	190	Net Operating Loss (NOL)	34,180,535	84,513,555	126,014,535	130,213,896	-		130,213,896
112	190311	190	Net Operating Loss (NOL)	24,083,272	26,257,322	34,905,981	35,653,398	-		35,653,398
113	190312	190	Zero Balance	-	-	-	-	-		-
114	190313	190	Zero Balance	-	-	-	-	-		-
115	190343	190	MISC NON OPERATING	(13)	(13)	(13)	(13)	-		(13)
116	190344	190	MISC NON OPERATING	(2)	(2)	(2)	(2)	-		(2)
117	190345	190	SJG5 GROUNDWATER RESERVE	97,073	98,432	98,432	98,432	-		98,432
118	190346	190	SJG5 GROUNDWATER RESERVE	20,626	20,894	20,894	20,894	-		20,894
119	190347	190	Zero Balance	-	-	-	-	-		-
120	190348	190	Zero Balance	-	-	-	-	-		-
121	190349	190	MISC NON OPERATING	21	21	21	21	-		21
122	190350	190	MISC NON OPERATING	4	4	4	4	-		4
123	190358	190	INJURY & DAMAGES	14,679	14,679	14,679	14,679	(14,679)	1,717,306	1,717,306
124	190359	190	INJURY & DAMAGES	3,186	3,186	3,186	3,186	(3,186)	402,639	402,639
125	190360	190	INJURY & DAMAGES	903,660	562,790	562,790	562,790	(562,790)		-
126	190361	190	INJURY & DAMAGES	196,839	129,691	129,691	129,691	(129,691)		-
127	190362	190	INJURY & DAMAGES	(3)	(3)	(3)	(3)	3		-

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6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
128	190363	190	INJURY & DAMAGES	2	2	2	2	(2)		-
129	190364	190	INJURY & DAMAGES	608,962	268,225	268,225	268,225	(268,225)		-
130	190365	190	INJURY & DAMAGES	132,177	65,054	65,054	65,054	(65,054)		-
131	190366	190	ROW RESERVE	238,922	238,922	238,922	238,922	-		238,922
132	190367	190	ROW RESERVE	51,854	51,854	51,854	51,854	-		51,854
133	190369	190	FEDERAL TAX CORRECTION	40,597	40,597	40,597	40,597	-		40,597
134	190370	190	FEDERAL TAX CORRECTION	(100,534)	(100,534)	(100,534)	(100,534)	-		(100,534)
135	190381	190	ROW RESERVE	(270,120)	(121,194)	(121,194)	(121,194)	-		(121,194)
136	190382	190	ROW RESERVE	(58,488)	(29,151)	(29,151)	(29,151)	-		(29,151)
137	190383	190	Zero Balance	-	-	-	-	-		-
138	190384	190	Zero Balance	-	-	-	-	-		-
139	190385	190	Palo Verde Construction Credits 1 & 2	(46,240)	(46,240)	(46,240)	(46,240)	46,240		-
140	190386	190	Palo Verde Construction Credits 1 & 2	(10,036)	(10,036)	(10,036)	(10,036)	10,036		-
141	190389	190	PROPERTY TAX RESERVE	52,203	(62,068)	(62,068)	(62,068)	-		(62,068)
142	190390	190	PROPERTY TAX RESERVE	11,331	(11,180)	(11,180)	(11,180)	-		(11,180)
143	190395	190	MISC NON OPERATING	1	1	1	1	-		1
144	190396	190	MISC NON OPERATING	-	-	-	-	-		-
145	190399	190	SJGS AUDIT RESERVES	12,378	12,378	12,378	12,378	-		12,378
146	190400	190	SJGS AUDIT RESERVES	2,686	2,686	2,686	2,686	-		2,686
147	190401	190	RATE RIDER	(302,939)	(262,979)	(262,979)	(262,979)	-		(262,979)
148	190402	190	RATE RIDER	(65,832)	(57,960)	(57,960)	(57,960)	-		(57,960)
149	190403	190	RENEWABLE CREDITS	27,564,601	49,496,441	49,496,441	49,496,441	-		49,496,441
150	190404	190	INCENTIVE PAY PLANS	2,282,705	2,286,668	2,286,668	2,286,668	-		2,286,668
151	190405	190	INCENTIVE PAY PLANS	495,211	494,898	494,898	494,898	-		494,898
152	190406	190	ENERGY EFFICIENCY	1,175,767	1,175,767	1,175,767	1,175,767	-		1,175,767
153	190407	190	ENERGY EFFICIENCY	255,185	255,185	255,185	255,185	-		255,185
154	190413	190	NM SOLAR ENERGY CENTER	98,351	34,204	34,204	34,204	-		34,204
155	190414	190	NM SOLAR ENERGY CENTER	20,743	8,107	8,107	8,107	-		8,107
156	190415	190	DOE SPENT FUEL SETTLEMENT	1,198,567	(270)	143,648	163,765	(163,765)	2,194,210	2,194,210
157	190416	190	DOE SPENT FUEL SETTLEMENT	236,932	772	27,904	31,697	(31,697)	444,431	444,431
158	190419	190	SIERRA CLUB	-	-	-	-	-		-
159	190420	190	SIERRA CLUB	-	-	-	-	-		-
160	190421	190	LVGS Decommissioning	355,281	399,785	399,785	399,785	(399,785)	424,144	424,144
161	190422	190	LVGS Decommissioning	76,771	85,538	85,538	85,538	(85,538)	90,129	90,129
162	190423	190	EXTENDED LEAVE	23,412	37,626	37,626	37,626	-		37,626
163	190424	190	EXTENDED LEAVE	5,169	7,968	7,968	7,968	-		7,968
164	190425	190	Coal Mine Decommissioning	(95,748)	(211,846)	(211,846)	(211,846)	211,846		-
165	190426	190	Coal Mine Decommissioning	(20,010)	(42,880)	(42,880)	(42,880)	42,880		-
166	190429	190	EFFECT OF NM TAX RATE	427,857	427,857	406,382	406,382	-		406,382
167	190430	190	EFFECT OF NM TAX RATE	72,124	72,124	68,504	68,504	-		68,504

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6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
168	190431	190	Renewable NM AETC	1,313,913	1,250,380	1,250,380	1,250,380	(1,250,380)	1,218,575	1,218,575
169	190432	190	Renewable NM AETC	285,710	273,194	273,194	273,194	(273,194)	267,190	267,190
170	190433	190	NAVAJO WORKFORCE TRAINING	194,992	129,540	129,540	129,540	-		129,540
171	190434	190	NAVAJO WORKFORCE TRAINING	42,880	29,986	29,986	29,986	-		29,986
172	190435	190	SJGS AUDIT RESERVES	(1,025)	(1,025)	(1,025)	(1,025)	-		(1,025)
173	190436	190	SJGS AUDIT RESERVES	2,928	2,928	2,928	2,928	-		2,928
174	190437	190	SJ RECLAMATION TRUST	97,626	231,698	231,698	231,698	-		231,698
175	190438	190	SJ RECLAMATION TRUST	20,769	47,667	47,667	47,667	-		47,667
176	190441	190	Net Operating Loss (NOL)	1,635,240	133,398	133,398	133,398	-		133,398
177	190442	190	Net Operating Loss (NOL)	(4,672,112)	(381,138)	(381,138)	(381,138)	-		(381,138)
178	190443	190	FOUR CORNERS SURTAX SETTLEMENT	153,640	30,266	30,266	30,266	-		30,266
179	190444	190	FOUR CORNERS SURTAX SETTLEMENT	32,028	7,724	7,724	7,724	-		7,724
180	190445	190	DOE SPENT FUEL SETTLEMENT	637,833	(2,395)	(2,395)	(2,395)	2,395		-
181	190446	190	DOE SPENT FUEL SETTLEMENT	132,963	6,843	6,843	6,843	(6,843)		-
182	190447	190	DOE SPENT FUEL SETTLEMENT	1,182,507	3,012,532	3,012,532	3,012,532	(3,012,532)		-
183	190448	190	DOE SPENT FUEL SETTLEMENT	246,507	607,007	607,007	607,007	(607,007)		-
184	190451	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	-	(101)	(101)	(101)	-		(101)
185	190452	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	-	287	287	287	-		287
186	190453	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	-	3,844,865	3,844,865	3,844,865	-		3,844,865
187	190454	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	-	757,406	757,406	757,406	-		757,406
188	190455	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	-	41,790,757	41,790,757	41,790,757	-		41,790,757
189	190456	190	SAN JUAN UNITS 2 & 3 WRITEDOWN	-	8,232,431	8,232,431	8,232,431	-		8,232,431
190	190900	190	MISC NON OPERATING	-	(12,417,861)	(12,417,861)	(12,417,861)	-		(12,417,861)
191	281000	281	Pollution Control Facilities 4 Corners	(439,168)	(420,000)	(420,000)	(420,000)	-		(420,000)
192	281001	281	Pollution Control Facilities 4 Corners	(69,473)	(65,697)	(65,697)	(65,697)	-		(65,697)
193	281003	281	FAS 109	(3,479,713)	(3,147,092)	(3,147,092)	(3,147,092)	-		(3,147,092)
194	281004	281	FAS 109	(747,462)	(637,010)	(637,010)	(637,010)	-		(637,010)
195	282000	282	LIBERALIZED DEPRECIATION NONOP	3,458,183	3,305,007	3,305,007	3,305,007	-		3,305,007
196	282001	282	LIBERALIZED DEPRECIATION NONOP	809,491	779,315	779,315	779,315	-		779,315
197	282003	282	Liberalized Depreciation - Other	242,966,788	289,521,373	289,005,768	289,140,431	-		289,140,431
198	282004	282	Liberalized Depreciation - Other	38,283,728	40,727,200	41,403,527	41,429,586	-		41,429,586
199	282005	282	FERC Customer Depreciation	970,134	966,978	966,978	966,978	-		966,978
200	282006	282	FERC Customer Depreciation	290,053	289,432	289,432	289,432	-		289,432
201	282007	282	Palo Verde Start-Up Amortization	263,465	263,465	263,465	263,465	-		263,465
202	282008	282	Palo Verde Start-Up Amortization	(13,439)	(13,439)	(13,439)	(13,439)	-		(13,439)
203	282009	282	Nuclear Fuel Amortization PV 1&2	-	674,011	674,011	674,011	-		674,011
204	282010	282	Nuclear Fuel Amortization PV 1&2	-	132,775	132,775	132,775	-		132,775
205	282011	282	Liberalized Depreciation - PV 3	(60,928,974)	(68,650,552)	(68,636,628)	(68,636,628)	-		(68,636,628)
206	282012	282	Liberalized Depreciation - PV 3	(7,988,868)	(9,530,333)	(10,270,525)	(10,270,525)	-		(10,270,525)
207	282013	282	Liberalized Depreciation - Other	(14,439,647)	(12,797,066)	(12,797,066)	(12,797,066)	-		(12,797,066)

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208	282014	282	Liberalized Depreciation - Other	(1,847,932)	(1,524,357)	(1,524,357)	(1,524,357)	-		(1,524,357)
209	282015	282	Liberalized Depreciation - Other	(2,806,831)	(2,764,504)	(2,764,504)	(2,764,504)	-		(2,764,504)
210	282016	282	Liberalized Depreciation - Other	(534,253)	(538,355)	(538,355)	(538,355)	-		(538,355)
211	282017	282	Debt AFUDC	(17,558,314)	(18,557,342)	(18,976,601)	(19,395,860)	-		(19,395,860)
212	282018	282	Debt AFUDC	(3,792,438)	(3,989,246)	(4,068,284)	(4,147,322)	-		(4,147,322)
213	282019	282	Palo Verde Licensing Amortization	(3,685,481)	(3,746,478)	(3,746,478)	(3,746,478)	-		(3,746,478)
214	282020	282	Palo Verde Licensing Amortization	(801,360)	(813,376)	(813,376)	(813,376)	-		(813,376)
215	282021	282	ASSET RETIREMENT OBLIGATION	21,045,038	23,019,930	23,869,776	24,719,622	(24,719,622)		-
216	282022	282	ASSET RETIREMENT OBLIGATION	4,499,393	4,895,810	5,056,028	5,216,246	(5,216,246)		-
217	282025	282	Pre-1981 Repair Allowance	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)	-		(18,190,422)
218	282026	282	Pre-1981 Repair Allowance	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)	-		(3,948,000)
219	282031	282	Liberalized Depreciation - Other	1,768,180	1,649,081	1,649,081	1,649,081	-		1,649,081
220	282032	282	Liberalized Depreciation - Other	382,741	357,914	357,914	357,914	-		357,914
221	282033	282	FAS 109	(32,781,249)	(40,959,462)	(40,959,462)	(40,959,462)	-		(40,959,462)
222	282034	282	FAS 109	(4,343,328)	1,306,347	1,306,347	1,306,347	-		1,306,347
223	282050	282	Liberalized Depreciation - Other	(35,303)	(35,303)	(35,303)	(35,303)	-		(35,303)
224	282051	282	Liberalized Depreciation - Other	(7,662)	(7,662)	(7,662)	(7,662)	-		(7,662)
225	282052	282	ASSET RETIREMENT OBLIGATION	25,038,836	25,539,503	26,069,858	26,600,213	(26,600,213)		-
226	282053	282	ASSET RETIREMENT OBLIGATION	5,386,266	5,484,893	5,584,880	5,684,867	(5,684,867)		-
227	282185	282	Liberalized Depreciation - Other	9,959,075	10,205,751	10,205,751	10,205,751	-		10,205,751
228	282186	282	Liberalized Depreciation - Other	75,408	75,408	75,408	75,408	-		75,408
229	282187	282	Liberalized Depreciation - Other	(41,612)	(41,612)	(41,612)	(41,612)	-		(41,612)
230	282188	282	Liberalized Depreciation - Other	(9,031)	(9,031)	(9,031)	(9,031)	-		(9,031)
231	282189	282	Liberalized Depreciation - Other	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)	-		(1,000,514)
232	282190	282	Liberalized Depreciation - Other	(217,148)	(217,148)	(217,148)	(217,148)	-		(217,148)
233	282191	282	Liberalized Depreciation - Other	(274,173)	(274,173)	(274,173)	(274,173)	-		(274,173)
234	282192	282	Liberalized Depreciation - Other	(59,505)	(59,505)	(59,505)	(59,505)	-		(59,505)
235	282193	282	Liberalized Depreciation - Other	(266,068)	(266,068)	(266,068)	(266,068)	-		(266,068)
236	282194	282	Liberalized Depreciation - Other	(57,746)	(57,746)	(57,746)	(57,746)	-		(57,746)
237	282195	282	Liberalized Depreciation - Other	(626,170)	(626,170)	(626,170)	(626,170)	-		(626,170)
238	282196	282	Liberalized Depreciation - Other	(127,479)	(127,479)	(127,479)	(127,479)	-		(127,479)
239	282197	282	Liberalized Depreciation - Other	47,684	47,684	47,684	47,684	-		47,684
240	282198	282	Liberalized Depreciation - Other	10,349	10,349	10,349	10,349	-		10,349
241	282201	282	Liberalized Depreciation - Other	-	-	-	-	-		-
242	282202	282	Liberalized Depreciation - Other	-	-	-	-	-		-
243	282203	282	ASSET RETIREMENT OBLIGATION	224,672	224,672	224,672	224,672	(224,672)		-
244	282204	282	ASSET RETIREMENT OBLIGATION	48,762	48,762	48,762	48,762	(48,762)		-
245	282243	282	Liberalized Depreciation - Other	7,011,337	6,506,452	6,506,452	6,506,452	-		6,506,452
246	282244	282	Liberalized Depreciation - Other	1,524,460	1,425,011	1,425,011	1,425,011	-		1,425,011
247	282267	282	AFTON WRITEDOWN	3,409,173	3,336,629	3,264,102	3,191,574	-		3,191,574

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5	Hyperlink to Lead Sheet									
6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
248	282268	282	AFTON WRITEDOWN	739,917	724,172	708,431	692,690	-		692,690
249	282304	282	Nuclear Fuel Amortization PV 1&2	-	-	-	-	-		-
250	282305	282	Nuclear Fuel Amortization PV 1&2	-	-	-	-	-		-
251	282306	282	Liberalized Depreciation - Other	(10,311,930)	(12,408,939)	(12,408,939)	(12,408,939)	-		(12,408,939)
252	282307	282	Liberalized Depreciation - Other	(2,225,588)	(2,642,319)	(2,642,319)	(2,642,319)	-		(2,642,319)
253	282308	282	Liberalized Depreciation - Other	(26,202,518)	(37,551,249)	(37,204,755)	(36,858,261)	-		(36,858,261)
254	282309	282	Liberalized Depreciation - Other	(5,716,695)	(7,999,147)	(7,933,825)	(7,868,503)	-		(7,868,503)
255	282310	282	Liberalized Depreciation - Other	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)	-		(67,254,439)
256	282311	282	Liberalized Depreciation - Other	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)	-		(7,956,254)
257	282312	282	Liberalized Depreciation - Other	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)	-		(10,082,411)
258	282313	282	Liberalized Depreciation - Other	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)	-		(2,188,258)
259	282314	282	Liberalized Depreciation - Other	(7,658,736)	(6,520,280)	(6,520,280)	(6,520,280)	-		(6,520,280)
260	282315	282	Liberalized Depreciation - Other	(1,662,229)	(1,424,905)	(1,424,905)	(1,424,905)	-		(1,424,905)
261	282318	282	Liberalized Depreciation - Other	4,274,976	4,274,976	4,274,976	4,274,976	-		4,274,976
262	282319	282	Liberalized Depreciation - Other	927,827	927,827	927,827	927,827	-		927,827
263	282320	282	Liberalized Depreciation - Other	(122,054,731)	(152,064,178)	(152,349,796)	(152,635,414)	-		(152,635,414)
264	282321	282	Liberalized Depreciation - Other	(26,381,880)	(32,392,382)	(32,446,226)	(32,500,070)	-		(32,500,070)
265	282322	282	ALVARADO SQUARE ABANDONMENT	(1,294,338)	(1,294,338)	(1,294,338)	(1,294,338)	-	-	(1,294,338)
266	282323	282	ALVARADO SQUARE ABANDONMENT	(280,920)	(280,920)	(280,920)	(280,920)	-		(280,920)
267	282386	282	Liberalized Depreciation - Other	(421,686)	-	(196,104)	(392,208)	-		(392,208)
268	282387	282	Liberalized Depreciation - Other	(83,070)	-	(36,972)	(73,944)	-		(73,944)
269	282500	282	Zero Balance	-	-	-	-	-		-
270	283001	283	BONUS ACCRUAL	(575,272)	(575,272)	(575,272)	(575,272)	-		(575,272)
271	283002	283	BONUS ACCRUAL	(124,855)	(124,855)	(124,855)	(124,855)	-		(124,855)
272	283004	283	Zero Balance	-	-	-	-	-		-
273	283005	283	Zero Balance	-	-	-	-	-		-
274	283008	283	Liberalized Depreciation - Other	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)	-		(4,462,737)
275	283009	283	Liberalized Depreciation - Other	(758,667)	(758,667)	(758,667)	(758,667)	-		(758,667)
276	283010	283	LOSS ON REACQUIRED DEBT	(3,271,767)	(3,214,610)	(3,214,610)	(3,214,610)	3,214,610	(2,540,915)	(2,540,915)
277	283013	283	LOSS ON REACQUIRED DEBT	(686,848)	(675,589)	(675,589)	(675,589)	675,589	(557,033)	(557,033)
278	283019	283	GAIN REACQUIRED DEBT	(174,832)	(174,832)	(174,832)	(174,832)	-		(174,832)
279	283020	283	GAIN REACQUIRED DEBT	(37,942)	(37,942)	(37,942)	(37,942)	-		(37,942)
280	283023	283	Pension Qualified	(740,908)	(740,908)	(740,908)	(740,908)	740,908		-
281	283024	283	Pension Qualified	(160,794)	(160,794)	(160,794)	(160,794)	160,794		-
282	283034	283	RATE CASE EXPENSE	(595,931)	(719,673)	(930,902)	(1,158,683)	1,158,683		-
283	283035	283	RATE CASE EXPENSE	(126,458)	(150,833)	(190,655)	(233,598)	233,598		-
284	283144	283	FAS 109	(16,947,914)	(19,069,682)	(19,069,682)	(19,069,682)	-		(19,069,682)
285	283145	283	FAS 109	(2,955,663)	(2,128,945)	(2,128,945)	(2,128,945)	-		(2,128,945)
286	283154	283	ASSET RETIREMENT OBLIGATION	(21,177,099)	(21,577,119)	(21,978,252)	(22,379,385)	22,379,385		-
287	283155	283	ASSET RETIREMENT OBLIGATION	(4,558,488)	(4,637,287)	(4,712,911)	(4,788,535)	4,788,535		-

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6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
288	283156	283	COMPENSATION EXPENSE	(6,080)	(6,080)	(6,080)	(6,080)	-		(6,080)
289	283157	283	COMPENSATION EXPENSE	(1,320)	(1,320)	(1,320)	(1,320)	-		(1,320)
290	283158	283	PVNGS DECOMM NON UTILITY	(6,580,381)	(6,922,950)	(5,473,279)	(4,917,085)	-		(4,917,085)
291	283159	283	PVNGS DECOMM NON UTILITY	(1,406,775)	(1,634,573)	(1,301,938)	(1,197,069)	-		(1,197,069)
292	283160	283	FAS 115	(1,163,510)	(1,163,510)	(1,163,510)	(1,163,510)	-		(1,163,510)
293	283161	283	FAS 115	231,489	231,489	231,489	231,489	-		231,489
294	283162	283	MARK TO MARKET	37,382,704	38,622,102	38,187,433	37,683,134	-		37,683,134
295	283163	283	MARK TO MARKET	2,741,313	2,286,065	3,596,028	3,289,974	-		3,289,974
296	283164	283	Zero Balance	(1,171,094)	(1,171,094)	(1,171,094)	(1,171,094)	-		(1,171,094)
297	283165	283	Zero Balance	(254,171)	(254,171)	(254,171)	(254,171)	-		(254,171)
298	283166	283	Zero Balance	-	-	-	-	-		-
299	283167	283	Zero Balance	-	-	-	-	-		-
300	283168	283	UNREALIZED GAIN ON ENERGY TRADING	(1,672,479)	(383,439)	(854,632)	1,311,525	-		1,311,525
301	283169	283	UNREALIZED GAIN ON ENERGY TRADING	(353,005)	(99,076)	(187,909)	220,470	-		220,470
302	283170	283	Zero Balance	-	-	-	-	-		-
303	283171	283	Zero Balance	-	-	-	-	-		-
304	283174	283	HEDGE LOSS	395,030	395,030	395,030	395,030	-		395,030
305	283175	283	HEDGE LOSS	62,030	62,030	62,030	62,030	-		62,030
306	283180	283	ACCRUED ILLNESS	248,655	226,691	226,691	226,691	-		226,691
307	283181	283	ACCRUED ILLNESS	53,972	49,646	49,646	49,646	-		49,646
308	283182	283	BOOK CAPITALIZED INTEREST	(6,129,891)	(6,377,674)	(6,377,674)	(6,377,674)	-		(6,377,674)
309	283183	283	BOOK CAPITALIZED INTEREST	(1,327,468)	(1,376,280)	(1,376,280)	(1,376,280)	-		(1,376,280)
310	283185	283	Liberalized Depreciation - Other	(74,679)	(74,679)	(74,679)	(74,679)	-		(74,679)
311	283186	283	Liberalized Depreciation - Other	(16,208)	(16,208)	(16,208)	(16,208)	-		(16,208)
312	283187	283	ASSET RETIREMENT OBLIGATION	(20,042,441)	(20,042,441)	(20,042,441)	(20,042,441)	20,042,441		-
313	283188	283	ASSET RETIREMENT OBLIGATION	(4,349,953)	(4,349,953)	(4,349,953)	(4,349,953)	4,349,953		-
314	283189	283	Zero Balance	-	-	-	-	-		-
315	283190	283	Zero Balance	-	-	-	-	-		-
316	283191	283	Coal Mine Decommissioning	(11,723,858)	(11,723,858)	(11,723,858)	(11,723,858)	11,723,858		-
317	283192	283	Coal Mine Decommissioning	(2,544,512)	(2,544,512)	(2,544,512)	(2,544,512)	2,544,512		-
318	283193	283	PREPAID EXPENSES	(3,137,587)	(3,086,946)	(3,086,946)	(3,086,946)	-		(3,086,946)
319	283194	283	PREPAID EXPENSES	(680,016)	(670,041)	(670,041)	(670,041)	-		(670,041)
320	283201	283	PCB REFINANCING	(5,464,264)	(5,395,140)	(5,325,825)	(5,256,510)	5,256,510		-
321	283202	283	PCB REFINANCING	(1,192,468)	(1,178,852)	(1,165,784)	(1,152,716)	1,152,716		-
322	283203	283	SUN REFINANCING	1,447,171	1,450,946	1,450,946	1,450,946	-		1,450,946
323	283204	283	SUN REFINANCING	327,672	328,416	328,416	328,416	-		328,416
324	283205	283	Zero Balance	1,171,094	1,171,094	1,171,094	1,171,094	-		1,171,094
325	283206	283	Zero Balance	254,171	254,171	254,171	254,171	-		254,171
326	283207	283	DEBT ISSUANCE COST	(16,393)	176	176	176	-		176
327	283208	283	DEBT ISSUANCE COST	(3,756)	(492)	(492)	(492)	-		(492)

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6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
328	283210	283	LOSS ON REACQUIRED DEBT	(177,718)	(177,718)	(177,718)	(177,718)	177,718		-
329	283213	283	LOSS ON REACQUIRED DEBT	(38,571)	(38,571)	(38,571)	(38,571)	38,571		-
330	283215	283	SUN REFINANCING	(1,704,127)	(1,704,127)	(1,704,127)	(1,704,127)	-		(1,704,127)
331	283216	283	SUN REFINANCING	(369,858)	(369,858)	(369,858)	(369,858)	-		(369,858)
332	283217	283	SUN REFINANCING	11,686	1,764	44,047	86,330	-		86,330
333	283218	283	SUN REFINANCING	(3,078)	(5,034)	2,938	10,910	-		10,910
334	283223	283	STATE AND LOCAL TAX RESERVE	48,312	48,312	48,312	48,312	-		48,312
335	283224	283	STATE AND LOCAL TAX RESERVE	10,485	10,485	10,485	10,485	-		10,485
336	283225	283	Zero Balance	-	-	-	-	-		-
337	283226	283	Zero Balance	-	-	-	-	-		-
338	283231	283	PCB REFINANCING	871,951	942,849	942,849	942,849	(942,849)		-
339	283232	283	PCB REFINANCING	188,638	202,604	202,604	202,604	(202,604)		-
340	283233	283	PCB REFINANCING	1,396,404	1,396,404	1,396,404	1,396,404	(1,396,404)		-
341	283234	283	PCB REFINANCING	303,072	303,072	303,072	303,072	(303,072)		-
342	283235	283	SUN REFINANCING	(1,369,413)	(1,369,413)	(1,369,413)	(1,369,413)	-		(1,369,413)
343	283236	283	SUN REFINANCING	(297,213)	(297,213)	(297,213)	(297,213)	-		(297,213)
344	283240	283	SO2 ALLOWANCE CREDITS	1	1	1	1	-		1
345	283241	283	SO2 ALLOWANCE CREDITS	-	-	-	-	-		-
346	283275	283	BAD DEBT ALLOWANCE	10,084	10,084	10,084	10,084	-		10,084
347	283276	283	BAD DEBT ALLOWANCE	2,189	2,189	2,189	2,189	-		2,189
348	283296	283	PV INCENTIVE PROGRAM	1,057,514	(767,085)	140,995	(345,757)	-		(345,757)
349	283297	283	PV INCENTIVE PROGRAM	196,251	(163,179)	8,019	(83,747)	-		(83,747)
350	283298	283	BIOMASS	(76,295)	(76,295)	(76,295)	(76,295)	-		(76,295)
351	283299	283	BIOMASS	(16,559)	(16,559)	(16,559)	(16,559)	-		(16,559)
352	283300	283	RENEWABLE ENERGY CERTIFICATES	910,513	596,717	341,994	83,723	-		83,723
353	283301	283	RENEWABLE ENERGY CERTIFICATES	135,294	73,478	25,456	(23,234)	-		(23,234)
354	283317	283	RATE CASE EXPENSE	(110,340)	(110,340)	(110,340)	(110,340)	110,340		-
355	283318	283	RATE CASE EXPENSE	(23,948)	(23,948)	(23,948)	(23,948)	23,948		-
356	283325	283	Zero Balance	-	-	-	-	-		-
357	283326	283	Zero Balance	-	-	-	-	-		-
358	283361	283	BONUS ACCRUAL	3,061,076	3,061,076	3,061,076	3,061,076	-		3,061,076
359	283362	283	BONUS ACCRUAL	664,357	664,357	664,357	664,357	-		664,357
360	283363	283	BONUS ACCRUAL	(3,061,077)	(3,061,077)	(3,061,077)	(3,061,077)	-		(3,061,077)
361	283364	283	BONUS ACCRUAL	(664,362)	(664,362)	(664,362)	(664,362)	-		(664,362)
362	283367	283	FIN 48 INTEREST	(2,197,755)	(2,197,755)	(2,197,755)	(2,197,755)	-		(2,197,755)
363	283368	283	FIN 48 INTEREST	(476,995)	(476,995)	(476,995)	(476,995)	-		(476,995)
364	283369	283	RATE CASE EXPENSE	-	-	-	-	-	(1,320,302)	(1,320,302)
365	283370	283	RATE CASE EXPENSE	-	-	-	-	-	(256,393)	(256,393)
366	283382	283	Zero Balance	-	-	-	-	-		-
367	283383	283	Zero Balance	-	-	-	-	-		-

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4	ADIT-4 ADIT Rollforward									
5	Hyperlink to Lead Sheet									
6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
368	283386	283	FIN 48 INTEREST	960,426	1,069,481	1,069,481	1,069,481	-		1,069,481
369	283387	283	FIN 48 INTEREST	207,108	228,591	228,591	228,591	-		228,591
370	283388	283	PVNGS #2 CARRYING COSTS	-	-	-	-	-		-
371	283389	283	PVNGS #2 CARRYING COSTS	-	-	-	-	-		-
372	283390	283	RENEWABLE ENERGY EXPENSES	-	-	-	-	-	-	-
373	283391	283	RENEWABLE ENERGY EXPENSES	-	-	-	-	-		-
374	283392	283	SO2 ALLOWANCE CREDITS	26,835	26,849	26,849	26,849	-		26,849
375	283393	283	SO2 ALLOWANCE CREDITS	5,825	5,828	5,828	5,828	-		5,828
376	283396	283	FUEL CLAUSE ADJUSTMENT	(817,565)	185,810	185,810	(907,983)	-		(907,983)
377	283397	283	FUEL CLAUSE ADJUSTMENT	(441,096)	(243,439)	(243,439)	(449,648)	-		(449,648)
378	283398	283	RATE RIDER 12	421,831	421,831	421,831	421,831	-		421,831
379	283399	283	RATE RIDER 12	91,553	91,553	91,553	91,553	-		91,553
380	283410	283	Renewable Rider	216,083	284,972	240,463	195,954	-		195,954
381	283411	283	Renewable Rider	50,115	63,687	55,296	46,905	-		46,905
382	283416	283	DEFERRED COAL COSTS	(229,943)	(137,592)	(45,991)	6,350	-	-	6,350
383	283417	283	DEFERRED COAL COSTS	(63,474)	(45,281)	(28,012)	(18,144)	-		(18,144)
384	283500	283	Zero Balance	-	-	-	-	-		-
385	283420	283	SCR DEFERRED EXPENSES	(1,803,685)	(334,907)	(334,907)	(334,907)	-		(334,907)
386	283421	283	SCR DEFERRED EXPENSES	(380,411)	(91,074)	(91,074)	(91,074)	-		(91,074)
387			TOU Reg asset/liab	-	-	-	-	-	-	-
388			TOU Reg asset/liab	-	-	-	-	-	-	-
389	283426	283	EPA BART ALTERNATIVE DEFERRED EXPENSES	(627,771)	345,484	345,484	345,484	-		345,484
390	283427	283	EPA BART ALTERNATIVE DEFERRED EXPENSES	(130,866)	60,857	60,857	60,857	-		60,857
391	283900	283	Zero Balance	-	-	-	-	-		-
392	283000	283	Zero Balance	-	-	-	-	-		-
393			DOE Spent Fuel Settlement PV3	-	-	-	-	-	982,200	982,200
394			DOE Spent Fuel Settlement PV3	-	-	-	-	-	193,500	193,500
395			50% SJGS 2&3	-	-	-	-	-	-	-
396			50% SJGS 2&3	-	-	-	-	-	-	-
397			PENSION AMPP	-	-	-	-	-	2,058,648	2,058,648
398			PENSION AMPP	-	-	-	-	-	450,615	450,615
399			Palo Verde Dry Cask Storage 3	-	-	-	-	-	1,276,317	1,276,317
400			Palo Verde Dry Cask Storage 3	-	-	-	-	-	277,724	277,724
401			SJGS Coal Agreement Transaction Costs						(957,212)	(957,212)
402			SJGS Coal Agreement Transaction Costs						(180,479)	(180,479)
403	Renew	282	Liberalized Depreciation - Renewables	(39,112,055)	(39,424,789)	(39,422,390)	(39,419,861)	-		(39,419,861)
404		282	Liberalized Depreciation - Renewables	(8,404,565)	(8,466,175)	(8,465,723)	(8,465,246)	-		(8,465,246)
405	CorpDepr	282	Liberalized Depreciation - Other	-	-	-	-	-		-
406		282	Liberalized Depreciation - Other	-	-	-	-	-		-
407	CorpNOL	190	Net Operating Loss (NOL)	-	-	-	-	-		-

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4	ADIT-4 ADIT Rollforward									
5	Hyperlink to Lead Sheet									
6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
408		190	Net Operating Loss (NOL)	-	-	-	-	-		-
409	Gen	282	Liberalized Depreciation - Generation	(333,473,999)	(359,767,105)	(368,359,485)	(376,840,944)	-		(376,840,944)
410		282	Liberalized Depreciation - Generation	(61,073,380)	(63,385,461)	(65,824,543)	(67,427,465)	-		(67,427,465)
411	NF12	282	Nuclear Fuel Amortization PV 1&2	5,304,391	5,304,391	5,304,391	5,304,391	-		5,304,391
412		282	Nuclear Fuel Amortization PV 1&2	1,055,791	1,055,791	1,055,791	1,055,791	-		1,055,791
413	NF3	282	Nuclear Fuel Amortization PV 3	2,652,196	2,652,196	2,652,196	2,652,196	-		2,652,196
414		282	Nuclear Fuel Amortization PV 3	527,895	527,895	527,895	527,895	-		527,895
415	Trans	282	Liberalized Depreciation - Transmission	(78,986,388)	(87,645,189)	(89,555,168)	(91,616,282)	-		(91,616,282)
416		282	Liberalized Depreciation - Transmission	(14,617,507)	(15,393,028)	(15,934,187)	(16,324,211)	-		(16,324,211)
417	Dist	282	Liberalized Depreciation - Distribution	(166,461,712)	(181,872,983)	(184,749,427)	(187,853,484)	-		(187,853,484)
418		282	Liberalized Depreciation - Distribution	(30,945,404)	(32,325,707)	(33,140,698)	(33,728,076)	-		(33,728,076)
419	RenewNOL	190	Renewable NOL Allocation	31,112,488	30,712,639	-	-	-		-
420		190	Renewable NOL Allocation	6,696,785	6,618,012	-	-	-		-
421		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
422		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
423		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
424		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
425		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
426		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
427		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
428		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
429		282	Liberalized Depreciation - SJ4 132 mW	-	-	-	-	-		-
430		282	Liberalized Depreciation - SJ4 132 mW	-	-	-	-	-		-
431		282	Liberalized Depreciation - SJ4 132 mW	-	-	-	-	-		-
432		282	Liberalized Depreciation - SJ4 132 mW	-	-	-	-	-		-
433		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
434		282	Liberalized Depreciation - Generation	-	-	-	-	-		-
435		282	Liberalized Depreciation - SJ4 65 mW	-	-	-	-	-		-
436		282	Liberalized Depreciation - SJ4 65 mW	-	-	-	-	-		-
437		282	Liberalized Depreciation - Other	-	-	-	-	-		-
438		282	Liberalized Depreciation - Other	-	-	-	-	-		-
439		282	Liberalized Depreciation - HLM	-	-	-	-	-		-
440		282	Liberalized Depreciation - HLM	-	-	-	-	-		-
441										
442				(707,844,891)	(636,668,698)	(646,080,394)	(655,950,753)	82,580,483	(30,662,869)	(604,033,139)
443			G/L ADIT balances by FERC Account							
444			190000	241,576,714	387,515,935	392,612,944	398,278,464			
445			190058	-	-	-	-			
446			190161	15,392,870	15,392,870	15,392,870	15,392,870			
447			190162	(67,497,937)	(67,497,937)	(67,497,937)	(67,497,937)			

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5	Hyperlink to Lead Sheet									
6				09/30/15	12/31/15	03/31/16	06/30/16	Reverse		
7	Doc Ref	acct	Description	Adj. Bal 15Q3	Adj. Bal 15Q4	Adj. Bal 16Q1	Adj. Bal 16Q2	Book MDCs	Base MDCs	Unadj Base
448			190200	-	-	-	-			
449			190900	12,417,861	-	-	-			
450			281000	(4,735,816)	(4,269,799)	(4,269,799)	(4,269,799)			
451			282000	(808,035,798)	(882,344,022)	(899,187,633)	(914,357,742)			
452			282050	-	-	-	-			
453			283000	(120,544,066)	(119,048,814)	(119,371,507)	(119,587,986)			
454			283050	-	-	-	-			
455			283158	(5,085,304)	(5,427,873)	(3,978,202)	(3,422,008)			
456			283159	(1,082,359)	(1,310,158)	(977,522)	(872,654)			
457			283162	37,382,705	38,622,103	38,187,434	37,683,134			
458			283163	2,741,316	2,286,068	3,596,031	3,289,977			
459			283900				-			
460										
461			Total G/L ADIT balance	(697,469,813)	(636,081,625)	(645,493,321)	(655,363,680)			
462			Difference	(10,375,078)	(587,073)	(587,073)	(587,073)			
463			Reconciling Items							
464			Corp alloc of depr ADIT	-	-	-	-			
465			Corp alloc of NOL ADIT	-	-	-	-			
466			Fin 48 reclasses	(10,375,087)	(587,082)	(587,082)	(587,082)			
467			Total Reconciling Items	(10,375,087)	(587,082)	(587,082)	(587,082)			
468			ULD	9	9	9	9			
469										
470			NON-UTILITY	(2,344,233)	(2,959,755)	(1,239,667)	(578,604)	-	-	(578,604)
471			Underlying acct not in rate base	77,264,982	158,434,682	150,826,966	150,185,135	-	-	150,185,135
472			Zero adjusted balance	-	-	-	-	-	-	-
473			Renewable Rider	(8,107,724)	(9,036,740)	(46,364,539)	(46,361,533)	(1,523,574)	1,485,765	(46,399,343)
474			Included in base period rate base at MDC value	(90,703,255)	(85,529,874)	(84,733,559)	(84,104,057)	84,104,057	(32,148,634)	(32,148,634)
475			Included in base period rate base at book value	(683,954,660)	(697,577,010)	(664,569,595)	(675,091,693)	-	-	(675,091,693)
476										
477			Total	(707,844,891)	(636,668,698)	(646,080,394)	(655,950,753)	82,580,483	(30,662,869)	(604,033,139)
478			ULD	-	-	-	-	-	-	-
479										

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5	Hyperlink to Lead Sheet									
6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
8	190000	190	MISC NON OPERATING		12,880,846					
9	1900003	190	Zero Balance		-					
10	1900004	190	Zero Balance		-					
11	1900001	190	TRI STATE RIGHT OF WAY		108,238					
12	1900002	190	TRI STATE RIGHT OF WAY		(116,156)					
13	1900004	190	ALVARADO SQUARE		383,930					
14	1900005	190	ALVARADO SQUARE		83,323					
15	1900009	190	WAGES		291,936					
16	1900010	190	WAGES		64,358					
17	190015	190	Pension Qualified	-	(57,864,789)	(57,127,302)	(56,364,979)	(55,602,655)	(55,470,595)	(55,338,534)
18	190016	190	Pension Qualified	-	(12,381,452)	(12,242,401)	(12,107,288)	(11,972,176)	(11,949,919)	(11,927,663)
19	190019	190	Deferred Federal Tax Credits		105,491	105,491	105,491	105,491	105,491	105,491
20	190023	190	ACCRUED VACATION		2,019,813					
21	190024	190	ACCRUED VACATION		439,324					
22	190027	190	Zero Balance		-					
23	190028	190	Zero Balance		-					
24	190035	190	Eastern Interconnect Project Gain		-	-	-	-	-	-
25	190036	190	Eastern Interconnect Project Gain		-	-	-	-	-	-
26	190039	190	Palo Verde Prudence Audit 1 & 2	-	55,213					
27	190040	190	Palo Verde Prudence Audit 1 & 2		(154,716)					
28	190046	190	Contributions In Aid of Construction		27,609,400	27,609,400	27,609,400	27,609,400	27,609,400	27,609,400
29	190047	190	Contributions In Aid of Construction		5,964,973	5,964,973	5,964,973	5,964,973	5,964,973	5,964,973
30	190048	190	TAX CAPITALIZED INTEREST		19,772,170	19,772,170	19,772,170	19,772,170	19,772,170	19,772,170
31	190049	190	TAX CAPITALIZED INTEREST		3,175,291	3,175,291	3,175,291	3,175,291	3,175,291	3,175,291
32	190050	190	GAS PLANT DECOMM S FE		145					
33	190051	190	GAS PLANT DECOMM S FE		(2,622)					
34	190052	190	ASSET RETIREMENT OBLIGATION	(32,297,554)	5,421,653	5,178,395	5,333,687	5,296,689	5,323,042	5,349,536
35	190053	190	ASSET RETIREMENT OBLIGATION	(6,905,371)	1,162,273	1,116,407	1,143,931	1,137,373	1,141,815	1,146,280
36	190054	190	Liberalized Depreciation - Other		(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)
37	190055	190	Liberalized Depreciation - Other		2,222,086	2,222,086	2,222,086	2,222,086	2,222,086	2,222,086
38	190056	190	Palo Verde Construction Credits 1 & 2	-	57,464	45,797	34,087	22,377	20,426	18,474
39	190057	190	Palo Verde Construction Credits 1 & 2	-	13,468	11,269	9,193	7,118	6,772	6,426
40	190084	190	GENERAL RESERVE		850,521					
41	190085	190	GENERAL RESERVE		183,747					
42	190086	190	PCB REFINANCING	-	(4,938,299)	(4,799,683)	(4,660,560)	(4,521,438)	(4,498,251)	(4,475,064)
43	190087	190	PCB REFINANCING	-	(1,083,606)	(1,057,470)	(1,032,812)	(1,008,155)	(1,004,045)	(999,935)
44	190088	190	COMPENSATION EXPENSE		(3,497,102)					
45	190089	190	COMPENSATION EXPENSE		(728,008)					
46	190115	190	OTHER LEGAL ACCRUALS		439,340					
47	190116	190	OTHER LEGAL ACCRUALS		95,354					

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6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
48	190128	190	NINE MILE TAP		(245)					
49	190129	190	NINE MILE TAP		697					
50	190140	190	PVNGS DECOMM NON UTILITY		484,816					
51	190141	190	PVNGS DECOMM NON UTILITY		108,318					
52	190142	190	Palo Verde Gain 1 & 2	-	129,822	123,285	116,725	110,164	109,068	107,971
53	190143	190	Palo Verde Gain 1 & 2	-	29,934	28,702	27,539	26,376	26,191	26,007
54	190146	190	Deferred Federal Tax Credits		9,106,245	9,106,245	9,106,245	9,106,245	9,106,245	9,106,245
55	190147	190	MISC NON OPERATING		-					
56	190148	190	MISC NON OPERATING		(1)					
57	190151	190	OTHER POST EMPLOYMENT BENEFITS		(4,511,366)					
58	190152	190	OTHER POST EMPLOYMENT BENEFITS		(912,486)					
59	190161	190	PENSION VALUATION ALLOWANCE		67,196,635					
60	190162	190	PENSION VALUATION ALLOWANCE		(63,293,556)					
61	190163	190	REGULATORY RESERVE		(4,879)					
62	190164	190	REGULATORY RESERVE		(1,059)					
63	190165	190	ENVIRONMENTAL LIABILITY		4,619					
64	190166	190	ENVIRONMENTAL LIABILITY		1,003					
65	190169	190	FAS 109		40,133,586					
66	190170	190	FAS 109		28,148,336					
67	190175	190	WORKERS COMP		720,465					
68	190176	190	WORKERS COMP		164,046					
69	190177	190	SELF INSURANCE		298,249					
70	190178	190	SELF INSURANCE		63,489					
71	190187	190	ASSET RETIREMENT OBLIGATION		-					
72	190188	190	ASSET RETIREMENT OBLIGATION		-					
73	190191	190	SELF INSURANCE		8,837					
74	190192	190	SELF INSURANCE		1,912					
75	190193	190	Zero Balance		-					
76	190194	190	Zero Balance		-					
77	190195	190	Zero Balance		1					
78	190196	190	Zero Balance		(1)					
79	190201	190	Palo Verde Dry Cask Storage 1 & 2	(2,579,163)	-	-	-	-	-	-
80	190202	190	Palo Verde Dry Cask Storage 1 & 2	(561,936)	-	-	-	-	-	-
81	190205	190	LINE EXTENSION POLICY		786,444	786,444	786,444	786,444	786,444	786,444
82	190206	190	LINE EXTENSION POLICY		170,687	170,687	170,687	170,687	170,687	170,687
83	190209	190	MISC NON OPERATING		1					
84	190210	190	MISC NON OPERATING		-					
85	190215	190	OTHER LEGAL ACCRUALS		(825,995)					
86	190216	190	OTHER LEGAL ACCRUALS		(181,950)					
87	190217	190	HI VOLTAGE RESERVE		2,042,548					

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6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
88	190218	190	HI VOLTAGE RESERVE		443,309					
89	190219	190	STATE AND LOCAL TAX RESERVE		-					
90	190220	190	STATE AND LOCAL TAX RESERVE		-					
91	190223	190	Zero Balance		(1,040,789)					
92	190224	190	Zero Balance		(225,890)					
93	190225	190	Zero Balance		7,060					
94	190226	190	Zero Balance		(7,060)					
95	190229	190	Coal Mine Decommissioning	5,509,243	(2,445,274)	(2,148,445)	(1,850,532)	(1,552,618)	(1,502,966)	(1,453,313)
96	190230	190	Coal Mine Decommissioning	1,235,682	(548,457)	(492,491)	(439,689)	(386,887)	(378,087)	(369,287)
97	190233	190	Zero Balance		1,040,789					
98	190234	190	Zero Balance		225,890					
99	190235	190	Coal Mine Decommissioning		-					
100	190236	190	Coal Mine Decommissioning		-					
101	190252	190	BAD DEBT ALLOWANCE		(140,500)					
102	190253	190	BAD DEBT ALLOWANCE		(30,158)					
103	190284	190	Contributions In Aid of Construction		1,102,350	1,102,350	1,102,350	1,102,350	1,102,350	1,102,350
104	190285	190	Contributions In Aid of Construction		239,251	239,251	239,251	239,251	239,251	239,251
105	190287	190	BIOMASS		76,304					
106	190288	190	BIOMASS		16,561					
107	190291	190	PREPAID RENT REVENUE		24,784					
108	190292	190	PREPAID RENT REVENUE		5,058					
109	190293	190	REVENUE SUBJECT TO REFUND		392,635					
110	190294	190	REVENUE SUBJECT TO REFUND		82,716					
111	190310	190	Net Operating Loss (NOL)		130,213,896	101,922,062	89,760,679	62,901,233	59,393,766	59,916,458
112	190311	190	Net Operating Loss (NOL)		35,653,398	30,319,056	28,121,480	23,360,959	22,769,837	22,857,928
113	190312	190	Zero Balance		-					
114	190313	190	Zero Balance		-					
115	190343	190	MISC NON OPERATING		(13)					
116	190344	190	MISC NON OPERATING		(2)					
117	190345	190	SIGS GROUNDWATER RESERVE		98,432					
118	190346	190	SIGS GROUNDWATER RESERVE		20,894					
119	190347	190	Zero Balance		-					
120	190348	190	Zero Balance		-					
121	190349	190	MISC NON OPERATING		21					
122	190350	190	MISC NON OPERATING		4					
123	190358	190	INJURY & DAMAGES	503,666	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971
124	190359	190	INJURY & DAMAGES	118,089	520,728	520,728	520,728	520,728	520,728	520,728
125	190360	190	INJURY & DAMAGES		-					
126	190361	190	INJURY & DAMAGES		-					
127	190362	190	INJURY & DAMAGES		-					

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6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
128	190363	190	INJURY & DAMAGES		-					
129	190364	190	INJURY & DAMAGES		-					
130	190365	190	INJURY & DAMAGES		-					
131	190366	190	ROW RESERVE		238,922					
132	190367	190	ROW RESERVE		51,854					
133	190369	190	FEDERAL TAX CORRECTION		40,597					
134	190370	190	FEDERAL TAX CORRECTION		(100,534)					
135	190381	190	ROW RESERVE		(121,194)					
136	190382	190	ROW RESERVE		(29,151)					
137	190383	190	Zero Balance		-					
138	190384	190	Zero Balance		-					
139	190385	190	Palo Verde Construction Credits 1 & 2		-					
140	190386	190	Palo Verde Construction Credits 1 & 2		-					
141	190389	190	PROPERTY TAX RESERVE		(62,068)					
142	190390	190	PROPERTY TAX RESERVE		(11,180)					
143	190395	190	MISC NON OPERATING		1					
144	190396	190	MISC NON OPERATING		-					
145	190399	190	SIGS AUDIT RESERVES		12,378					
146	190400	190	SIGS AUDIT RESERVES		2,686					
147	190401	190	RATE RIDER		(262,979)					
148	190402	190	RATE RIDER		(57,960)					
149	190403	190	RENEWABLE CREDITS		49,496,441					
150	190404	190	INCENTIVE PAY PLANS		2,286,668					
151	190405	190	INCENTIVE PAY PLANS		494,898					
152	190406	190	ENERGY EFFICIENCY		1,175,767					
153	190407	190	ENERGY EFFICIENCY		255,185					
154	190413	190	NM SOLAR ENERGY CENTER		34,204					
155	190414	190	NM SOLAR ENERGY CENTER		8,107					
156	190415	190	DOE SPENT FUEL SETTLEMENT	-	2,194,210	1,918,691	1,365,639	812,586	720,411	628,236
157	190416	190	DOE SPENT FUEL SETTLEMENT	-	444,431	392,483	294,461	196,439	180,102	163,765
158	190419	190	SIERRA CLUB		-					
159	190420	190	SIERRA CLUB		-					
160	190421	190	LVGS Decommissioning	-	424,144	381,847	271,406	160,965	156,363	151,761
161	190422	190	LVGS Decommissioning	-	90,129	82,155	62,580	43,006	42,190	41,375
162	190423	190	EXTENDED LEAVE		37,626					
163	190424	190	EXTENDED LEAVE		7,968					
164	190425	190	Coal Mine Decommissioning		-					
165	190426	190	Coal Mine Decommissioning		-					
166	190429	190	EFFECT OF NM TAX RATE		406,382					
167	190430	190	EFFECT OF NM TAX RATE		68,504					

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7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
168	190431	190	Renewable NM AETC	-	1,218,575	1,186,723	1,154,755	1,122,787	1,117,459	1,112,131
169	190432	190	Renewable NM AETC	-	267,190	261,184	255,518	249,852	248,908	247,963
170	190433	190	NAVAJO WORKFORCE TRAINING		129,540					
171	190434	190	NAVAJO WORKFORCE TRAINING		29,986					
172	190435	190	SJGS AUDIT RESERVES		(1,025)					
173	190436	190	SJGS AUDIT RESERVES		2,928					
174	190437	190	SJ RECLAMATION TRUST		231,698					
175	190438	190	SJ RECLAMATION TRUST		47,667					
176	190441	190	Net Operating Loss (NOL)		133,398	133,398	133,398	133,398	133,398	133,398
177	190442	190	Net Operating Loss (NOL)		(381,138)	(381,138)	(381,138)	(381,138)	(381,138)	(381,138)
178	190443	190	FOUR CORNERS SURTAX SETTLEMENT		30,266					
179	190444	190	FOUR CORNERS SURTAX SETTLEMENT		7,724					
180	190445	190	DOE SPENT FUEL SETTLEMENT		-					
181	190446	190	DOE SPENT FUEL SETTLEMENT		-					
182	190447	190	DOE SPENT FUEL SETTLEMENT		-					
183	190448	190	DOE SPENT FUEL SETTLEMENT		-					
184	190451	190	SAN JUAN UNITS 2 & 3 WRITEDOWN		(101)					
185	190452	190	SAN JUAN UNITS 2 & 3 WRITEDOWN		287					
186	190453	190	SAN JUAN UNITS 2 & 3 WRITEDOWN		3,844,865					
187	190454	190	SAN JUAN UNITS 2 & 3 WRITEDOWN		757,406					
188	190455	190	SAN JUAN UNITS 2 & 3 WRITEDOWN		41,790,757					
189	190456	190	SAN JUAN UNITS 2 & 3 WRITEDOWN		8,232,431					
190	190900	190	MISC NON OPERATING		(12,417,861)					
191	281000	281	Pollution Control Facilities 4 Corners		(420,000)	(513,952)	(569,231)	(624,510)	(632,991)	(640,764)
192	281001	281	Pollution Control Facilities 4 Corners		(65,697)	(83,411)	(93,209)	(103,006)	(104,436)	(105,746)
193	281003	281	FAS 109		(3,147,092)					
194	281004	281	FAS 109		(637,010)					
195	282000	282	LIBERALIZED DEPRECIATION NONOP		3,305,007					
196	282001	282	LIBERALIZED DEPRECIATION NONOP		779,315					
197	282003	282	Liberalized Depreciation - Other		289,140,431	289,310,813	290,497,240	291,053,534	291,242,724	291,414,734
198	282004	282	Liberalized Depreciation - Other		41,429,586	41,461,711	41,671,991	41,770,588	41,802,473	41,831,462
199	282005	282	FERC Customer Depreciation		966,978	977,725	981,358	984,992	985,549	986,060
200	282006	282	FERC Customer Depreciation		289,432	291,458	292,102	292,746	292,840	292,926
201	282007	282	Palo Verde Start-Up Amortization		263,465	263,465	263,465	263,465	263,465	263,465
202	282008	282	Palo Verde Start-Up Amortization		(13,439)	(13,439)	(13,439)	(13,439)	(13,439)	(13,439)
203	282009	282	Nuclear Fuel Amortization PV 1&2		674,011	674,011	674,011	674,011	674,011	674,011
204	282010	282	Nuclear Fuel Amortization PV 1&2		132,775	132,775	132,775	132,775	132,775	132,775
205	282011	282	Liberalized Depreciation - PV 3		(68,636,628)	(70,007,468)	(69,690,180)	(70,018,225)	(69,961,850)	(69,906,574)
206	282012	282	Liberalized Depreciation - PV 3		(10,270,525)	(10,528,993)	(10,472,757)	(10,530,899)	(10,521,398)	(10,512,083)
207	282013	282	Liberalized Depreciation - Other		(12,797,066)	(12,797,066)	(12,797,066)	(12,797,066)	(12,797,066)	(12,797,066)

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208	282014	282	Liberalized Depreciation - Other		(1,524,357)	(1,524,357)	(1,524,357)	(1,524,357)	(1,524,357)	(1,524,357)
209	282015	282	Liberalized Depreciation - Other		(2,764,504)	(2,634,488)	(2,545,654)	(2,456,819)	(2,445,162)	(2,434,479)
210	282016	282	Liberalized Depreciation - Other		(538,355)	(538,355)	(538,355)	(538,355)	(538,355)	(538,355)
211	282017	282	Debt AFUDC		(19,395,860)	(20,036,437)	(21,258,859)	(22,481,281)	(22,646,017)	(22,808,485)
212	282018	282	Debt AFUDC		(4,147,322)	(4,268,101)	(4,484,761)	(4,701,421)	(4,729,184)	(4,756,565)
213	282019	282	Palo Verde Licensing Amortization		(3,746,478)	(3,763,924)	(3,772,680)	(3,781,436)	(3,782,899)	(3,784,363)
214	282020	282	Palo Verde Licensing Amortization		(813,376)	(816,665)	(818,217)	(819,768)	(820,015)	(820,262)
215	282021	282	ASSET RETIREMENT OBLIGATION		-					
216	282022	282	ASSET RETIREMENT OBLIGATION		-					
217	282025	282	Pre-1981 Repair Allowance		(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)
218	282026	282	Pre-1981 Repair Allowance		(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)
219	282031	282	Liberalized Depreciation - Other		1,649,081	1,649,081	1,649,081	1,649,081	1,649,081	1,649,081
220	282032	282	Liberalized Depreciation - Other		357,914	357,914	357,914	357,914	357,914	357,914
221	282033	282	FAS 109		(40,959,462)					
222	282034	282	FAS 109		1,306,347					
223	282050	282	Liberalized Depreciation - Other		(35,303)	(35,303)	(35,303)	(35,303)	(35,303)	(35,303)
224	282051	282	Liberalized Depreciation - Other		(7,662)	(7,662)	(7,662)	(7,662)	(7,662)	(7,662)
225	282052	282	ASSET RETIREMENT OBLIGATION		-					
226	282053	282	ASSET RETIREMENT OBLIGATION		-					
227	282185	282	Liberalized Depreciation - Other		10,205,751	9,726,144	9,321,866	8,917,587	8,851,248	8,790,453
228	282186	282	Liberalized Depreciation - Other		75,408	(15,021)	(86,674)	(158,328)	(169,508)	(179,754)
229	282187	282	Liberalized Depreciation - Other		(41,612)	(41,612)	(41,612)	(41,612)	(41,612)	(41,612)
230	282188	282	Liberalized Depreciation - Other		(9,031)	(9,031)	(9,031)	(9,031)	(9,031)	(9,031)
231	282189	282	Liberalized Depreciation - Other		(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)
232	282190	282	Liberalized Depreciation - Other		(217,148)	(217,148)	(217,148)	(217,148)	(217,148)	(217,148)
233	282191	282	Liberalized Depreciation - Other		(274,173)	(274,173)	(274,173)	(274,173)	(274,173)	(274,173)
234	282192	282	Liberalized Depreciation - Other		(59,505)	(59,505)	(59,505)	(59,505)	(59,505)	(59,505)
235	282193	282	Liberalized Depreciation - Other		(266,068)	(266,068)	(266,068)	(266,068)	(266,068)	(266,068)
236	282194	282	Liberalized Depreciation - Other		(57,746)	(57,746)	(57,746)	(57,746)	(57,746)	(57,746)
237	282195	282	Liberalized Depreciation - Other		(626,170)	(626,170)	(626,170)	(626,170)	(626,170)	(626,170)
238	282196	282	Liberalized Depreciation - Other		(127,479)	(127,479)	(127,479)	(127,479)	(127,479)	(127,479)
239	282197	282	Liberalized Depreciation - Other		47,684	47,684	47,684	47,684	47,684	47,684
240	282198	282	Liberalized Depreciation - Other		10,349	10,349	10,349	10,349	10,349	10,349
241	282201	282	Liberalized Depreciation - Other		-	-	-	-	-	-
242	282202	282	Liberalized Depreciation - Other		-	-	-	-	-	-
243	282203	282	ASSET RETIREMENT OBLIGATION		-					
244	282204	282	ASSET RETIREMENT OBLIGATION		-					
245	282243	282	Liberalized Depreciation - Other		6,506,452	6,506,452	6,506,452	6,506,452	6,506,452	6,506,452
246	282244	282	Liberalized Depreciation - Other		1,425,011	1,425,011	1,425,011	1,425,011	1,425,011	1,425,011
247	282267	282	AFTON WRITEDOWN		3,191,574	3,191,574	3,191,574	3,191,574	3,191,574	3,191,574

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248	282268	282	AFTON WRITEDOWN		692,690	692,690	692,690	692,690	692,690	692,690
249	282304	282	Nuclear Fuel Amortization PV 1&2		-	-	-	-	-	-
250	282305	282	Nuclear Fuel Amortization PV 1&2		-	-	-	-	-	-
251	282306	282	Liberalized Depreciation - Other		(12,408,939)	(12,408,939)	(12,408,939)	(12,408,939)	(12,408,939)	(12,408,939)
252	282307	282	Liberalized Depreciation - Other		(2,642,319)	(2,642,319)	(2,642,319)	(2,642,319)	(2,642,319)	(2,642,319)
253	282308	282	Liberalized Depreciation - Other		(36,858,261)	(36,858,261)	(36,858,261)	(36,858,261)	(36,858,261)	(36,858,261)
254	282309	282	Liberalized Depreciation - Other		(7,868,503)	(7,868,503)	(7,868,503)	(7,868,503)	(7,868,503)	(7,868,503)
255	282310	282	Liberalized Depreciation - Other		(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)
256	282311	282	Liberalized Depreciation - Other		(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)
257	282312	282	Liberalized Depreciation - Other		(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)
258	282313	282	Liberalized Depreciation - Other		(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)
259	282314	282	Liberalized Depreciation - Other		(6,520,280)	(6,520,280)	(6,520,280)	(6,520,280)	(6,520,280)	(6,520,280)
260	282315	282	Liberalized Depreciation - Other		(1,424,905)	(1,424,905)	(1,424,905)	(1,424,905)	(1,424,905)	(1,424,905)
261	282318	282	Liberalized Depreciation - Other		4,274,976	4,274,976	4,274,976	4,274,976	4,274,976	4,274,976
262	282319	282	Liberalized Depreciation - Other		927,827	927,827	927,827	927,827	927,827	927,827
263	282320	282	Liberalized Depreciation - Other		(152,635,414)	(156,522,558)	(160,773,939)	(165,025,319)	(165,724,987)	(166,366,175)
264	282321	282	Liberalized Depreciation - Other		(32,500,070)	(33,232,980)	(33,986,487)	(34,739,994)	(34,857,911)	(34,965,972)
265	282322	282	ALVARADO SQUARE ABANDONMENT	-	(1,294,338)	-				
266	282323	282	ALVARADO SQUARE ABANDONMENT		(280,920)					
267	282386	282	Liberalized Depreciation - Other		(392,208)	(392,208)	(392,208)	(392,208)	(392,208)	(392,208)
268	282387	282	Liberalized Depreciation - Other		(73,944)	(73,944)	(73,944)	(73,944)	(73,944)	(73,944)
269	282500	282	Zero Balance		-					
270	283001	283	BONUS ACCRUAL		(575,272)					
271	283002	283	BONUS ACCRUAL		(124,855)					
272	283004	283	Zero Balance		-					
273	283005	283	Zero Balance		-					
274	283008	283	Liberalized Depreciation - Other		(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)
275	283009	283	Liberalized Depreciation - Other		(758,667)	(758,667)	(758,667)	(758,667)	(758,667)	(758,667)
276	283010	283	LOSS ON REACQUIRED DEBT	-	(2,540,915)	(3,135,279)	(3,000,027)	(2,864,776)	(2,842,166)	(2,819,555)
277	283013	283	LOSS ON REACQUIRED DEBT	-	(557,033)	(669,098)	(645,127)	(621,155)	(617,344)	(613,534)
278	283019	283	GAIN REACQUIRED DEBT		(174,832)					
279	283020	283	GAIN REACQUIRED DEBT		(37,942)					
280	283023	283	Pension Qualified		-					
281	283024	283	Pension Qualified		-					
282	283034	283	RATE CASE EXPENSE		-					
283	283035	283	RATE CASE EXPENSE		-					
284	283144	283	FAS 109		(19,069,682)					
285	283145	283	FAS 109		(2,128,945)					
286	283154	283	ASSET RETIREMENT OBLIGATION		-					
287	283155	283	ASSET RETIREMENT OBLIGATION		-					

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288	283156	283	COMPENSATION EXPENSE		(6,080)					
289	283157	283	COMPENSATION EXPENSE		(1,320)					
290	283158	283	PVNGS DECOMM NON UTILITY		(4,917,085)					
291	283159	283	PVNGS DECOMM NON UTILITY		(1,197,069)					
292	283160	283	FAS 115		(1,163,510)					
293	283161	283	FAS 115		231,489					
294	283162	283	MARK TO MARKET		37,683,134					
295	283163	283	MARK TO MARKET		3,289,974					
296	283164	283	Zero Balance		(1,171,094)					
297	283165	283	Zero Balance		(254,171)					
298	283166	283	Zero Balance		-					
299	283167	283	Zero Balance		-					
300	283168	283	UNREALIZED GAIN ON ENERGY TRADING		1,311,525					
301	283169	283	UNREALIZED GAIN ON ENERGY TRADING		220,470					
302	283170	283	Zero Balance		-					
303	283171	283	Zero Balance		-					
304	283174	283	HEDGE LOSS		395,030					
305	283175	283	HEDGE LOSS		62,030					
306	283180	283	ACCRUED ILLNESS		226,691					
307	283181	283	ACCRUED ILLNESS		49,646					
308	283182	283	BOOK CAPITALIZED INTEREST		(6,377,674)	(6,553,745)	(6,679,374)	(6,805,003)	(6,808,165)	(6,811,193)
309	283183	283	BOOK CAPITALIZED INTEREST		(1,376,280)	(1,409,478)	(1,431,744)	(1,454,010)	(1,454,543)	(1,455,053)
310	283185	283	Liberalized Depreciation - Other		(74,679)	(74,679)	(74,679)	(74,679)	(74,679)	(74,679)
311	283186	283	Liberalized Depreciation - Other		(16,208)	(16,208)	(16,208)	(16,208)	(16,208)	(16,208)
312	283187	283	ASSET RETIREMENT OBLIGATION		-					
313	283188	283	ASSET RETIREMENT OBLIGATION		-					
314	283189	283	Zero Balance		-					
315	283190	283	Zero Balance		-					
316	283191	283	Coal Mine Decommissioning		-					
317	283192	283	Coal Mine Decommissioning		-					
318	283193	283	PREPAID EXPENSES		(3,086,946)	(3,086,946)	(3,086,946)	(3,086,946)	(3,086,946)	(3,086,946)
319	283194	283	PREPAID EXPENSES		(670,041)	(670,041)	(670,041)	(670,041)	(670,041)	(670,041)
320	283201	283	PCB REFINANCING		-					
321	283202	283	PCB REFINANCING		-					
322	283203	283	SUN REFINANCING		1,450,946					
323	283204	283	SUN REFINANCING		328,416					
324	283205	283	Zero Balance		1,171,094					
325	283206	283	Zero Balance		254,171					
326	283207	283	DEBT ISSUANCE COST		176					
327	283208	283	DEBT ISSUANCE COST		(492)					

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6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
328	283210	283	LOSS ON REACQUIRED DEBT		-					
329	283213	283	LOSS ON REACQUIRED DEBT		-					
330	283215	283	SUN REFINANCING		(1,704,127)					
331	283216	283	SUN REFINANCING		(369,858)					
332	283217	283	SUN REFINANCING		86,330					
333	283218	283	SUN REFINANCING		10,910					
334	283223	283	STATE AND LOCAL TAX RESERVE		48,312					
335	283224	283	STATE AND LOCAL TAX RESERVE		10,485					
336	283225	283	Zero Balance		-					
337	283226	283	Zero Balance		-					
338	283231	283	PCB REFINANCING		-					
339	283232	283	PCB REFINANCING		-					
340	283233	283	PCB REFINANCING		-					
341	283234	283	PCB REFINANCING		-					
342	283235	283	SUN REFINANCING		(1,369,413)					
343	283236	283	SUN REFINANCING		(297,213)					
344	283240	283	SO2 ALLOWANCE CREDITS		1					
345	283241	283	SO2 ALLOWANCE CREDITS		-					
346	283275	283	BAD DEBT ALLOWANCE		10,084					
347	283276	283	BAD DEBT ALLOWANCE		2,189					
348	283296	283	PV INCENTIVE PROGRAM		(345,757)					
349	283297	283	PV INCENTIVE PROGRAM		(83,747)					
350	283298	283	BIOMASS		(76,295)					
351	283299	283	BIOMASS		(16,559)					
352	283300	283	RENEWABLE ENERGY CERTIFICATES		83,723					
353	283301	283	RENEWABLE ENERGY CERTIFICATES		(23,234)					
354	283317	283	RATE CASE EXPENSE		-					
355	283318	283	RATE CASE EXPENSE		-					
356	283325	283	Zero Balance		-					
357	283326	283	Zero Balance		-					
358	283361	283	BONUS ACCRUAL		3,061,076					
359	283362	283	BONUS ACCRUAL		664,357					
360	283363	283	BONUS ACCRUAL		(3,061,077)					
361	283364	283	BONUS ACCRUAL		(664,362)					
362	283367	283	FIN 48 INTEREST		(2,197,755)					
363	283368	283	FIN 48 INTEREST		(476,995)					
364	283369	283	RATE CASE EXPENSE	78,136	(1,242,165)	(1,086,632)	(774,429)	(1,341,811)	(1,304,290)	(1,266,770)
365	283370	283	RATE CASE EXPENSE	15,174	(241,220)	(211,894)	(156,560)	(257,122)	(250,685)	(244,248)
366	283382	283	Zero Balance		-					
367	283383	283	Zero Balance		-					

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6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
368	283386	283	FIN 48 INTEREST		1,069,481					
369	283387	283	FIN 48 INTEREST		228,591					
370	283388	283	PVNGS #2 CARRYING COSTS		-					
371	283389	283	PVNGS #2 CARRYING COSTS		-					
372	283390	283	RENEWABLE ENERGY EXPENSES		-					
373	283391	283	RENEWABLE ENERGY EXPENSES		-					
374	283392	283	SO2 ALLOWANCE CREDITS		26,849					
375	283393	283	SO2 ALLOWANCE CREDITS		5,828					
376	283396	283	FUEL CLAUSE ADJUSTMENT		(907,983)					
377	283397	283	FUEL CLAUSE ADJUSTMENT		(449,648)					
378	283398	283	RATE RIDER 12		421,831					
379	283399	283	RATE RIDER 12		91,553					
380	283410	283	Renewable Rider		195,954					
381	283411	283	Renewable Rider		46,905					
382	283416	283	DEFERRED COAL COSTS		6,350					
383	283417	283	DEFERRED COAL COSTS		(18,144)					
384	283500	283	Zero Balance		-					
385	283420	283	SCR DEFERRED EXPENSES		(334,907)					
386	283421	283	SCR DEFERRED EXPENSES		(91,074)					
387			TOU Reg asset/liab	-	-					
388			TOU Reg asset/liab	-	-					
389	283426	283	EPA BART ALTERNATIVE DEFERRED EXPENSES		345,484					
390	283427	283	EPA BART ALTERNATIVE DEFERRED EXPENSES		60,857					
391	283900	283	Zero Balance		-					
392	283000	283	Zero Balance		-					
393			DOE Spent Fuel Settlement PV3	-	982,200	982,200	982,200	982,200	941,013	899,825
394			DOE Spent Fuel Settlement PV3	-	193,500	193,500	193,500	193,500	186,200	178,900
395			50% SJGS 2&3	-	-	-	-	(42,249,874)	(42,073,832)	(41,897,791)
396			50% SJGS 2&3	-	-	-	-	(7,488,293)	(7,457,092)	(7,425,891)
397			PENSION AMPP	-	2,058,648	2,015,863	1,975,360	1,934,858	1,927,742	1,920,627
398			PENSION AMPP	-	450,615	442,548	435,369	428,191	426,991	425,792
399			Palo Verde Dry Cask Storage 3	(1,276,317)	-	-	-	-	-	-
400			Palo Verde Dry Cask Storage 3	(277,724)	-	-	-	-	-	-
401			SJGS Coal Agreement Transaction Costs	55,215	(901,997)	(901,996)	(901,996)	(901,996)	(885,181)	(868,365)
402			SJGS Coal Agreement Transaction Costs	10,411	(170,069)	(170,069)	(170,069)	(170,069)	(167,235)	(164,401)
403	Renew	282	Liberalized Depreciation - Renewables		(39,419,861)	(39,324,640)	(39,037,535)	(38,750,431)	(38,407,042)	(38,092,355)
404		282	Liberalized Depreciation - Renewables		(8,465,246)	(8,447,293)	(8,396,407)	(8,345,521)	(8,287,649)	(8,234,614)
405	CorpDepr	282	Liberalized Depreciation - Other	(8,863,494)	(8,863,494)	(9,663,769)	(9,912,544)	(12,475,791)	(12,114,297)	(11,782,984)
406		282	Liberalized Depreciation - Other	(1,881,458)	(1,881,458)	(2,032,347)	(2,076,440)	(2,530,745)	(2,469,822)	(2,413,985)
407	CorpNOL	190	Net Operating Loss (NOL)	869,599	869,599	948,114	972,521	1,224,002	1,188,535	1,156,030

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6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
408		190	Net Operating Loss (NOL)	157,344	157,344	171,550	175,966	221,469	215,052	209,170
409	Gen	282	Liberalized Depreciation - Generation		(376,840,944)	(389,418,242)	(392,324,391)	(407,261,206)	(407,685,248)	(408,072,588)
410		282	Liberalized Depreciation - Generation		(67,427,465)	(69,798,878)	(70,313,959)	(72,961,333)	(73,032,798)	(73,098,078)
411	NF12	282	Nuclear Fuel Amortization PV 1&2		5,304,391	4,189,251	4,630,265	3,601,069	3,858,580	4,057,714
412		282	Nuclear Fuel Amortization PV 1&2		1,055,791	845,534	923,699	741,286	784,685	818,245
413	NF3	282	Nuclear Fuel Amortization PV 3		2,652,196	2,726,248	3,258,913	2,405,436	2,505,852	2,578,808
414		282	Nuclear Fuel Amortization PV 3		527,895	541,858	636,266	484,998	501,921	514,216
415	Trans	282	Liberalized Depreciation - Transmission	4,049,768	(87,566,515)	(101,256,555)	(102,693,964)	(115,384,034)	(115,392,478)	(115,408,468)
416		282	Liberalized Depreciation - Transmission	869,931	(15,454,280)	(18,035,497)	(18,290,260)	(20,539,426)	(20,540,849)	(20,543,544)
417	Dist	282	Liberalized Depreciation - Distribution		(187,853,484)	(195,742,600)	(195,531,999)	(203,310,133)	(203,365,154)	(203,432,309)
418		282	Liberalized Depreciation - Distribution		(33,728,076)	(35,215,546)	(35,178,219)	(36,556,802)	(36,566,075)	(36,577,393)
419	RenewNOL	190	Renewable NOL Allocation		-					
420		190	Renewable NOL Allocation		-					
421		282	Liberalized Depreciation - Generation	6,969,500	6,969,500	7,209,432	7,432,164	7,654,896	7,686,511	7,715,484
422		282	Liberalized Depreciation - Generation	1,371,009	1,371,009	1,416,247	1,455,724	1,495,200	1,500,529	1,505,411
423		282	Liberalized Depreciation - Generation	10,825,762	10,825,762	11,036,070	11,229,875	11,423,681	11,450,341	11,474,773
424		282	Liberalized Depreciation - Generation	2,316,615	2,316,615	2,356,263	2,390,617	2,424,971	2,429,464	2,433,582
425		282	Liberalized Depreciation - Generation	298,305	298,305	298,305	298,305	298,305	298,305	298,305
426		282	Liberalized Depreciation - Generation	56,245	56,245	56,245	56,245	56,245	56,245	56,245
427		282	Liberalized Depreciation - Generation		-			71,986,996	71,986,996	71,986,996
428		282	Liberalized Depreciation - Generation		-			13,104,638	13,104,638	13,104,638
429		282	Liberalized Depreciation - SJ4 132 mW		-	(380,212)	(495,954)	(1,170,643)	(1,176,605)	(1,182,070)
430		282	Liberalized Depreciation - SJ4 132 mW		-	(71,688)	(92,202)	(211,782)	(212,787)	(213,708)
431		282	Liberalized Depreciation - SJ4 132 mW	2,245,864	2,245,864	2,323,181	2,394,954	2,466,728	2,476,916	2,486,252
432		282	Liberalized Depreciation - SJ4 132 mW	441,796	441,796	456,374	469,095	481,816	483,533	485,107
433		282	Liberalized Depreciation - Generation		-					
434		282	Liberalized Depreciation - Generation		-					
435		282	Liberalized Depreciation - SJ4 65 mW		-	-	-	(2,159,839)	(2,163,321)	(2,166,512)
436		282	Liberalized Depreciation - SJ4 65 mW		-	-	-	(382,806)	(383,393)	(383,931)
437		282	Liberalized Depreciation - Other							
438		282	Liberalized Depreciation - Other							
439		282	Liberalized Depreciation - HLM	(4,049,768)	(4,049,768)	(4,070,880)	(4,070,567)	(4,070,253)	(4,069,935)	(4,069,644)
440		282	Liberalized Depreciation - HLM	(869,931)	(869,931)	(873,912)	(873,856)	(873,801)	(873,747)	(873,698)
441										
442				(21,565,364)	(625,598,503)	(858,742,207)	(880,353,711)	(932,470,590)	(936,285,580)	(935,486,487)
443			G/L ADIT balances by FERC Account							
444			190000							
445			190058							
446			190161							
447			190162							

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6						12/31/16	06/30/17	12/31/17	01/31/18	02/28/18
7	Doc Ref	acct	Description	Base Adjs	Adj Base	2016Q4 Adj Bal	2017Q2 Adj Bal	2017Q4 Adj Bal	01/31/2018	02/28/2018
448			190200							
449			190900							
450			281000							
451			282000							
452			282050							
453			283000							
454			283050							
455			283158							
456			283159							
457			283162							
458			283163							
459			283900							
460										
461			Total G/L ADIT balance							
462			Difference							
463			Reconciling Items							
464			Corp alloc of depr ADIT							
465			Corp alloc of NOL ADIT							
466			Fin 48 reclasses							
467			Total Reconciling Items							
468			ULD							
469										
470			NON-UTILITY	-	(578,604)	-	-	-	-	-
471			Underlying acct not in rate base	-	150,185,135	-	-	-	-	-
472			Zero adjusted balance	-	-	-	-	-	-	-
473			Renewable Rider	-	(46,399,343)	(46,324,025)	(46,023,669)	(45,723,312)	(45,328,324)	(44,966,874)
474			Included in base period rate base at MDC value	(36,372,450)	(68,521,084)	(68,387,922)	(67,116,693)	(116,845,482)	(116,451,663)	(116,057,679)
475			Included in base period rate base at book value	14,807,086	(660,284,606)	(744,030,261)	(767,213,349)	(769,901,795)	(774,505,593)	(774,461,934)
476										
477			Total	(21,565,364)	(625,598,503)	(858,742,207)	(880,353,711)	(932,470,590)	(936,285,580)	(935,486,487)
478			ULD	-	-					
479										

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6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
8	190000	190	MISC NON OPERATING							
9	1900003	190	Zero Balance							
10	1900004	190	Zero Balance							
11	1900001	190	TRI STATE RIGHT OF WAY							
12	1900002	190	TRI STATE RIGHT OF WAY							
13	1900004	190	ALVARADO SQUARE							
14	1900005	190	ALVARADO SQUARE							
15	1900009	190	WAGES							
16	190010	190	WAGES							
17	190015	190	Pension Qualified	(55,206,473)	(55,074,413)	(54,942,352)	(54,810,292)	(54,678,231)	(54,546,170)	(54,414,110)
18	190016	190	Pension Qualified	(11,905,406)	(11,883,150)	(11,860,893)	(11,838,637)	(11,816,380)	(11,794,123)	(11,771,867)
19	190019	190	Deferred Federal Tax Credits	105,491	105,491	105,491	105,491	105,491	105,491	105,491
20	190023	190	ACCRUED VACATION							
21	190024	190	ACCRUED VACATION							
22	190027	190	Zero Balance							
23	190028	190	Zero Balance							
24	190035	190	Eastern Interconnect Project Gain	-	-	-	-	-	-	-
25	190036	190	Eastern Interconnect Project Gain	-	-	-	-	-	-	-
26	190039	190	Palo Verde Prudence Audit 1 & 2							
27	190040	190	Palo Verde Prudence Audit 1 & 2							
28	190046	190	Contributions In Aid of Construction	27,609,400	27,609,400	27,609,400	27,609,400	27,609,400	27,609,400	27,609,400
29	190047	190	Contributions In Aid of Construction	5,964,973	5,964,973	5,964,973	5,964,973	5,964,973	5,964,973	5,964,973
30	190048	190	TAX CAPITALIZED INTEREST	19,772,170	19,772,170	19,772,170	19,772,170	19,772,170	19,772,170	19,772,170
31	190049	190	TAX CAPITALIZED INTEREST	3,175,291	3,175,291	3,175,291	3,175,291	3,175,291	3,175,291	3,175,291
32	190050	190	GAS PLANT DECOMM S FE							
33	190051	190	GAS PLANT DECOMM S FE							
34	190052	190	ASSET RETIREMENT OBLIGATION	5,376,172	5,402,951	5,429,874	5,456,942	5,484,156	5,511,515	5,539,022
35	190053	190	ASSET RETIREMENT OBLIGATION	1,150,769	1,155,282	1,159,819	1,164,381	1,168,968	1,173,579	1,178,214
36	190054	190	Liberalized Depreciation - Other	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)	(1,352,963)
37	190055	190	Liberalized Depreciation - Other	2,222,086	2,222,086	2,222,086	2,222,086	2,222,086	2,222,086	2,222,086
38	190056	190	Palo Verde Construction Credits 1 & 2	16,522	14,565	12,607	10,650	8,692	6,735	4,777
39	190057	190	Palo Verde Construction Credits 1 & 2	6,080	5,750	5,420	5,090	4,760	4,430	4,101
40	190084	190	GENERAL RESERVE							
41	190085	190	GENERAL RESERVE							
42	190086	190	PCB REFINANCING	(4,451,877)	(4,428,619)	(4,405,362)	(4,382,104)	(4,358,847)	(4,335,589)	(4,312,332)
43	190087	190	PCB REFINANCING	(995,826)	(991,906)	(987,986)	(984,067)	(980,147)	(976,227)	(972,308)
44	190088	190	COMPENSATION EXPENSE							
45	190089	190	COMPENSATION EXPENSE							
46	190115	190	OTHER LEGAL ACCRUALS							
47	190116	190	OTHER LEGAL ACCRUALS							

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6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
48	190128	190	NINE MILE TAP							
49	190129	190	NINE MILE TAP							
50	190140	190	PVNGS DECOMM NON UTILITY							
51	190141	190	PVNGS DECOMM NON UTILITY							
52	190142	190	Palo Verde Gain 1 & 2	106,874	105,777	104,681	103,584	102,487	101,391	100,294
53	190143	190	Palo Verde Gain 1 & 2	25,822	25,637	25,452	25,267	25,082	24,898	24,713
54	190146	190	Deferred Federal Tax Credits	9,106,245	9,106,245	9,106,245	9,106,245	9,106,245	9,106,245	9,106,245
55	190147	190	MISC NON OPERATING							
56	190148	190	MISC NON OPERATING							
57	190151	190	OTHER POST EMPLOYMENT BENEFITS							
58	190152	190	OTHER POST EMPLOYMENT BENEFITS							
59	190161	190	PENSION VALUATION ALLOWANCE							
60	190162	190	PENSION VALUATION ALLOWANCE							
61	190163	190	REGULATORY RESERVE							
62	190164	190	REGULATORY RESERVE							
63	190165	190	ENVIRONMENTAL LIABILITY							
64	190166	190	ENVIRONMENTAL LIABILITY							
65	190169	190	FAS 109							
66	190170	190	FAS 109							
67	190175	190	WORKERS COMP							
68	190176	190	WORKERS COMP							
69	190177	190	SELF INSURANCE							
70	190178	190	SELF INSURANCE							
71	190187	190	ASSET RETIREMENT OBLIGATION							
72	190188	190	ASSET RETIREMENT OBLIGATION							
73	190191	190	SELF INSURANCE							
74	190192	190	SELF INSURANCE							
75	190193	190	Zero Balance							
76	190194	190	Zero Balance							
77	190195	190	Zero Balance							
78	190196	190	Zero Balance							
79	190201	190	Palo Verde Dry Cask Storage 1 & 2	-	-	-	-	-	-	-
80	190202	190	Palo Verde Dry Cask Storage 1 & 2	-	-	-	-	-	-	-
81	190205	190	LINE EXTENSION POLICY	786,444	786,444	786,444	786,444	786,444	786,444	786,444
82	190206	190	LINE EXTENSION POLICY	170,687	170,687	170,687	170,687	170,687	170,687	170,687
83	190209	190	MISC NON OPERATING							
84	190210	190	MISC NON OPERATING							
85	190215	190	OTHER LEGAL ACCRUALS							
86	190216	190	OTHER LEGAL ACCRUALS							
87	190217	190	HI VOLTAGE RESERVE							

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4	ADIT-4 ADIT Rollforward									
5	Hyperlink to Lead Sheet									
6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
88	190218	190	HI VOLTAGE RESERVE							
89	190219	190	STATE AND LOCAL TAX RESERVE							
90	190220	190	STATE AND LOCAL TAX RESERVE							
91	190223	190	Zero Balance							
92	190224	190	Zero Balance							
93	190225	190	Zero Balance							
94	190226	190	Zero Balance							
95	190229	190	Coal Mine Decommissioning	(1,403,661)	(1,353,858)	(1,304,055)	(1,254,252)	(1,204,449)	(1,154,646)	(1,104,843)
96	190230	190	Coal Mine Decommissioning	(360,486)	(352,093)	(343,700)	(335,306)	(326,913)	(318,519)	(310,126)
97	190233	190	Zero Balance							
98	190234	190	Zero Balance							
99	190235	190	Coal Mine Decommissioning							
100	190236	190	Coal Mine Decommissioning							
101	190252	190	BAD DEBT ALLOWANCE							
102	190253	190	BAD DEBT ALLOWANCE							
103	190284	190	Contributions In Aid of Construction	1,102,350	1,102,350	1,102,350	1,102,350	1,102,350	1,102,350	1,102,350
104	190285	190	Contributions In Aid of Construction	239,251	239,251	239,251	239,251	239,251	239,251	239,251
105	190287	190	BIOMASS							
106	190288	190	BIOMASS							
107	190291	190	PREPAID RENT REVENUE							
108	190292	190	PREPAID RENT REVENUE							
109	190293	190	REVENUE SUBJECT TO REFUND							
110	190294	190	REVENUE SUBJECT TO REFUND							
111	190310	190	Net Operating Loss (NOL)	61,208,359	64,331,678	66,156,328	57,728,753	45,877,629	34,219,099	29,500,073
112	190311	190	Net Operating Loss (NOL)	23,075,655	23,602,036	23,909,549	22,489,228	20,491,928	18,527,087	17,731,777
113	190312	190	Zero Balance							
114	190313	190	Zero Balance							
115	190343	190	MISC NON OPERATING							
116	190344	190	MISC NON OPERATING							
117	190345	190	SIQS GROUNDWATER RESERVE							
118	190346	190	SIQS GROUNDWATER RESERVE							
119	190347	190	Zero Balance							
120	190348	190	Zero Balance							
121	190349	190	MISC NON OPERATING							
122	190350	190	MISC NON OPERATING							
123	190358	190	INJURY & DAMAGES	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971
124	190359	190	INJURY & DAMAGES	520,728	520,728	520,728	520,728	520,728	520,728	520,728
125	190360	190	INJURY & DAMAGES							
126	190361	190	INJURY & DAMAGES							
127	190362	190	INJURY & DAMAGES							

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6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
128	190363	190	INJURY & DAMAGES							
129	190364	190	INJURY & DAMAGES							
130	190365	190	INJURY & DAMAGES							
131	190366	190	ROW RESERVE							
132	190367	190	ROW RESERVE							
133	190369	190	FEDERAL TAX CORRECTION							
134	190370	190	FEDERAL TAX CORRECTION							
135	190381	190	ROW RESERVE							
136	190382	190	ROW RESERVE							
137	190383	190	Zero Balance							
138	190384	190	Zero Balance							
139	190385	190	Palo Verde Construction Credits 1 & 2							
140	190386	190	Palo Verde Construction Credits 1 & 2							
141	190389	190	PROPERTY TAX RESERVE							
142	190390	190	PROPERTY TAX RESERVE							
143	190395	190	MISC NON OPERATING							
144	190396	190	MISC NON OPERATING							
145	190399	190	SJGS AUDIT RESERVES							
146	190400	190	SJGS AUDIT RESERVES							
147	190401	190	RATE RIDER							
148	190402	190	RATE RIDER							
149	190403	190	RENEWABLE CREDITS							
150	190404	190	INCENTIVE PAY PLANS							
151	190405	190	INCENTIVE PAY PLANS							
152	190406	190	ENERGY EFFICIENCY							
153	190407	190	ENERGY EFFICIENCY							
154	190413	190	NM SOLAR ENERGY CENTER							
155	190414	190	NM SOLAR ENERGY CENTER							
156	190415	190	DOE SPENT FUEL SETTLEMENT	536,060	443,605	351,150	258,695	166,240	73,784	-
157	190416	190	DOE SPENT FUEL SETTLEMENT	147,428	131,846	116,264	100,683	85,101	69,519	-
158	190419	190	SIERRA CLUB							
159	190420	190	SIERRA CLUB							
160	190421	190	LVGS Decommissioning	147,160	142,544	137,928	133,313	128,697	124,081	119,466
161	190422	190	LVGS Decommissioning	40,559	39,781	39,003	38,225	37,447	36,670	35,892
162	190423	190	EXTENDED LEAVE							
163	190424	190	EXTENDED LEAVE							
164	190425	190	Coal Mine Decommissioning							
165	190426	190	Coal Mine Decommissioning							
166	190429	190	EFFECT OF NM TAX RATE							
167	190430	190	EFFECT OF NM TAX RATE							

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6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
168	190431	190	Renewable NM AETC	1,106,803	1,101,459	1,096,115	1,090,771	1,085,426	1,080,082	1,074,738
169	190432	190	Renewable NM AETC	247,019	246,118	245,218	244,317	243,416	242,516	241,615
170	190433	190	NAVAJO WORKFORCE TRAINING							
171	190434	190	NAVAJO WORKFORCE TRAINING							
172	190435	190	SJGS AUDIT RESERVES							
173	190436	190	SJGS AUDIT RESERVES							
174	190437	190	SJ RECLAMATION TRUST							
175	190438	190	SJ RECLAMATION TRUST							
176	190441	190	Net Operating Loss (NOL)	133,398	133,398	133,398	133,398	133,398	133,398	133,398
177	190442	190	Net Operating Loss (NOL)	(381,138)	(381,138)	(381,138)	(381,138)	(381,138)	(381,138)	(381,138)
178	190443	190	FOUR CORNERS SURTAX SETTLEMENT							
179	190444	190	FOUR CORNERS SURTAX SETTLEMENT							
180	190445	190	DOE SPENT FUEL SETTLEMENT							
181	190446	190	DOE SPENT FUEL SETTLEMENT							
182	190447	190	DOE SPENT FUEL SETTLEMENT							
183	190448	190	DOE SPENT FUEL SETTLEMENT							
184	190451	190	SAN JUAN UNITS 2 & 3 WRITEDOWN							
185	190452	190	SAN JUAN UNITS 2 & 3 WRITEDOWN							
186	190453	190	SAN JUAN UNITS 2 & 3 WRITEDOWN							
187	190454	190	SAN JUAN UNITS 2 & 3 WRITEDOWN							
188	190455	190	SAN JUAN UNITS 2 & 3 WRITEDOWN							
189	190456	190	SAN JUAN UNITS 2 & 3 WRITEDOWN							
190	190900	190	MISC NON OPERATING							
191	281000	281	Pollution Control Facilities 4 Corners	(647,752)	(653,980)	(659,423)	(664,107)	(668,006)	(671,120)	(673,475)
192	281001	281	Pollution Control Facilities 4 Corners	(106,923)	(107,973)	(108,891)	(109,680)	(110,337)	(110,862)	(111,259)
193	281003	281	FAS 109							
194	281004	281	FAS 109							
195	282000	282	LIBERALIZED DEPRECIATION NONOP							
196	282001	282	LIBERALIZED DEPRECIATION NONOP							
197	282003	282	Liberalized Depreciation - Other	291,552,877	291,675,568	291,773,577	291,883,681	291,957,685	292,013,845	292,050,156
198	282004	282	Liberalized Depreciation - Other	41,854,743	41,875,421	41,891,938	41,910,495	41,922,967	41,932,432	41,938,551
199	282005	282	FERC Customer Depreciation	986,519	986,928	987,286	987,594	987,850	988,055	988,210
200	282006	282	FERC Customer Depreciation	293,004	293,073	293,133	293,185	293,228	293,263	293,289
201	282007	282	Palo Verde Start-Up Amortization	263,465	263,465	263,465	263,465	263,465	263,465	263,465
202	282008	282	Palo Verde Start-Up Amortization	(13,439)	(13,439)	(13,439)	(13,439)	(13,439)	(13,439)	(13,439)
203	282009	282	Nuclear Fuel Amortization PV 1&2	674,011	674,011	674,011	674,011	674,011	674,011	674,011
204	282010	282	Nuclear Fuel Amortization PV 1&2	132,775	132,775	132,775	132,775	132,775	132,775	132,775
205	282011	282	Liberalized Depreciation - PV 3	(69,861,116)	(69,821,401)	(69,808,850)	(69,800,617)	(69,793,470)	(69,788,026)	(69,789,498)
206	282012	282	Liberalized Depreciation - PV 3	(10,504,421)	(10,497,728)	(10,495,613)	(10,494,225)	(10,493,021)	(10,492,103)	(10,492,351)
207	282013	282	Liberalized Depreciation - Other	(12,797,066)	(12,797,066)	(12,797,066)	(12,797,066)	(12,797,066)	(12,797,066)	(12,797,066)

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4	ADIT-4 ADIT Rollforward									
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6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
208	282014	282	Liberalized Depreciation - Other	(1,524,357)	(1,524,357)	(1,524,357)	(1,524,357)	(1,524,357)	(1,524,357)	(1,524,357)
209	282015	282	Liberalized Depreciation - Other	(2,424,875)	(2,416,315)	(2,408,833)	(2,402,396)	(2,397,037)	(2,392,757)	(2,389,521)
210	282016	282	Liberalized Depreciation - Other	(538,355)	(538,355)	(538,355)	(538,355)	(538,355)	(538,355)	(538,355)
211	282017	282	Debt AFUDC	(22,966,310)	(23,093,987)	(23,190,614)	(23,261,642)	(23,320,983)	(23,369,945)	(23,408,135)
212	282018	282	Debt AFUDC	(4,783,164)	(4,804,682)	(4,820,966)	(4,832,937)	(4,842,938)	(4,851,189)	(4,857,626)
213	282019	282	Palo Verde Licensing Amortization	(3,785,826)	(3,787,290)	(3,788,753)	(3,790,217)	(3,791,680)	(3,793,144)	(3,794,607)
214	282020	282	Palo Verde Licensing Amortization	(820,508)	(820,755)	(821,001)	(821,248)	(821,495)	(821,741)	(821,988)
215	282021	282	ASSET RETIREMENT OBLIGATION							
216	282022	282	ASSET RETIREMENT OBLIGATION							
217	282025	282	Pre-1981 Repair Allowance	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)	(18,190,422)
218	282026	282	Pre-1981 Repair Allowance	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)	(3,948,000)
219	282031	282	Liberalized Depreciation - Other	1,649,081	1,649,081	1,649,081	1,649,081	1,649,081	1,649,081	1,649,081
220	282032	282	Liberalized Depreciation - Other	357,914	357,914	357,914	357,914	357,914	357,914	357,914
221	282033	282	FAS 109							
222	282034	282	FAS 109							
223	282050	282	Liberalized Depreciation - Other	(35,303)	(35,303)	(35,303)	(35,303)	(35,303)	(35,303)	(35,303)
224	282051	282	Liberalized Depreciation - Other	(7,662)	(7,662)	(7,662)	(7,662)	(7,662)	(7,662)	(7,662)
225	282052	282	ASSET RETIREMENT OBLIGATION							
226	282053	282	ASSET RETIREMENT OBLIGATION							
227	282185	282	Liberalized Depreciation - Other	8,735,797	8,687,082	8,644,506	8,607,871	8,577,374	8,553,017	8,534,600
228	282186	282	Liberalized Depreciation - Other	(188,965)	(197,175)	(204,351)	(210,525)	(215,665)	(219,770)	(222,873)
229	282187	282	Liberalized Depreciation - Other	(41,612)	(41,612)	(41,612)	(41,612)	(41,612)	(41,612)	(41,612)
230	282188	282	Liberalized Depreciation - Other	(9,031)	(9,031)	(9,031)	(9,031)	(9,031)	(9,031)	(9,031)
231	282189	282	Liberalized Depreciation - Other	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)	(1,000,514)
232	282190	282	Liberalized Depreciation - Other	(217,148)	(217,148)	(217,148)	(217,148)	(217,148)	(217,148)	(217,148)
233	282191	282	Liberalized Depreciation - Other	(274,173)	(274,173)	(274,173)	(274,173)	(274,173)	(274,173)	(274,173)
234	282192	282	Liberalized Depreciation - Other	(59,505)	(59,505)	(59,505)	(59,505)	(59,505)	(59,505)	(59,505)
235	282193	282	Liberalized Depreciation - Other	(266,068)	(266,068)	(266,068)	(266,068)	(266,068)	(266,068)	(266,068)
236	282194	282	Liberalized Depreciation - Other	(57,746)	(57,746)	(57,746)	(57,746)	(57,746)	(57,746)	(57,746)
237	282195	282	Liberalized Depreciation - Other	(626,170)	(626,170)	(626,170)	(626,170)	(626,170)	(626,170)	(626,170)
238	282196	282	Liberalized Depreciation - Other	(127,479)	(127,479)	(127,479)	(127,479)	(127,479)	(127,479)	(127,479)
239	282197	282	Liberalized Depreciation - Other	47,684	47,684	47,684	47,684	47,684	47,684	47,684
240	282198	282	Liberalized Depreciation - Other	10,349	10,349	10,349	10,349	10,349	10,349	10,349
241	282201	282	Liberalized Depreciation - Other	-	-	-	-	-	-	-
242	282202	282	Liberalized Depreciation - Other	-	-	-	-	-	-	-
243	282203	282	ASSET RETIREMENT OBLIGATION							
244	282204	282	ASSET RETIREMENT OBLIGATION							
245	282243	282	Liberalized Depreciation - Other	6,506,452	6,506,452	6,506,452	6,506,452	6,506,452	6,506,452	6,506,452
246	282244	282	Liberalized Depreciation - Other	1,425,011	1,425,011	1,425,011	1,425,011	1,425,011	1,425,011	1,425,011
247	282267	282	AFTON WRITEDOWN	3,191,574	3,191,574	3,191,574	3,191,574	3,191,574	3,191,574	3,191,574

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7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
248	282268	282	AFTON WRITEDOWN	692,690	692,690	692,690	692,690	692,690	692,690	692,690
249	282304	282	Nuclear Fuel Amortization PV 1&2	-	-	-	-	-	-	-
250	282305	282	Nuclear Fuel Amortization PV 1&2	-	-	-	-	-	-	-
251	282306	282	Liberalized Depreciation - Other	(12,408,939)	(12,408,939)	(12,408,939)	(12,408,939)	(12,408,939)	(12,408,939)	(12,408,939)
252	282307	282	Liberalized Depreciation - Other	(2,642,319)	(2,642,319)	(2,642,319)	(2,642,319)	(2,642,319)	(2,642,319)	(2,642,319)
253	282308	282	Liberalized Depreciation - Other	(36,858,261)	(36,858,261)	(36,858,261)	(36,858,261)	(36,858,261)	(36,858,261)	(36,858,261)
254	282309	282	Liberalized Depreciation - Other	(7,868,503)	(7,868,503)	(7,868,503)	(7,868,503)	(7,868,503)	(7,868,503)	(7,868,503)
255	282310	282	Liberalized Depreciation - Other	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)	(67,254,439)
256	282311	282	Liberalized Depreciation - Other	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)	(7,956,254)
257	282312	282	Liberalized Depreciation - Other	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)	(10,082,411)
258	282313	282	Liberalized Depreciation - Other	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)	(2,188,258)
259	282314	282	Liberalized Depreciation - Other	(6,520,280)	(6,520,280)	(6,520,280)	(6,520,280)	(6,520,280)	(6,520,280)	(6,520,280)
260	282315	282	Liberalized Depreciation - Other	(1,424,905)	(1,424,905)	(1,424,905)	(1,424,905)	(1,424,905)	(1,424,905)	(1,424,905)
261	282318	282	Liberalized Depreciation - Other	4,274,976	4,274,976	4,274,976	4,274,976	4,274,976	4,274,976	4,274,976
262	282319	282	Liberalized Depreciation - Other	927,827	927,827	927,827	927,827	927,827	927,827	927,827
263	282320	282	Liberalized Depreciation - Other	(166,942,618)	(167,456,404)	(167,905,444)	(168,291,828)	(168,613,466)	(168,870,359)	(169,064,596)
264	282321	282	Liberalized Depreciation - Other	(35,063,121)	(35,149,711)	(35,225,389)	(35,290,507)	(35,344,713)	(35,388,008)	(35,420,743)
265	282322	282	ALVARADO SQUARE ABANDONMENT							
266	282323	282	ALVARADO SQUARE ABANDONMENT							
267	282386	282	Liberalized Depreciation - Other	(392,208)	(392,208)	(392,208)	(392,208)	(392,208)	(392,208)	(392,208)
268	282387	282	Liberalized Depreciation - Other	(73,944)	(73,944)	(73,944)	(73,944)	(73,944)	(73,944)	(73,944)
269	282500	282	Zero Balance							
270	283001	283	BONUS ACCRUAL							
271	283002	283	BONUS ACCRUAL							
272	283004	283	Zero Balance							
273	283005	283	Zero Balance							
274	283008	283	Liberalized Depreciation - Other	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)	(4,462,737)
275	283009	283	Liberalized Depreciation - Other	(758,667)	(758,667)	(758,667)	(758,667)	(758,667)	(758,667)	(758,667)
276	283010	283	LOSS ON REACQUIRED DEBT	(2,796,945)	(2,774,335)	(2,751,724)	(2,729,114)	(2,706,504)	(2,683,893)	(2,661,283)
277	283013	283	LOSS ON REACQUIRED DEBT	(609,723)	(605,913)	(602,102)	(598,291)	(594,481)	(590,670)	(586,860)
278	283019	283	GAIN REACQUIRED DEBT							
279	283020	283	GAIN REACQUIRED DEBT							
280	283023	283	Pension Qualified							
281	283024	283	Pension Qualified							
282	283034	283	RATE CASE EXPENSE							
283	283035	283	RATE CASE EXPENSE							
284	283144	283	FAS 109							
285	283145	283	FAS 109							
286	283154	283	ASSET RETIREMENT OBLIGATION							
287	283155	283	ASSET RETIREMENT OBLIGATION							

	A	B	C	BP	BQ	BR	BS	BT	BU	BV
1	Public Service Company of New Mexico									
2	NMPRC Case No. 16-00276-UT									
3	PNM Exhibit MFH-2									
4	ADIT-4 ADIT Rollforward									
5	Hyperlink to Lead Sheet									
6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
288	283156	283	COMPENSATION EXPENSE							
289	283157	283	COMPENSATION EXPENSE							
290	283158	283	PVNGS DECOMM NON UTILITY							
291	283159	283	PVNGS DECOMM NON UTILITY							
292	283160	283	FAS 115							
293	283161	283	FAS 115							
294	283162	283	MARK TO MARKET							
295	283163	283	MARK TO MARKET							
296	283164	283	Zero Balance							
297	283165	283	Zero Balance							
298	283166	283	Zero Balance							
299	283167	283	Zero Balance							
300	283168	283	UNREALIZED GAIN ON ENERGY TRADING							
301	283169	283	UNREALIZED GAIN ON ENERGY TRADING							
302	283170	283	Zero Balance							
303	283171	283	Zero Balance							
304	283174	283	HEDGE LOSS							
305	283175	283	HEDGE LOSS							
306	283180	283	ACCRUED ILLNESS							
307	283181	283	ACCRUED ILLNESS							
308	283182	283	BOOK CAPITALIZED INTEREST	(6,816,179)	(6,822,996)	(6,829,993)	(6,836,503)	(6,841,434)	(6,844,826)	(6,847,648)
309	283183	283	BOOK CAPITALIZED INTEREST	(1,455,894)	(1,457,043)	(1,458,222)	(1,459,319)	(1,460,150)	(1,460,722)	(1,461,197)
310	283185	283	Liberalized Depreciation - Other	(74,679)	(74,679)	(74,679)	(74,679)	(74,679)	(74,679)	(74,679)
311	283186	283	Liberalized Depreciation - Other	(16,208)	(16,208)	(16,208)	(16,208)	(16,208)	(16,208)	(16,208)
312	283187	283	ASSET RETIREMENT OBLIGATION							
313	283188	283	ASSET RETIREMENT OBLIGATION							
314	283189	283	Zero Balance							
315	283190	283	Zero Balance							
316	283191	283	Coal Mine Decommissioning							
317	283192	283	Coal Mine Decommissioning							
318	283193	283	PREPAID EXPENSES	(3,086,946)	(3,086,946)	(3,086,946)	(3,086,946)	(3,086,946)	(3,086,946)	(3,086,946)
319	283194	283	PREPAID EXPENSES	(670,041)	(670,041)	(670,041)	(670,041)	(670,041)	(670,041)	(670,041)
320	283201	283	PCB REFINANCING							
321	283202	283	PCB REFINANCING							
322	283203	283	SUN REFINANCING							
323	283204	283	SUN REFINANCING							
324	283205	283	Zero Balance							
325	283206	283	Zero Balance							
326	283207	283	DEBT ISSUANCE COST							
327	283208	283	DEBT ISSUANCE COST							

	A	B	C	BP	BQ	BR	BS	BT	BU	BV
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5	Hyperlink to Lead Sheet									
6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
328	283210	283	LOSS ON REACQUIRED DEBT							
329	283213	283	LOSS ON REACQUIRED DEBT							
330	283215	283	SUN REFINANCING							
331	283216	283	SUN REFINANCING							
332	283217	283	SUN REFINANCING							
333	283218	283	SUN REFINANCING							
334	283223	283	STATE AND LOCAL TAX RESERVE							
335	283224	283	STATE AND LOCAL TAX RESERVE							
336	283225	283	Zero Balance							
337	283226	283	Zero Balance							
338	283231	283	PCB REFINANCING							
339	283232	283	PCB REFINANCING							
340	283233	283	PCB REFINANCING							
341	283234	283	PCB REFINANCING							
342	283235	283	SUN REFINANCING							
343	283236	283	SUN REFINANCING							
344	283240	283	SO2 ALLOWANCE CREDITS							
345	283241	283	SO2 ALLOWANCE CREDITS							
346	283275	283	BAD DEBT ALLOWANCE							
347	283276	283	BAD DEBT ALLOWANCE							
348	283296	283	PV INCENTIVE PROGRAM							
349	283297	283	PV INCENTIVE PROGRAM							
350	283298	283	BIOMASS							
351	283299	283	BIOMASS							
352	283300	283	RENEWABLE ENERGY CERTIFICATES							
353	283301	283	RENEWABLE ENERGY CERTIFICATES							
354	283317	283	RATE CASE EXPENSE							
355	283318	283	RATE CASE EXPENSE							
356	283325	283	Zero Balance							
357	283326	283	Zero Balance							
358	283361	283	BONUS ACCRUAL							
359	283362	283	BONUS ACCRUAL							
360	283363	283	BONUS ACCRUAL							
361	283364	283	BONUS ACCRUAL							
362	283367	283	FIN 48 INTEREST							
363	283368	283	FIN 48 INTEREST							
364	283369	283	RATE CASE EXPENSE	(1,229,249)	(1,191,689)	(1,154,129)	(1,116,569)	(1,079,009)	(1,041,449)	(1,003,889)
365	283370	283	RATE CASE EXPENSE	(237,812)	(231,482)	(225,152)	(218,821)	(212,491)	(206,161)	(199,831)
366	283382	283	Zero Balance							
367	283383	283	Zero Balance							

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5	Hyperlink to Lead Sheet									
6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
368	283386	283	FIN 48 INTEREST							
369	283387	283	FIN 48 INTEREST							
370	283388	283	PVNGS #2 CARRYING COSTS							
371	283389	283	PVNGS #2 CARRYING COSTS							
372	283390	283	RENEWABLE ENERGY EXPENSES							
373	283391	283	RENEWABLE ENERGY EXPENSES							
374	283392	283	SO2 ALLOWANCE CREDITS							
375	283393	283	SO2 ALLOWANCE CREDITS							
376	283396	283	FUEL CLAUSE ADJUSTMENT							
377	283397	283	FUEL CLAUSE ADJUSTMENT							
378	283398	283	RATE RIDER 12							
379	283399	283	RATE RIDER 12							
380	283410	283	Renewable Rider							
381	283411	283	Renewable Rider							
382	283416	283	DEFERRED COAL COSTS							
383	283417	283	DEFERRED COAL COSTS							
384	283500	283	Zero Balance							
385	283420	283	SCR DEFERRED EXPENSES							
386	283421	283	SCR DEFERRED EXPENSES							
387			TOU Reg asset/liab							
388			TOU Reg asset/liab							
389	283426	283	EPA BART ALTERNATIVE DEFERRED EXPENSES							
390	283427	283	EPA BART ALTERNATIVE DEFERRED EXPENSES							
391	283900	283	Zero Balance							
392	283000	283	Zero Balance							
393			DOE Spent Fuel Settlement PV3	858,638	817,325	776,013	734,700	693,388	652,075	610,763
394			DOE Spent Fuel Settlement PV3	171,600	164,638	157,675	150,713	143,750	136,788	129,825
395			50% SJGS 2&3	(41,721,750)	(41,545,175)	(41,368,599)	(41,192,024)	(41,015,449)	(40,838,873)	(40,662,298)
396			50% SJGS 2&3	(7,394,690)	(7,364,931)	(7,335,172)	(7,305,413)	(7,275,655)	(7,245,896)	(7,216,137)
397			PENSION AMPP	1,913,511	1,906,396	1,899,280	1,892,165	1,885,049	1,877,934	1,870,818
398			PENSION AMPP	424,593	423,394	422,195	420,995	419,796	418,597	417,398
399			Palo Verde Dry Cask Storage 3	-	-	-	-	-	-	-
400			Palo Verde Dry Cask Storage 3	-	-	-	-	-	-	-
401			SJGS Coal Agreement Transaction Costs	(851,550)	(834,734)	(817,919)	(801,103)	(784,287)	(767,472)	(750,656)
402			SJGS Coal Agreement Transaction Costs	(161,567)	(158,733)	(155,899)	(153,065)	(150,231)	(147,397)	(144,563)
403	Renew	282	Liberalized Depreciation - Renewables	(37,809,103)	(37,556,371)	(37,335,473)	(37,145,062)	(36,986,562)	(36,859,867)	(36,763,936)
404		282	Liberalized Depreciation - Renewables	(8,186,876)	(8,144,283)	(8,107,054)	(8,074,964)	(8,048,251)	(8,026,899)	(8,010,732)
405	CorpDepr	282	Liberalized Depreciation - Other	(11,487,145)	(11,226,201)	(10,997,850)	(10,820,994)	(10,673,368)	(10,555,231)	(10,468,714)
406		282	Liberalized Depreciation - Other	(2,364,126)	(2,320,149)	(2,281,664)	(2,251,858)	(2,226,978)	(2,207,068)	(2,192,487)
407	CorpNOL	190	Net Operating Loss (NOL)	1,127,005	1,101,404	1,079,001	1,061,649	1,047,166	1,035,575	1,027,087

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5	Hyperlink to Lead Sheet									
6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
408		190	Net Operating Loss (NOL)	203,918	199,286	195,232	192,093	189,472	187,375	185,839
409	Gen	282	Liberalized Depreciation - Generation	(408,403,212)	(409,101,919)	(409,928,746)	(410,633,948)	(411,248,121)	(411,764,466)	(412,182,652)
410		282	Liberalized Depreciation - Generation	(73,153,799)	(73,271,554)	(73,410,901)	(73,529,750)	(73,633,258)	(73,720,279)	(73,790,757)
411	NF12	282	Nuclear Fuel Amortization PV 1&2	4,206,974	4,299,531	4,365,363	4,407,905	4,439,710	4,457,390	4,433,244
412		282	Nuclear Fuel Amortization PV 1&2	843,401	859,000	870,094	877,264	882,624	885,604	881,534
413	NF3	282	Nuclear Fuel Amortization PV 3	2,650,284	2,618,625	2,703,065	2,753,466	2,798,190	2,833,766	2,844,390
414		282	Nuclear Fuel Amortization PV 3	526,262	520,927	535,158	543,652	551,189	557,185	558,976
415	Trans	282	Liberalized Depreciation - Transmission	(115,769,202)	(116,136,341)	(116,628,197)	(117,063,073)	(117,432,242)	(117,767,213)	(118,042,883)
416		282	Liberalized Depreciation - Transmission	(20,604,340)	(20,666,214)	(20,749,108)	(20,822,399)	(20,884,616)	(20,941,069)	(20,987,529)
417	Dist	282	Liberalized Depreciation - Distribution	(203,519,204)	(203,628,967)	(203,745,181)	(203,885,028)	(204,047,858)	(204,195,092)	(204,346,595)
418		282	Liberalized Depreciation - Distribution	(36,592,037)	(36,610,536)	(36,630,122)	(36,653,691)	(36,681,133)	(36,705,947)	(36,731,480)
419	RenewNOL	190	Renewable NOL Allocation							
420		190	Renewable NOL Allocation							
421		282	Liberalized Depreciation - Generation	7,741,532	7,764,748	7,785,038	7,802,498	7,817,031	7,828,640	7,837,416
422		282	Liberalized Depreciation - Generation	1,509,801	1,513,714	1,517,134	1,520,076	1,522,525	1,524,482	1,525,961
423		282	Liberalized Depreciation - Generation	11,496,738	11,516,315	11,533,425	11,548,148	11,560,404	11,570,193	11,577,594
424		282	Liberalized Depreciation - Generation	2,437,284	2,440,583	2,443,467	2,445,948	2,448,013	2,449,663	2,450,910
425		282	Liberalized Depreciation - Generation	298,305	298,305	298,305	298,305	298,305	298,305	298,305
426		282	Liberalized Depreciation - Generation	56,245	56,245	56,245	56,245	56,245	56,245	56,245
427		282	Liberalized Depreciation - Generation	71,986,996	71,986,996	71,986,996	71,986,996	71,986,996	71,986,996	71,986,996
428		282	Liberalized Depreciation - Generation	13,104,638	13,104,638	13,104,638	13,104,638	13,104,638	13,104,638	13,104,638
429		282	Liberalized Depreciation - SJ4 132 mW	(1,189,359)	(1,195,856)	(1,214,358)	(1,243,586)	(1,271,548)	(1,294,056)	(1,311,075)
430		282	Liberalized Depreciation - SJ4 132 mW	(214,937)	(216,032)	(219,150)	(224,076)	(228,788)	(232,582)	(235,450)
431		282	Liberalized Depreciation - SJ4 132 mW	2,494,645	2,502,127	2,508,665	2,514,291	2,518,975	2,522,715	2,525,543
432		282	Liberalized Depreciation - SJ4 132 mW	486,521	487,782	488,884	489,832	490,621	491,252	491,728
433		282	Liberalized Depreciation - Generation							
434		282	Liberalized Depreciation - Generation							
435		282	Liberalized Depreciation - SJ4 65 mW	(2,170,551)	(2,174,106)	(2,183,528)	(2,198,004)	(2,211,680)	(2,222,653)	(2,230,949)
436		282	Liberalized Depreciation - SJ4 65 mW	(384,611)	(385,211)	(386,798)	(389,238)	(391,543)	(393,392)	(394,790)
437		282	Liberalized Depreciation - Other							
438		282	Liberalized Depreciation - Other							
439		282	Liberalized Depreciation - HLM	(4,069,383)	(4,069,149)	(4,068,945)	(4,068,770)	(4,068,624)	(4,068,507)	(4,068,419)
440		282	Liberalized Depreciation - HLM	(873,654)	(873,615)	(873,580)	(873,551)	(873,526)	(873,506)	(873,492)
441										
442				(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)	(976,848,718)
443			G/L ADIT balances by FERC Account							
444			190000							
445			190058							
446			190161							
447			190162							

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6				03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18
7	Doc Ref	acct	Description	03/31/2018	04/30/2018	05/31/2018	06/30/2018	07/31/2018	08/31/2018	09/30/2018
448			190200							
449			190900							
450			281000							
451			282000							
452			282050							
453			283000							
454			283050							
455			283158							
456			283159							
457			283162							
458			283163							
459			283900							
460										
461			Total G/L ADIT balance							
462			Difference							
463			Reconciling Items							
464			Corp alloc of depr ADIT							
465			Corp alloc of NOL ADIT							
466			Fin 48 reclasses							
467			Total Reconciling Items							
468			ULD							
469										
470			NON-UTILITY	-	-	-	-	-	-	-
471			Underlying acct not in rate base	-	-	-	-	-	-	-
472			Zero adjusted balance	-	-	-	-	-	-	-
473			Renewable Rider	(44,642,157)	(44,353,076)	(44,101,195)	(43,884,938)	(43,705,971)	(43,564,168)	(43,458,314)
474			Included in base period rate base at MDC value	(115,663,528)	(115,269,839)	(114,875,983)	(114,481,957)	(114,087,761)	(113,693,394)	(113,334,123)
475			Included in base period rate base at book value	(773,952,282)	(771,907,831)	(771,584,002)	(783,086,458)	(798,433,466)	(813,365,372)	(820,056,281)
476										
477			Total	(934,257,967)	(931,530,747)	(930,561,179)	(941,453,353)	(956,227,198)	(970,622,934)	(976,848,718)
478			ULD							
479										

	A	B	C	BW	BX	BY	BZ	CA	CB	CC	CD
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3	PNM Exhibit MFH-2										
4	ADIT-4 ADIT Rollforward										
5	Hyperlink to Lead Sheet										
6				10/31/18	11/30/18	12/31/18	IRS Required				
7	Doc Ref	acct	Description	10/31/2018	11/30/2018	12/31/2018	Proration	Averaging Adj	Test Period	Test Adj	Adjusted Test Period
8	190000	190	MISC NON OPERATING					-	-		-
9	1900003	190	Zero Balance					-	-		-
10	1900004	190	Zero Balance					-	-		-
11	1900001	190	TRI STATE RIGHT OF WAY					-	-		-
12	1900002	190	TRI STATE RIGHT OF WAY					-	-		-
13	1900004	190	ALVARADO SQUARE					-	-		-
14	1900005	190	ALVARADO SQUARE					-	-		-
15	1900009	190	WAGES					-	-		-
16	190010	190	WAGES					-	-		-
17	190015	190	Pension Qualified	(54,282,049)	(54,149,988)	(54,017,928)		(792,364)	(54,810,292)	3,904,014	(50,906,278)
18	190016	190	Pension Qualified	(11,749,610)	(11,727,354)	(11,705,097)		(133,539)	(11,838,637)	845,957	(10,992,679)
19	190019	190	Deferred Federal Tax Credits	105,491	105,491	105,491		-	105,491		105,491
20	190023	190	ACCRUED VACATION					-	-		-
21	190024	190	ACCRUED VACATION					-	-		-
22	190027	190	Zero Balance					-	-		-
23	190028	190	Zero Balance					-	-		-
24	190035	190	Eastern Interconnect Project Gain	-	-	-		-	-	-	-
25	190036	190	Eastern Interconnect Project Gain	-	-	-		-	-	-	-
26	190039	190	Palo Verde Prudence Audit 1 & 2					-	-	-	-
27	190040	190	Palo Verde Prudence Audit 1 & 2					-	-		-
28	190046	190	Contributions In Aid of Construction	27,609,400	27,609,400	27,609,400		-	27,609,400		27,609,400
29	190047	190	Contributions In Aid of Construction	5,964,973	5,964,973	5,964,973		-	5,964,973		5,964,973
30	190048	190	TAX CAPITALIZED INTEREST	19,772,170	19,772,170	19,772,170		-	19,772,170		19,772,170
31	190049	190	TAX CAPITALIZED INTEREST	3,175,291	3,175,291	3,175,291		-	3,175,291		3,175,291
32	190050	190	GAS PLANT DECOMM S FE					-	-		-
33	190051	190	GAS PLANT DECOMM S FE					-	-		-
34	190052	190	ASSET RETIREMENT OBLIGATION	5,566,676	5,594,480	5,622,433		(164,472)	5,457,961		5,457,961
35	190053	190	ASSET RETIREMENT OBLIGATION	1,182,875	1,187,561	1,192,272		(27,719)	1,164,553		1,164,553
36	190054	190	Liberalized Depreciation - Other	(1,352,963)	(1,352,963)	(1,352,963)		-	(1,352,963)		(1,352,963)
37	190055	190	Liberalized Depreciation - Other	2,222,086	2,222,086	2,222,086		-	2,222,086		2,222,086
38	190056	190	Palo Verde Construction Credits 1 & 2	2,819	862	(1,076)		11,725	10,648	-	10,648
39	190057	190	Palo Verde Construction Credits 1 & 2	3,771	3,441	3,114		1,984	5,098	-	5,098
40	190084	190	GENERAL RESERVE					-	-		-
41	190085	190	GENERAL RESERVE					-	-		-
42	190086	190	PCB REFINANCING	(4,289,075)	(4,265,817)	(4,242,560)		(139,512)	(4,382,072)		(4,382,072)
43	190087	190	PCB REFINANCING	(968,388)	(964,469)	(960,549)		(23,606)	(984,154)		(984,154)
44	190088	190	COMPENSATION EXPENSE					-	-		-
45	190089	190	COMPENSATION EXPENSE					-	-		-
46	190115	190	OTHER LEGAL ACCRUALS					-	-		-
47	190116	190	OTHER LEGAL ACCRUALS					-	-		-

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7	Doc Ref	acct	Description	10/31/2018	11/30/2018	12/31/2018	Proration	Averaging Adj	Test Period	Test Adj	Adjusted Test Period
48	190128	190	NINE MILE TAP					-	-		-
49	190129	190	NINE MILE TAP					-	-		-
50	190140	190	PVNGS DECOMM NON UTILITY					-	-		-
51	190141	190	PVNGS DECOMM NON UTILITY					-	-		-
52	190142	190	Palo Verde Gain 1 & 2	99,197	98,101	97,004		6,580	103,584	-	103,584
53	190143	190	Palo Verde Gain 1 & 2	24,528	24,343	24,158		1,109	25,267	-	25,267
54	190146	190	Deferred Federal Tax Credits	9,106,245	9,106,245	9,106,245		-	9,106,245		9,106,245
55	190147	190	MISC NON OPERATING					-	-		-
56	190148	190	MISC NON OPERATING					-	-		-
57	190151	190	OTHER POST EMPLOYMENT BENEFITS					-	-		-
58	190152	190	OTHER POST EMPLOYMENT BENEFITS					-	-		-
59	190161	190	PENSION VALUATION ALLOWANCE					-	-		-
60	190162	190	PENSION VALUATION ALLOWANCE					-	-		-
61	190163	190	REGULATORY RESERVE					-	-		-
62	190164	190	REGULATORY RESERVE					-	-		-
63	190165	190	ENVIRONMENTAL LIABILITY					-	-		-
64	190166	190	ENVIRONMENTAL LIABILITY					-	-		-
65	190169	190	FAS 109					-	-		-
66	190170	190	FAS 109					-	-		-
67	190175	190	WORKERS COMP					-	-		-
68	190176	190	WORKERS COMP					-	-		-
69	190177	190	SELF INSURANCE					-	-		-
70	190178	190	SELF INSURANCE					-	-		-
71	190187	190	ASSET RETIREMENT OBLIGATION					-	-		-
72	190188	190	ASSET RETIREMENT OBLIGATION					-	-		-
73	190191	190	SELF INSURANCE					-	-		-
74	190192	190	SELF INSURANCE					-	-		-
75	190193	190	Zero Balance					-	-		-
76	190194	190	Zero Balance					-	-		-
77	190195	190	Zero Balance					-	-		-
78	190196	190	Zero Balance					-	-		-
79	190201	190	Palo Verde Dry Cask Storage 1 & 2	-	-	-		-	-	-	-
80	190202	190	Palo Verde Dry Cask Storage 1 & 2	-	-	-		-	-	-	-
81	190205	190	LINE EXTENSION POLICY	786,444	786,444	786,444		-	786,444		786,444
82	190206	190	LINE EXTENSION POLICY	170,687	170,687	170,687		-	170,687		170,687
83	190209	190	MISC NON OPERATING					-	-		-
84	190210	190	MISC NON OPERATING					-	-		-
85	190215	190	OTHER LEGAL ACCRUALS					-	-		-
86	190216	190	OTHER LEGAL ACCRUALS					-	-		-
87	190217	190	HI VOLTAGE RESERVE					-	-		-

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88	190218	190	HI VOLTAGE RESERVE					-	-		-
89	190219	190	STATE AND LOCAL TAX RESERVE					-	-		-
90	190220	190	STATE AND LOCAL TAX RESERVE					-	-		-
91	190223	190	Zero Balance					-	-		-
92	190224	190	Zero Balance					-	-		-
93	190225	190	Zero Balance					-	-		-
94	190226	190	Zero Balance					-	-		-
95	190229	190	Coal Mine Decommissioning	(1,055,040)	(1,005,237)	(955,434)		(298,748)	(1,254,183)	-	(1,254,183)
96	190230	190	Coal Mine Decommissioning	(301,732)	(293,339)	(284,946)		(50,548)	(335,494)	-	(335,494)
97	190233	190	Zero Balance					-	-		-
98	190234	190	Zero Balance					-	-		-
99	190235	190	Coal Mine Decommissioning					-	-		-
100	190236	190	Coal Mine Decommissioning					-	-		-
101	190252	190	BAD DEBT ALLOWANCE					-	-		-
102	190253	190	BAD DEBT ALLOWANCE					-	-		-
103	190284	190	Contributions In Aid of Construction	1,102,350	1,102,350	1,102,350		-	1,102,350		1,102,350
104	190285	190	Contributions In Aid of Construction	239,251	239,251	239,251		-	239,251		239,251
105	190287	190	BIOMASS					-	-		-
106	190288	190	BIOMASS					-	-		-
107	190291	190	PREPAID RENT REVENUE					-	-		-
108	190292	190	PREPAID RENT REVENUE					-	-		-
109	190293	190	REVENUE SUBJECT TO REFUND					-	-		-
110	190294	190	REVENUE SUBJECT TO REFUND					-	-		-
111	190310	190	Net Operating Loss (NOL)	28,417,267	26,310,192	24,089,670		23,606,523	47,696,193		47,696,193
112	190311	190	Net Operating Loss (NOL)	17,549,289	17,194,179	16,819,948		3,978,467	20,798,415		20,798,415
113	190312	190	Zero Balance					-	-		-
114	190313	190	Zero Balance					-	-		-
115	190343	190	MISC NON OPERATING					-	-		-
116	190344	190	MISC NON OPERATING					-	-		-
117	190345	190	SJGS GROUNDWATER RESERVE					-	-		-
118	190346	190	SJGS GROUNDWATER RESERVE					-	-		-
119	190347	190	Zero Balance					-	-		-
120	190348	190	Zero Balance					-	-		-
121	190349	190	MISC NON OPERATING					-	-		-
122	190350	190	MISC NON OPERATING					-	-		-
123	190358	190	INJURY & DAMAGES	2,220,971	2,220,971	2,220,971		-	2,220,971	-	2,220,971
124	190359	190	INJURY & DAMAGES	520,728	520,728	520,728		-	520,728	-	520,728
125	190360	190	INJURY & DAMAGES					-	-		-
126	190361	190	INJURY & DAMAGES					-	-		-
127	190362	190	INJURY & DAMAGES					-	-		-

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128	190363	190	INJURY & DAMAGES					-	-		-
129	190364	190	INJURY & DAMAGES					-	-		-
130	190365	190	INJURY & DAMAGES					-	-		-
131	190366	190	ROW RESERVE					-	-		-
132	190367	190	ROW RESERVE					-	-		-
133	190369	190	FEDERAL TAX CORRECTION					-	-		-
134	190370	190	FEDERAL TAX CORRECTION					-	-		-
135	190381	190	ROW RESERVE					-	-		-
136	190382	190	ROW RESERVE					-	-		-
137	190383	190	Zero Balance					-	-		-
138	190384	190	Zero Balance					-	-		-
139	190385	190	Palo Verde Construction Credits 1 & 2					-	-		-
140	190386	190	Palo Verde Construction Credits 1 & 2					-	-		-
141	190389	190	PROPERTY TAX RESERVE					-	-		-
142	190390	190	PROPERTY TAX RESERVE					-	-		-
143	190395	190	MISC NON OPERATING					-	-		-
144	190396	190	MISC NON OPERATING					-	-		-
145	190399	190	SJGS AUDIT RESERVES					-	-		-
146	190400	190	SJGS AUDIT RESERVES					-	-		-
147	190401	190	RATE RIDER					-	-		-
148	190402	190	RATE RIDER					-	-		-
149	190403	190	RENEWABLE CREDITS					-	-		-
150	190404	190	INCENTIVE PAY PLANS					-	-		-
151	190405	190	INCENTIVE PAY PLANS					-	-		-
152	190406	190	ENERGY EFFICIENCY					-	-		-
153	190407	190	ENERGY EFFICIENCY					-	-		-
154	190413	190	NM SOLAR ENERGY CENTER					-	-		-
155	190414	190	NM SOLAR ENERGY CENTER					-	-		-
156	190415	190	DOE SPENT FUEL SETTLEMENT	-	-	-			-	-	-
157	190416	190	DOE SPENT FUEL SETTLEMENT	-	-	-			-	-	-
158	190419	190	SIERRA CLUB					-	-		-
159	190420	190	SIERRA CLUB					-	-		-
160	190421	190	LVGS Decommissioning	114,850	110,234	105,619		27,688	133,306	-	133,306
161	190422	190	LVGS Decommissioning	35,114	34,336	33,558		4,685	38,243	-	38,243
162	190423	190	EXTENDED LEAVE					-	-		-
163	190424	190	EXTENDED LEAVE					-	-		-
164	190425	190	Coal Mine Decommissioning					-	-		-
165	190426	190	Coal Mine Decommissioning					-	-		-
166	190429	190	EFFECT OF NM TAX RATE					-	-		-
167	190430	190	EFFECT OF NM TAX RATE					-	-		-

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168	190431	190	Renewable NM AETC	1,069,394	1,064,050	1,058,705		32,058	1,090,763	-	1,090,763
169	190432	190	Renewable NM AETC	240,714	239,814	238,913		5,424	244,337	-	244,337
170	190433	190	NAVAJO WORKFORCE TRAINING					-	-		-
171	190434	190	NAVAJO WORKFORCE TRAINING					-	-		-
172	190435	190	SJGS AUDIT RESERVES					-	-		-
173	190436	190	SJGS AUDIT RESERVES					-	-		-
174	190437	190	SJ RECLAMATION TRUST					-	-		-
175	190438	190	SJ RECLAMATION TRUST					-	-		-
176	190441	190	Net Operating Loss (NOL)	133,398	133,398	133,398		-	133,398		133,398
177	190442	190	Net Operating Loss (NOL)	(381,138)	(381,138)	(381,138)		-	(381,138)		(381,138)
178	190443	190	FOUR CORNERS SURTAX SETTLEMENT					-	-		-
179	190444	190	FOUR CORNERS SURTAX SETTLEMENT					-	-		-
180	190445	190	DOE SPENT FUEL SETTLEMENT					-	-		-
181	190446	190	DOE SPENT FUEL SETTLEMENT					-	-		-
182	190447	190	DOE SPENT FUEL SETTLEMENT					-	-		-
183	190448	190	DOE SPENT FUEL SETTLEMENT					-	-		-
184	190451	190	SAN JUAN UNITS 2 & 3 WRITEDOWN					-	-		-
185	190452	190	SAN JUAN UNITS 2 & 3 WRITEDOWN					-	-		-
186	190453	190	SAN JUAN UNITS 2 & 3 WRITEDOWN					-	-		-
187	190454	190	SAN JUAN UNITS 2 & 3 WRITEDOWN					-	-		-
188	190455	190	SAN JUAN UNITS 2 & 3 WRITEDOWN					-	-		-
189	190456	190	SAN JUAN UNITS 2 & 3 WRITEDOWN					-	-		-
190	190900	190	MISC NON OPERATING					-	-		-
191	281000	281	Pollution Control Facilities 4 Corners	(675,045)	(675,855)	(675,880)	prorated	17,195	(658,685)		(658,685)
192	281001	281	Pollution Control Facilities 4 Corners	(111,523)	(111,660)	(111,664)	prorated	2,898	(108,766)		(108,766)
193	281003	281	FAS 109					-	-		-
194	281004	281	FAS 109					-	-		-
195	282000	282	LIBERALIZED DEPRECIATION NONOP					-	-		-
196	282001	282	LIBERALIZED DEPRECIATION NONOP					-	-		-
197	282003	282	Liberalized Depreciation - Other	292,072,002	292,078,974	292,078,979	prorated	(321,415)	291,757,564		291,757,564
198	282004	282	Liberalized Depreciation - Other	41,942,233	41,943,408	41,943,409	prorated	(54,169)	41,889,240		41,889,240
199	282005	282	FERC Customer Depreciation	988,313	988,366	988,368	prorated	(1,130)	987,238		987,238
200	282006	282	FERC Customer Depreciation	293,306	293,315	293,315	prorated	(190)	293,125		293,125
201	282007	282	Palo Verde Start-Up Amortization	263,465	263,465	263,465		-	263,465		263,465
202	282008	282	Palo Verde Start-Up Amortization	(13,439)	(13,439)	(13,439)		-	(13,439)		(13,439)
203	282009	282	Nuclear Fuel Amortization PV 1&2	674,011	674,011	674,011		-	674,011		674,011
204	282010	282	Nuclear Fuel Amortization PV 1&2	132,775	132,775	132,775		-	132,775		132,775
205	282011	282	Liberalized Depreciation - PV 3	(69,791,834)	(69,791,644)	(69,792,391)	prorated	(48,032)	(69,840,423)		(69,840,423)
206	282012	282	Liberalized Depreciation - PV 3	(10,492,745)	(10,492,713)	(10,492,839)	prorated	(8,095)	(10,500,934)		(10,500,934)
207	282013	282	Liberalized Depreciation - Other	(12,797,066)	(12,797,066)	(12,797,066)		-	(12,797,066)		(12,797,066)

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208	282014	282	Liberalized Depreciation - Other	(1,524,357)	(1,524,357)	(1,524,357)		-	(1,524,357)		(1,524,357)
209	282015	282	Liberalized Depreciation - Other	(2,387,363)	(2,386,250)	(2,386,215)		(23,633)	(2,409,848)		(2,409,848)
210	282016	282	Liberalized Depreciation - Other	(538,355)	(538,355)	(538,355)		-	(538,355)		(538,355)
211	282017	282	Debt AFUDC	(23,433,393)	(23,446,676)	(23,447,081)	prorated	302,885	(23,144,196)		(23,144,196)
212	282018	282	Debt AFUDC	(4,861,883)	(4,864,121)	(4,864,190)	prorated	51,046	(4,813,144)		(4,813,144)
213	282019	282	Palo Verde Licensing Amortization	(3,796,071)	(3,797,534)	(3,798,998)		8,781	(3,790,217)		(3,790,217)
214	282020	282	Palo Verde Licensing Amortization	(822,235)	(822,481)	(822,728)		1,480	(821,248)		(821,248)
215	282021	282	ASSET RETIREMENT OBLIGATION					-	-		-
216	282022	282	ASSET RETIREMENT OBLIGATION					-	-		-
217	282025	282	Pre-1981 Repair Allowance	(18,190,422)	(18,190,422)	(18,190,422)		-	(18,190,422)		(18,190,422)
218	282026	282	Pre-1981 Repair Allowance	(3,948,000)	(3,948,000)	(3,948,000)		-	(3,948,000)		(3,948,000)
219	282031	282	Liberalized Depreciation - Other	1,649,081	1,649,081	1,649,081		-	1,649,081		1,649,081
220	282032	282	Liberalized Depreciation - Other	357,914	357,914	357,914		-	357,914		357,914
221	282033	282	FAS 109					-	-		-
222	282034	282	FAS 109					-	-		-
223	282050	282	Liberalized Depreciation - Other	(35,303)	(35,303)	(35,303)		-	(35,303)		(35,303)
224	282051	282	Liberalized Depreciation - Other	(7,662)	(7,662)	(7,662)		-	(7,662)		(7,662)
225	282052	282	ASSET RETIREMENT OBLIGATION					-	-	-	-
226	282053	282	ASSET RETIREMENT OBLIGATION					-	-	-	-
227	282185	282	Liberalized Depreciation - Other	8,522,322	8,515,986	8,515,788	prorated	134,492	8,650,279		8,650,279
228	282186	282	Liberalized Depreciation - Other	(224,943)	(226,011)	(226,044)	prorated	22,666	(203,378)		(203,378)
229	282187	282	Liberalized Depreciation - Other	(41,612)	(41,612)	(41,612)		-	(41,612)		(41,612)
230	282188	282	Liberalized Depreciation - Other	(9,031)	(9,031)	(9,031)		-	(9,031)		(9,031)
231	282189	282	Liberalized Depreciation - Other	(1,000,514)	(1,000,514)	(1,000,514)		-	(1,000,514)		(1,000,514)
232	282190	282	Liberalized Depreciation - Other	(217,148)	(217,148)	(217,148)		-	(217,148)		(217,148)
233	282191	282	Liberalized Depreciation - Other	(274,173)	(274,173)	(274,173)		-	(274,173)		(274,173)
234	282192	282	Liberalized Depreciation - Other	(59,505)	(59,505)	(59,505)		-	(59,505)		(59,505)
235	282193	282	Liberalized Depreciation - Other	(266,068)	(266,068)	(266,068)		-	(266,068)		(266,068)
236	282194	282	Liberalized Depreciation - Other	(57,746)	(57,746)	(57,746)		-	(57,746)		(57,746)
237	282195	282	Liberalized Depreciation - Other	(626,170)	(626,170)	(626,170)		-	(626,170)		(626,170)
238	282196	282	Liberalized Depreciation - Other	(127,479)	(127,479)	(127,479)		-	(127,479)		(127,479)
239	282197	282	Liberalized Depreciation - Other	47,684	47,684	47,684		-	47,684		47,684
240	282198	282	Liberalized Depreciation - Other	10,349	10,349	10,349		-	10,349		10,349
241	282201	282	Liberalized Depreciation - Other	-	-	-		-	-		-
242	282202	282	Liberalized Depreciation - Other	-	-	-		-	-		-
243	282203	282	ASSET RETIREMENT OBLIGATION					-	-		-
244	282204	282	ASSET RETIREMENT OBLIGATION					-	-		-
245	282243	282	Liberalized Depreciation - Other	6,506,452	6,506,452	6,506,452		-	6,506,452		6,506,452
246	282244	282	Liberalized Depreciation - Other	1,425,011	1,425,011	1,425,011		-	1,425,011		1,425,011
247	282267	282	AFTON WRITEDOWN	3,191,574	3,191,574	3,191,574		-	3,191,574		3,191,574

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6				10/31/18	11/30/18	12/31/18	IRS Required				
7	Doc Ref	acct	Description	10/31/2018	11/30/2018	12/31/2018	Proration	Averaging Adj	Test Period	Test Adj	Adjusted Test Period
248	282268	282	AFTON WRITEDOWN	692,690	692,690	692,690		-	692,690		692,690
249	282304	282	Nuclear Fuel Amortization PV 1&2	-	-	-		-	-		-
250	282305	282	Nuclear Fuel Amortization PV 1&2	-	-	-		-	-		-
251	282306	282	Liberalized Depreciation - Other	(12,408,939)	(12,408,939)	(12,408,939)		-	(12,408,939)		(12,408,939)
252	282307	282	Liberalized Depreciation - Other	(2,642,319)	(2,642,319)	(2,642,319)		-	(2,642,319)		(2,642,319)
253	282308	282	Liberalized Depreciation - Other	(36,858,261)	(36,858,261)	(36,858,261)		-	(36,858,261)		(36,858,261)
254	282309	282	Liberalized Depreciation - Other	(7,868,503)	(7,868,503)	(7,868,503)		-	(7,868,503)		(7,868,503)
255	282310	282	Liberalized Depreciation - Other	(67,254,439)	(67,254,439)	(67,254,439)		-	(67,254,439)		(67,254,439)
256	282311	282	Liberalized Depreciation - Other	(7,956,254)	(7,956,254)	(7,956,254)		-	(7,956,254)		(7,956,254)
257	282312	282	Liberalized Depreciation - Other	(10,082,411)	(10,082,411)	(10,082,411)		-	(10,082,411)		(10,082,411)
258	282313	282	Liberalized Depreciation - Other	(2,188,258)	(2,188,258)	(2,188,258)		-	(2,188,258)		(2,188,258)
259	282314	282	Liberalized Depreciation - Other	(6,520,280)	(6,520,280)	(6,520,280)		-	(6,520,280)		(6,520,280)
260	282315	282	Liberalized Depreciation - Other	(1,424,905)	(1,424,905)	(1,424,905)		-	(1,424,905)		(1,424,905)
261	282318	282	Liberalized Depreciation - Other	4,274,976	4,274,976	4,274,976		-	4,274,976		4,274,976
262	282319	282	Liberalized Depreciation - Other	927,827	927,827	927,827		-	927,827		927,827
263	282320	282	Liberalized Depreciation - Other	(169,194,086)	(169,260,920)	(169,263,009)	prorated	1,418,454	(167,844,555)		(167,844,555)
264	282321	282	Liberalized Depreciation - Other	(35,442,567)	(35,453,830)	(35,454,182)	prorated	239,056	(35,215,127)		(35,215,127)
265	282322	282	ALVARADO SQUARE ABANDONMENT						-	-	-
266	282323	282	ALVARADO SQUARE ABANDONMENT					-	-	-	-
267	282386	282	Liberalized Depreciation - Other	(392,208)	(392,208)	(392,208)		-	(392,208)		(392,208)
268	282387	282	Liberalized Depreciation - Other	(73,944)	(73,944)	(73,944)		-	(73,944)		(73,944)
269	282500	282	Zero Balance					-	-		-
270	283001	283	BONUS ACCRUAL					-	-		-
271	283002	283	BONUS ACCRUAL					-	-		-
272	283004	283	Zero Balance					-	-		-
273	283005	283	Zero Balance					-	-		-
274	283008	283	Liberalized Depreciation - Other	(4,462,737)	(4,462,737)	(4,462,737)		-	(4,462,737)		(4,462,737)
275	283009	283	Liberalized Depreciation - Other	(758,667)	(758,667)	(758,667)		-	(758,667)		(758,667)
276	283010	283	LOSS ON REACQUIRED DEBT	(2,638,673)	(2,616,062)	(2,593,452)		(135,662)	(2,729,114)	-	(2,729,114)
277	283013	283	LOSS ON REACQUIRED DEBT	(583,049)	(579,239)	(575,428)		(22,863)	(598,291)	-	(598,291)
278	283019	283	GAIN REACQUIRED DEBT					-	-		-
279	283020	283	GAIN REACQUIRED DEBT					-	-		-
280	283023	283	Pension Qualified					-	-		-
281	283024	283	Pension Qualified					-	-		-
282	283034	283	RATE CASE EXPENSE					-	-		-
283	283035	283	RATE CASE EXPENSE					-	-		-
284	283144	283	FAS 109					-	-		-
285	283145	283	FAS 109					-	-		-
286	283154	283	ASSET RETIREMENT OBLIGATION					-	-		-
287	283155	283	ASSET RETIREMENT OBLIGATION					-	-		-

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6				10/31/18	11/30/18	12/31/18	IRS Required				
7	Doc Ref	acct	Description	10/31/2018	11/30/2018	12/31/2018	Proration	Averaging Adj	Test Period	Test Adj	Adjusted Test Period
288	283156	283	COMPENSATION EXPENSE					-	-		-
289	283157	283	COMPENSATION EXPENSE					-	-		-
290	283158	283	PVNGS DECOMM NON UTILITY					-	-		-
291	283159	283	PVNGS DECOMM NON UTILITY					-	-		-
292	283160	283	FAS 115					-	-		-
293	283161	283	FAS 115					-	-		-
294	283162	283	MARK TO MARKET					-	-		-
295	283163	283	MARK TO MARKET					-	-		-
296	283164	283	Zero Balance					-	-		-
297	283165	283	Zero Balance					-	-		-
298	283166	283	Zero Balance					-	-		-
299	283167	283	Zero Balance					-	-		-
300	283168	283	UNREALIZED GAIN ON ENERGY TRADING					-	-		-
301	283169	283	UNREALIZED GAIN ON ENERGY TRADING					-	-		-
302	283170	283	Zero Balance					-	-		-
303	283171	283	Zero Balance					-	-		-
304	283174	283	HEDGE LOSS					-	-		-
305	283175	283	HEDGE LOSS					-	-		-
306	283180	283	ACCRUED ILLNESS					-	-		-
307	283181	283	ACCRUED ILLNESS					-	-		-
308	283182	283	BOOK CAPITALIZED INTEREST	(6,849,690)	(6,850,784)	(6,850,823)	prorated	18,882	(6,831,941)		(6,831,941)
309	283183	283	BOOK CAPITALIZED INTEREST	(1,461,541)	(1,461,726)	(1,461,732)	prorated	3,182	(1,458,550)		(1,458,550)
310	283185	283	Liberalized Depreciation - Other	(74,679)	(74,679)	(74,679)		-	(74,679)		(74,679)
311	283186	283	Liberalized Depreciation - Other	(16,208)	(16,208)	(16,208)		-	(16,208)		(16,208)
312	283187	283	ASSET RETIREMENT OBLIGATION					-	-		-
313	283188	283	ASSET RETIREMENT OBLIGATION					-	-		-
314	283189	283	Zero Balance					-	-		-
315	283190	283	Zero Balance					-	-		-
316	283191	283	Coal Mine Decommissioning					-	-		-
317	283192	283	Coal Mine Decommissioning					-	-		-
318	283193	283	PREPAID EXPENSES	(3,086,946)	(3,086,946)	(3,086,946)		-	(3,086,946)		(3,086,946)
319	283194	283	PREPAID EXPENSES	(670,041)	(670,041)	(670,041)		-	(670,041)		(670,041)
320	283201	283	PCB REFINANCING					-	-	-	-
321	283202	283	PCB REFINANCING					-	-	-	-
322	283203	283	SUN REFINANCING					-	-		-
323	283204	283	SUN REFINANCING					-	-		-
324	283205	283	Zero Balance					-	-		-
325	283206	283	Zero Balance					-	-		-
326	283207	283	DEBT ISSUANCE COST					-	-		-
327	283208	283	DEBT ISSUANCE COST					-	-		-

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6				10/31/18	11/30/18	12/31/18	IRS Required				
7	Doc Ref	acct	Description	10/31/2018	11/30/2018	12/31/2018	Proration	Averaging Adj	Test Period	Test Adj	Adjusted Test Period
328	283210	283	LOSS ON REACQUIRED DEBT					-	-	-	-
329	283213	283	LOSS ON REACQUIRED DEBT					-	-	-	-
330	283215	283	SUN REFINANCING					-	-		-
331	283216	283	SUN REFINANCING					-	-		-
332	283217	283	SUN REFINANCING					-	-		-
333	283218	283	SUN REFINANCING					-	-		-
334	283223	283	STATE AND LOCAL TAX RESERVE					-	-		-
335	283224	283	STATE AND LOCAL TAX RESERVE					-	-		-
336	283225	283	Zero Balance					-	-		-
337	283226	283	Zero Balance					-	-		-
338	283231	283	PCB REFINANCING					-	-		-
339	283232	283	PCB REFINANCING					-	-		-
340	283233	283	PCB REFINANCING					-	-		-
341	283234	283	PCB REFINANCING					-	-		-
342	283235	283	SUN REFINANCING					-	-		-
343	283236	283	SUN REFINANCING					-	-		-
344	283240	283	SO2 ALLOWANCE CREDITS					-	-		-
345	283241	283	SO2 ALLOWANCE CREDITS					-	-		-
346	283275	283	BAD DEBT ALLOWANCE					-	-		-
347	283276	283	BAD DEBT ALLOWANCE					-	-		-
348	283296	283	PV INCENTIVE PROGRAM					-	-		-
349	283297	283	PV INCENTIVE PROGRAM					-	-		-
350	283298	283	BIOMASS					-	-		-
351	283299	283	BIOMASS					-	-		-
352	283300	283	RENEWABLE ENERGY CERTIFICATES					-	-		-
353	283301	283	RENEWABLE ENERGY CERTIFICATES					-	-		-
354	283317	283	RATE CASE EXPENSE					-	-	-	-
355	283318	283	RATE CASE EXPENSE					-	-	-	-
356	283325	283	Zero Balance					-	-		-
357	283326	283	Zero Balance					-	-		-
358	283361	283	BONUS ACCRUAL					-	-		-
359	283362	283	BONUS ACCRUAL					-	-		-
360	283363	283	BONUS ACCRUAL					-	-		-
361	283364	283	BONUS ACCRUAL					-	-		-
362	283367	283	FIN 48 INTEREST					-	-		-
363	283368	283	FIN 48 INTEREST					-	-		-
364	283369	283	RATE CASE EXPENSE	(966,329)	(928,769)	(891,209)		(225,342)	(1,116,551)		(1,116,551)
365	283370	283	RATE CASE EXPENSE	(193,501)	(187,171)	(180,841)		(38,030)	(218,871)		(218,871)
366	283382	283	Zero Balance					-	-		-
367	283383	283	Zero Balance					-	-		-

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368	283386	283	FIN 48 INTEREST					-	-		-
369	283387	283	FIN 48 INTEREST					-	-		-
370	283388	283	PVNGS #2 CARRYING COSTS					-	-		-
371	283389	283	PVNGS #2 CARRYING COSTS					-	-		-
372	283390	283	RENEWABLE ENERGY EXPENSES					-	-		-
373	283391	283	RENEWABLE ENERGY EXPENSES					-	-		-
374	283392	283	SO2 ALLOWANCE CREDITS					-	-		-
375	283393	283	SO2 ALLOWANCE CREDITS					-	-		-
376	283396	283	FUEL CLAUSE ADJUSTMENT					-	-		-
377	283397	283	FUEL CLAUSE ADJUSTMENT					-	-		-
378	283398	283	RATE RIDER 12					-	-		-
379	283399	283	RATE RIDER 12					-	-		-
380	283410	283	Renewable Rider					-	-		-
381	283411	283	Renewable Rider					-	-		-
382	283416	283	DEFERRED COAL COSTS					-	-	-	-
383	283417	283	DEFERRED COAL COSTS					-	-		-
384	283500	283	Zero Balance					-	-		-
385	283420	283	SCR DEFERRED EXPENSES					-	-		-
386	283421	283	SCR DEFERRED EXPENSES					-	-		-
387			TOU Reg asset/liab					-	-	-	-
388			TOU Reg asset/liab								
389	283426	283	EPA BART ALTERNATIVE DEFERRED EXPENSES					-	-		-
390	283427	283	EPA BART ALTERNATIVE DEFERRED EXPENSES					-	-		-
391	283900	283	Zero Balance					-	-		-
392	283000	283	Zero Balance					-	-		-
393			DOE Spent Fuel Settlement PV3	569,450	528,138	486,825			486,825	(486,825)	-
394			DOE Spent Fuel Settlement PV3	122,863	115,900	108,938			108,938	(108,938)	-
395			50% SJGS 2&3	(40,485,722)	(40,309,147)	(40,132,572)		(1,059,206)	(41,191,777)	-	(41,191,777)
396			50% SJGS 2&3	(7,186,379)	(7,156,620)	(7,126,861)		(179,218)	(7,306,079)	-	(7,306,079)
397			PENSION AMPP	1,863,703	1,856,587	1,849,472		42,693	1,892,165	-	1,892,165
398			PENSION AMPP	416,199	414,999	413,800		7,195	420,995	-	420,995
399			Palo Verde Dry Cask Storage 3	-	-	-		-	-	-	-
400			Palo Verde Dry Cask Storage 3	-	-	-		-	-	-	-
401			SJGS Coal Agreement Transaction Costs	(733,841)	(717,025)	(700,210)		(100,893)	(801,103)	-	(801,103)
402			SJGS Coal Agreement Transaction Costs	(141,729)	(138,895)	(136,061)		(17,004)	(153,065)	-	(153,065)
403	Renew	282	Liberalized Depreciation - Renewables	(36,699,861)	(36,666,758)	(36,665,710)	prorated	(698,792)	(37,364,502)		(37,364,502)
404		282	Liberalized Depreciation - Renewables	(7,999,933)	(7,994,354)	(7,994,178)	prorated	(117,769)	(8,111,947)		(8,111,947)
405	CorpDepr	282	Liberalized Depreciation - Other	(10,412,011)	(10,383,900)	(10,385,805)	prorated	(674,525)	(11,060,330)		(11,060,330)
406		282	Liberalized Depreciation - Other	(2,182,931)	(2,178,194)	(2,178,514)	prorated	(113,679)	(2,292,194)		(2,292,194)
407	CorpNOL	190	Net Operating Loss (NOL)	1,021,524	1,018,766	1,018,953		66,178	1,085,131		1,085,131

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408		190	Net Operating Loss (NOL)	184,833	184,334	184,368		11,974	196,342		196,342
409	Gen	282	Liberalized Depreciation - Generation	(412,483,587)	(412,697,762)	(412,707,192)	prorated	2,386,373	(410,320,819)		(410,320,819)
410		282	Liberalized Depreciation - Generation	(73,841,475)	(73,877,570)	(73,879,159)		402,181	(73,476,978)		(73,476,978)
411	NF12	282	Nuclear Fuel Amortization PV 1&2	4,347,545	4,304,886	4,303,614	prorated	(66,420)	4,237,194		4,237,194
412		282	Nuclear Fuel Amortization PV 1&2	867,091	859,902	859,688		(11,194)	848,494		848,494
413	NF3	282	Nuclear Fuel Amortization PV 3	2,851,906	2,844,636	2,844,422	prorated	(134,203)	2,710,219		2,710,219
414		282	Nuclear Fuel Amortization PV 3	560,242	559,017	558,981		(22,618)	536,363		536,363
415	Trans	282	Liberalized Depreciation - Transmission	(118,244,743)	(118,356,656)	(118,365,161)	prorated	1,442,800	(116,922,361)		(116,922,361)
416		282	Liberalized Depreciation - Transmission	(21,021,549)	(21,040,410)	(21,041,843)		243,159	(20,798,684)		(20,798,684)
417	Dist	282	Liberalized Depreciation - Distribution	(204,482,976)	(204,569,636)	(204,577,952)	prorated	646,715	(203,931,237)		(203,931,237)
418		282	Liberalized Depreciation - Distribution	(36,754,464)	(36,769,069)	(36,770,471)		108,992	(36,661,478)		(36,661,478)
419	RenewNOL	190	Renewable NOL Allocation					-	-		-
420		190	Renewable NOL Allocation					-	-		-
421		282	Liberalized Depreciation - Generation	7,843,268	7,846,288	7,846,382	prorated	(64,095)	7,782,287		7,782,287
422		282	Liberalized Depreciation - Generation	1,526,947	1,527,456	1,527,472	prorated	(10,802)	1,516,670		1,516,670
423		282	Liberalized Depreciation - Generation	11,582,528	11,585,074	11,585,154	prorated	(54,049)	11,531,105		11,531,105
424		282	Liberalized Depreciation - Generation	2,451,742	2,452,171	2,452,184	prorated	(9,109)	2,443,076		2,443,076
425		282	Liberalized Depreciation - Generation	298,305	298,305	298,305		-	298,305		298,305
426		282	Liberalized Depreciation - Generation	56,245	56,245	56,245		-	56,245		56,245
427		282	Liberalized Depreciation - Generation	71,986,996	71,986,996	71,986,996		-	71,986,996		71,986,996
428		282	Liberalized Depreciation - Generation	13,104,638	13,104,638	13,104,638		-	13,104,638		13,104,638
429		282	Liberalized Depreciation - SJ4 132 mW	(1,322,650)	(1,330,049)	(1,330,280)	prorated	81,654	(1,248,626)		(1,248,626)
430		282	Liberalized Depreciation - SJ4 132 mW	(237,401)	(238,648)	(238,687)		13,761	(224,925)		(224,925)
431		282	Liberalized Depreciation - SJ4 132 mW	2,527,429	2,528,402	2,528,433	prorated	(20,654)	2,507,778		2,507,778
432		282	Liberalized Depreciation - SJ4 132 mW	492,046	492,210	492,215	prorated	(3,481)	488,734		488,734
433		282	Liberalized Depreciation - Generation				prorated	-	-		-
434		282	Liberalized Depreciation - Generation				prorated	-	-		-
435		282	Liberalized Depreciation - SJ4 65 mW	(2,236,592)	(2,240,205)	(2,240,318)	prorated	40,452	(2,199,866)		(2,199,866)
436		282	Liberalized Depreciation - SJ4 65 mW	(395,741)	(396,350)	(396,369)		6,817	(389,552)		(389,552)
437		282	Liberalized Depreciation - Other							(451,905)	(451,905)
438		282	Liberalized Depreciation - Other							1,291,158	1,291,158
439		282	Liberalized Depreciation - HLM	(4,068,360)	(4,068,330)	(4,068,329)	prorated	(644)	(4,068,973)		(4,068,973)
440		282	Liberalized Depreciation - HLM	(873,482)	(873,477)	(873,476)	prorated	(109)	(873,585)		(873,585)
441											
442				(978,502,477)	(981,040,973)	(983,177,964)	-	29,530,671	(953,647,293)	4,993,461	(948,653,831)
443			G/L ADIT balances by FERC Account								
444			190000								
445			190058								
446			190161								
447			190162								

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448			190200								
449			190900								
450			281000								
451			282000								
452			282050								
453			283000								
454			283050								
455			283158								
456			283159								
457			283162								
458			283163								
459			283900								
460											
461			Total G/L ADIT balance				-			-	
462			Difference				-				
463			Reconciling Items								
464			Corp alloc of depr ADIT							-	
465			Corp alloc of NOL ADIT				-			-	
466			Fin 48 reclasses								
467			Total Reconciling Items				-			-	
468			ULD				-			-	
469											
470			NON-UTILITY	-	-	-	-			-	
471			Underlying acct not in rate base	-	-	-	-			-	
472			Zero adjusted balance	-	-	-	-			-	
473			Renewable Rider	(43,389,686)	(43,357,248)	(43,362,269)	-			-	
474			Included in base period rate base at MDC value	(112,831,374)	(112,328,452)	(111,825,332)	-			4,154,209	
475			Included in base period rate base at book value	(822,281,417)	(825,355,273)	(827,990,362)	-			839,253	
476											
477			Total	(978,502,477)	(981,040,973)	(983,177,964)	-			4,993,461	
478			ULD				-			-	
479											

	A	B	C	D	E	F	G
1	Public Service Company of New Mexico						
2	NMPRC Case No. 16-00276-UT						
3	PNM Exhibit MFH-2						
4	ADIT-5 Base Period Allocation of Co.s 7 & 8						
5	Hyperlink to Lead Sheet						
6							
7			Base Period				
8	Allocation percentage per Cos of Service Dept		76.82%				
9							
10	Temporary Difference Co 7				(31,039,229)	(31,039,229)	(31,039,229)
11	Temporary Difference Co 8				(766,262)	(2,560,492)	(4,354,721)
12							
13			6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016
14							
15	Co 7 Fed Depr ADIT per G/L		(11,908,332)	(11,908,332)	(10,110,153)	(10,110,153)	(10,110,153)
16	Co 7 State Depr ADIT per G/L				(2,177,196)	(2,177,196)	(2,177,196)
17							
18	Co 8 Depr ADIT per G/L		(47,206,044)	(47,123,034)	(47,654,700)	(48,354,870)	(49,055,040)
19	Less: amount related to Altura						
20	offset in Co 8 190s and 283s		47,355,209	47,355,209	47,355,209	47,355,209	47,355,209
21							
22	Co 7 Fed Depr ADIT to be allocated		149,165	232,175	(249,636)	(838,743)	(1,427,850)
23	Co 7 State Depr ADIT to be allocated				(49,855)	(160,918)	(271,981)
24							
25							
26	Total ADIT to be allocated		(11,759,167)	(11,676,157)	(12,586,840)	(13,287,010)	(13,987,180)
27							
28	Depr Fed ADIT allocated to PNM		(9,033,392)	(8,969,624)	(7,958,390)	(8,410,942)	(8,863,494)
29	Depr State ADIT allocated to PNM				(1,710,821)	(1,796,139)	(1,881,458)
30							
31	NOL ADIT at Cos 7 & 8						
32	190310		31,650,810	21,319,911	42,728,049	40,057,368	34,310,105
33	190311		9,917,349	10,532,177	6,477,460	6,347,974	6,208,011
34	Total		41,568,159	31,852,088	49,205,509	46,405,343	40,518,115
35							
36	NOL ADIT related to accel depr		1,371,460	1,050,898	1,623,440	1,531,054	1,336,816
37							
38	NOL Fed ADIT allocated to PNM		802,198	540,359	1,082,954	1,015,265	869,599
39	NOL state ADIT allocated to PNM		251,358	266,941	164,173	160,891	157,344
40							
41		12/31/2014	GL	GL	GL	GL	GL
42	NOL 190310		33,967,683	(2,316,873)	(10,330,899)	21,408,138	(2,670,681)
43	NOL 190311		9,949,961	(32,612)	614,828	(4,054,717)	(129,486)
44							
45							
46							
47							
48							
49							
50							
51							
52	Federal taxable income	source	Amount				
53	Co 7 2010	Form 1120	(7,099,986)				
54	Co 8 2010	Form 1120	(179,935,429)				
55	Co 7 2011	Form 1120	1,468,307				
56	Co 8 2011	Form 1120	(62,967,943)				
57	Co 7 2012	Form 1120	6,543,049				
58	Co 8 2012	Form 1120	(27,251,681)				
59	Co 7 2013	Form 1120	(1,952,479)				
60	Co 8 2013	Form 1120	(17,647,994)				
61	Co 7 2014	Form 1120	(5,177,145)				
62	Co 8 2014	Form 1120	(15,195,318)				
63	Co 7 2015	Per YE Accrual	246,183				
64	Co 8 2015	Per YE Accrual	(4,165,510)				
65	Total		(313,135,946)				
66							
67	Depreciation temporary book/tax difference						
68	Co 7 2010	Form 1120	(6,431,162)				
69	Co 8 2010	Form 1120	1,357,962				
70	Co 7 2011	Form 1120	(3,876,413)				
71	Co 8 2011	Form 1120	1,357,968				
72	Co 7 2012	Form 1120	3,353,533				
73	Co 8 2012	Form 1120	352,176				
74	Co 7 2013	Form 1120	560,228				
75	Co 8 2013	Form 1120	(521,630)				
76	Co 7 2014	Form 1120	(4,659,461)				
77	Co 8 2014	Form 1120	(636,803)				
78	Co 7 2015	Per YE Accrual	(499,138)				
79	Co 8 2015	Per YE Accrual	(688,571)				
80	Total		(10,331,311)				
81							
82	Accel depr as a % of taxable loss		3.30%				

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Public Service Company of New Mexico														
2	NMPRC Case No. 16-00276-UT														
3	PNM Exhibit MFH-2														
4	ADIT-6 2011 Solar Additions														
5	Hyperlink to Lead Sheet														
6															
7															
8															
9															
10															
11															
12									June	July	August	September	October	November	December
13															
14			Accumulated Deferred Income Taxes												
15			Liberalized Depreciation - 22 MW Solar					(24,002,956)	(23,909,652)	(23,816,348)	(23,723,044)	(23,629,741)	(23,536,437)	(23,443,133)	
16			Liberalized Depreciation - T&D					(330,149)	(329,371)	(328,592)	(327,814)	(327,036)	(326,258)	(325,480)	
17			Liberalized Depreciation - Energy Storage					(1,736,093)	(1,722,886)	(1,709,679)	(1,696,472)	(1,683,266)	(1,670,059)	(1,656,852)	
18			Net Operating Losses					19,878,719	19,734,059	19,589,794	19,447,795	19,297,821	19,138,114	18,970,162	
19			Unamortized NM Advanced Energy Credit ADIT					1,545,155	1,538,818	1,532,481	1,526,144	1,519,807	1,513,470	1,507,133	
20			Total Accumulated Deferred Income Taxes					(4,645,323)	(4,689,032)	(4,732,344)	(4,773,392)	(4,822,414)	(4,881,169)	(4,948,169)	
21															

	A	B	C	D	E	F	G	P	Q	R	S	T	U	V
1	Public Service Company of New Mexico													
2	NMPRC Case No. 16-00276-UT													
3	PNM Exhibit MFH-2													
4	ADIT-6 2011 Solar Additions													
5	Hyperlink to Lead Sheet													
6														
7														
8														
9														
10														
11								2015 Actual	2016					
12								<u>Revenue</u>						
13								<u>Requirement</u>	January	February	March	April	May	June
14							Accumulated Deferred Income Taxes							
15							Liberalized Depreciation - 22 MW Solar	(23,443,133)	(23,350,075)	(23,257,016)	(23,163,958)	(23,070,900)	(22,977,842)	(22,884,783)
16							Liberalized Depreciation - T&D	(325,480)	(324,791)	(324,101)	(323,412)	(322,722)	(322,033)	(321,343)
17							Liberalized Depreciation - Energy Storage	(1,656,852)	(1,643,702)	(1,630,553)	(1,617,404)	(1,604,255)	(1,591,105)	(1,577,956)
18							Net Operating Losses	18,970,162	-	-	-	-	-	-
19							Unamortized NM Advanced Energy Credit ADIT	1,507,133	1,494,286	1,487,976	1,481,667	1,475,357	1,469,048	1,462,738
20							Total Accumulated Deferred Income Taxes	(4,948,169)	(23,824,282)	(23,723,694)	(23,623,107)	(23,522,519)	(23,421,932)	(23,321,344)
21														

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Public Service Company of New Mexico												
2	NMPRC Case No. 16-00276-UT												
3	PNM Exhibit MFH-2												
4	ADIT-7 2013 Solar Additions												
5	Hyperlink to Lead Sheet												
6													
7													
8													
9						June	July	August	September	October	November	December	2015 Updated Revenue Requirement
10													
11					Accumulated Deferred Income Taxes								
12					Tax Depreciation	(30,331,826)	(30,632,047)	(30,932,267)	(31,232,487)	(31,532,707)	(31,832,927)	(32,133,147)	(32,133,147)
13													
14					Deferred	28,620,842	28,816,318	29,011,794	29,207,270	29,402,746	29,598,222	29,793,698	29,793,698
15					Flow- Through AFUDC Equity and ITC Basis Diff	336,696	335,704	334,713	333,721	332,730	331,739	330,747	330,747
16					Deferred Tax - NOL	9,240,812	9,204,354	9,168,548	9,133,393	9,098,886	9,064,986	9,031,732	9,031,732
17					Deferred Tax - Plant	(11,219,370)	(11,295,997)	(11,372,623)	(11,449,250)	(11,525,877)	(11,602,503)	(11,679,130)	(11,679,130)
18					Total Accumulated Deferred Income Taxes	(1,978,558)	(2,091,643)	(2,204,075)	(2,315,857)	(2,426,991)	(2,537,517)	(2,647,398)	(2,647,398)
19													

	A	B	C	D	E	N	O	P	Q	R	S
1	Public Service Company of New Mexico										
2	NMPRC Case No. 16-00276-UT										
3	PNM Exhibit MFH-2										
4	ADIT-7 2013 Solar Additions										
5	Hyperlink to Lead Sheet										
6											
7											
8						2016					
9						January	February	March	April	May	June
10											
11					Accumulated Deferred Income Taxes						
12					Tax Depreciation	(32,313,275)	(32,493,403)	(32,673,531)	(32,853,659)	(33,033,787)	(33,213,915)
13											
14					Deferred	29,869,325	29,944,559	30,019,794	30,095,028	30,170,263	30,245,498
15					Flow- Through AFUDC Equity and ITC Basis Diff	330,347	329,356	328,365	327,374	326,383	325,392
16					Deferred Tax - NOL	-	-	-	-	-	-
17					Deferred Tax - Plant	(11,708,639)	(11,737,996)	(11,767,352)	(11,796,709)	(11,826,065)	(11,855,422)
18					Total Accumulated Deferred Income Taxes	(11,708,639)	(11,737,996)	(11,767,352)	(11,796,709)	(11,826,065)	(11,855,422)
19											

	A	B	C	D	E	F	G	H	I	J	K	L
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-8 2014 Solar Additions											
5	Hyperlink to Lead Sheet											
6												
7												
8												
9						<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
10												
11		Accumulated Deferred Income Taxes										
12					Tax Depreciation	(25,346,601)	(25,846,431)	(26,346,796)	(26,847,160)	(27,347,525)	(27,847,890)	(28,348,255)
13												
14					Deferred	25,010,362	25,406,442	25,803,057	26,199,598	26,596,138	26,992,679	27,389,219
15					Flow- Through AFUDC Equity and ITC Basis Diff	260,341	241,129	221,918	202,693	183,468	164,243	145,018
16					Deferred Tax - NOL	9,136,069	9,166,871	9,195,936	9,228,085	9,261,000	9,294,564	9,328,757
17					Deferred Tax - Plant	(9,853,859)	(10,009,122)	(10,164,595)	(10,320,039)	(10,475,483)	(10,630,927)	(10,786,370)
18					Total Accumulated Deferred Income Taxes	(717,790)	(842,251)	(968,659)	(1,091,954)	(1,214,482)	(1,336,363)	(1,457,614)

	A	B	C	D	E	M	N	O	P	Q	R	S
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-8 2014 Solar Additions											
5	Hyperlink to Lead Sheet											
6												
7												
8						2015	2016					
9						Revenue Requirement	January	February	March	April	May	June
10												
11					Accumulated Deferred Income Taxes							
12					Tax Depreciation	(28,348,255)	(28,648,474)	(28,948,692)	(29,248,911)	(29,549,130)	(29,849,349)	(30,149,568)
13												
14					Deferred	27,389,219	27,584,471	27,779,723	27,974,975	28,170,227	28,365,479	28,560,731
15					Flow- Through AFUDC Equity and ITC Basis Diff	145,018	125,591	106,164	86,738	67,311	47,885	28,458
16					Deferred Tax - NOL	9,328,757	-	-	-	-	-	-
17					Deferred Tax - Plant	(10,786,370)	(10,862,909)	(10,939,448)	(11,015,987)	(11,092,526)	(11,169,064)	(11,245,603)
18					Total Accumulated Deferred Income Taxes	(1,457,614)	(10,862,909)	(10,939,448)	(11,015,987)	(11,092,526)	(11,169,064)	(11,245,603)

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-9 Base Period Depreciation ADIT by Function								
5	Hyperlink to Lead Sheet								
6				Acct 282		Acct 282		Acct 282	
7				G/L Balance		G/L Balance		G/L Balance	
8	Co			12/31/2014	Activity	03/31/15	Activity	06/30/15	Activity
9	1		Dist	(194,981,789)	(1,759,133)	(196,740,922)	(1,759,133)	(198,500,055)	(1,759,133)
10	2		Trans	(92,158,809)	(1,152,976)	(93,311,785)	(1,152,976)	(94,464,761)	(1,152,976)
11	3		Gen	(471,440,161)	855,227	(470,584,934)	(1,904,248)	(472,489,182)	(1,904,248)
12	00C		Gen	(11,097,268)	-	(11,097,268)	-	(11,097,268)	-
13	00J		Corp	(182,149)	-	(182,149)	-	(182,149)	-
14	34		Dist	(17,603,526)	(84,879)	(17,688,405)	(84,879)	(17,773,284)	(84,879)
15	35		Trans	(8,316,562)	(103,767)	(8,420,329)	(103,767)	(8,524,096)	(103,767)
16									
17	G/L			(795,780,264)	(2,245,528)	(798,025,792)	(5,005,003)	(803,030,795)	(5,005,003)
18									
19	FERC FIN 48 Reclass	f	Gen	(8,415,264)		(8,415,264)		(8,415,264)	
20	FERC FIN 48 Reclass	s	Gen	(1,826,369)		(1,826,369)		(1,826,369)	
21	Comp S/W Reclass	f	Corp	(4,462,737)	-	(4,462,737)	-	(4,462,737)	-
22	Comp S/W Reclass	s	Corp	(758,667)	-	(758,667)	-	(758,667)	-
23	ERP reclass	f	Corp	(74,679)	-	(74,679)	-	(74,679)	-
24	ERP reclass	s	Corp	(16,208)	-	(16,208)	-	(16,208)	-
25	IRS Exam Adj reclass	f	Gen	(1,352,963)	-	(1,352,963)	-	(1,352,963)	-
26	IRS Exam Adj reclass	s	Gen	2,222,086	-	2,222,086	-	2,222,086	-
27									
28	G/L			(810,465,065)	(2,245,528)	(812,710,593)	(5,005,003)	(817,715,596)	(5,005,003)
29									
30	Items shown separately								
31									
32	FERC	f	trans	(88,166)	-	(88,166)	-	(88,166)	-
33	FERC	s	trans	(4,200)	-	(4,200)	-	(4,200)	-
34	FERC	f	dist	132,282	-	132,282	-	132,282	-
35	FERC	s	dist	28,736	-	28,736	-	28,736	-
36	FERC	f	Gen	926,018	-	926,018	-	926,018	-
37	FERC	s	Gen	265,517	-	265,517	-	265,517	-
38									
39	AFUDC Debt	f	trans	(3,117,306)	(134,913)	(3,252,219)	(134,913)	(3,387,132)	(134,913)
40	AFUDC Debt	s	trans	(676,568)	(26,577)	(703,145)	(26,577)	(729,722)	(26,577)
41	AFUDC Debt	f	dist	(3,028,138)	(38,172)	(3,066,310)	(38,172)	(3,104,482)	(38,172)
42	AFUDC Debt	s	dist	(662,952)	(7,518)	(670,470)	(7,518)	(677,988)	(7,518)
43	AFUDC Debt	f	Gen	(9,872,169)	(340,482)	(10,212,651)	(340,482)	(10,553,133)	(340,482)
44	AFUDC Debt	s	Gen	(2,149,420)	(67,071)	(2,216,491)	(67,071)	(2,283,562)	(67,071)
45									
46	Repair Allow	f	trans	(3,397,127)	-	(3,397,127)	-	(3,397,127)	-
47	Repair Allow	s	trans	(737,304)	-	(737,304)	-	(737,304)	-
48	Repair Allow	f	dist	(8,294,549)	-	(8,294,549)	-	(8,294,549)	-
49	Repair Allow	s	dist	(1,800,226)	-	(1,800,226)	-	(1,800,226)	-
50	Repair Allow	f	Gen	(6,498,746)	-	(6,498,746)	-	(6,498,746)	-
51	Repair Allow	s	Gen	(1,410,470)	-	(1,410,470)	-	(1,410,470)	-
52									
53	Fas 109	f	trans	(2,319,815)	-	(2,319,815)	-	(2,319,815)	-
54	Fas 109	s	trans	183,251	-	183,251	-	183,251	-
55	Fas 109	f	dist	(6,139,506)	-	(6,139,506)	-	(6,139,506)	-
56	Fas 109	s	dist	411,091	-	411,091	-	411,091	-
57	Fas 109	f	Gen	(24,321,928)	-	(24,321,928)	-	(24,321,928)	-

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-9 Base Period Depreciation ADIT by Function								
5	Hyperlink to Lead Sheet								
6				Acct 282		Acct 282		Acct 282	
7				G/L Balance		G/L Balance		G/L Balance	
8	Co			12/31/2014	Activity	03/31/15	Activity	06/30/15	Activity
58	Fas 109	s	Gen	(4,937,670)	-	(4,937,670)	-	(4,937,670)	-
59									
60	ARO	f	trans	-	-	-	-	-	-
61	ARO	s	trans	-	-	-	-	-	-
62	ARO	f	dist	292,257	-	292,257	-	292,257	-
63	ARO	s	dist	63,098	-	63,098	-	63,098	-
64	ARO	f	Gen	42,438,879	1,192,470	43,631,349	1,192,470	44,823,819	1,192,470
65	ARO	s	Gen	9,166,605	234,906	9,401,511	234,906	9,636,417	234,906
66									
67	Alvarado Sq Dist	f	Dist	(1,294,338)	-	(1,294,338)	-	(1,294,338)	-
68	Alvarado Sq Dist	s	Dist	(280,920)	-	(280,920)	-	(280,920)	-
69									
70	PVNGS startup	f	Gen	263,465	-	263,465	-	263,465	-
71	PVNGS startup	s	Gen	(13,439)	-	(13,439)	-	(13,439)	-
72	Nuc Fuel	f	Gen	(5,216,282)	-	(5,216,282)	-	(5,216,282)	-
73	Nuc Fuel	s	Gen	(1,275,315)	-	(1,275,315)	-	(1,275,315)	-
74	Nuc Fuel amort	f	Gen	13,172,869	-	13,172,869	-	13,172,869	-
75	Nuc Fuel amort	s	Gen	2,859,001	-	2,859,001	-	2,859,001	-
76	PV3	f	Gen	(61,685,347)	756,373	(60,928,974)	-	(60,928,974)	-
77	PV3	s	Gen	(9,991,970)	2,003,102	(7,988,868)	-	(7,988,868)	-
78	PV licensing	f	Gen	(3,685,481)	-	(3,685,481)	-	(3,685,481)	-
79	PV licensing	s	Gen	(801,360)	-	(801,360)	-	(801,360)	-
80	Afton w/d	f	Gen	6,503,263	-	6,503,263	-	6,503,263	-
81	Afton w/d	s	Gen	1,411,449	-	1,411,449	-	1,411,449	-
82									
83	Depreciation								
84	Distribution	f	dist	(161,510,223)	(1,650,496)	(163,160,720)	(1,650,496)	(164,811,216)	(1,650,496)
85	Distribution	s	dist	(30,501,927)	(147,826)	(30,649,752)	(147,826)	(30,797,578)	(147,826)
86	trans	f	trans	(75,970,725)	(1,005,221)	(76,975,946)	(1,005,221)	(77,981,167)	(1,005,221)
87	trans	s	trans	(14,347,411)	(90,032)	(14,437,443)	(90,032)	(14,527,475)	(90,032)
88	Generation	f	Gen	(367,629,026)	(2,683,706)	(370,312,732)	(2,683,706)	(372,996,438)	(2,683,706)
89	Generation	s	Gen	(69,428,382)	(240,365)	(69,668,747)	(240,365)	(69,909,112)	(240,365)
90	General	f	Corp	(4,621,625)	-	(4,621,625)	-	(4,621,625)	-
91	General	s	Corp	(872,815)	-	(872,815)	-	(872,815)	-
92									
93	Total 282		dist	(212,585,315)	(1,844,012)	(214,429,327)	(1,844,012)	(216,273,339)	(1,844,012)
94	Total 282		trans	(100,475,371)	(1,256,743)	(101,732,114)	(1,256,743)	(102,988,857)	(1,256,743)
95	Total 282		Gen	(491,909,939)	855,227	(491,054,712)	(1,904,248)	(492,958,960)	(1,904,248)
96	Total 282		Corp	(5,494,440)	-	(5,494,440)	-	(5,494,440)	-
97									
98	Total 282		Total PNM	(810,465,065)	(2,245,528)	(812,710,593)	(5,005,003)	(817,715,596)	(5,005,003)
99									
100	ULD			-	-	-	-	-	-
101									
102									
103									
104									
105									
106									

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-9 Base Period Depreciation ADIT by Function								
5	Hyperlink to Lead Sheet								
6				Acct 282		Acct 282		Acct 282	
7				G/L Balance		G/L Balance		G/L Balance	
8	Co			12/31/2014	Activity	03/31/15	Activity	06/30/15	Activity
107									
108									
109									
110									
111									
112	Federal			(681,719,327)	(70,489,541)	(70,489,541)	(70,489,541)	(70,489,541)	(70,489,541)
113	State			(128,745,738)	(6,313,361)	(6,313,361)	(6,313,361)	(6,313,361)	(6,313,361)
114	Total			(810,465,065)	(76,802,902)	(76,802,902)	(76,802,902)	(76,802,902)	(76,802,902)

	A	B	C	J	K	L	M	N	O
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-9 Base Period Depreciation ADIT by Function								
5	Hyperlink to Lead Sheet								
6				Acct 282		Acct 282		Acct 282	
7				G/L Balance		G/L Balance		G/L Balance	
8	Co			09/30/15	Activity	12/13/15	Activity	03/31/16	Activity
9	1		Dist	(200,259,188)	(15,577,787)	(215,836,975)	(3,685,126)	(219,522,101)	(3,685,126)
10	2		Trans	(95,617,737)	(8,761,660)	(104,379,397)	(2,440,401)	(106,819,798)	(2,440,401)
11	3		Gen	(474,393,430)	(48,139,924)	(522,533,354)	(22,872,615)	(545,405,969)	(8,834,801)
12	00C		Gen	(11,097,268)	(1,267,044)	(12,364,312)	12,364,312	-	-
13	00J		Corp	(182,149)	33,166	(148,983)	-	(148,983)	-
14	34		Dist	(17,858,163)	(36,212)	(17,894,375)	(36,993)	(17,931,368)	(36,993)
15	35		Trans	(8,627,863)	(558,763)	(9,186,626)	(172,788)	(9,359,414)	(172,788)
16									
17	G/L			(808,035,798)	(74,308,224)	(882,344,022)	(16,843,611)	(899,187,633)	(15,170,109)
18									
19	FERC FIN 48 Reclass	f	Gen	(8,415,264)	8,020,223	(395,041)		(395,041)	
20	FERC FIN 48 Reclass	s	Gen	(1,826,369)	1,740,633	(85,736)		(85,736)	
21	Comp S/W Reclass	f	Corp	(4,462,737)	-	(4,462,737)	-	(4,462,737)	-
22	Comp S/W Reclass	s	Corp	(758,667)	-	(758,667)	-	(758,667)	-
23	ERP reclass	f	Corp	(74,679)	-	(74,679)	-	(74,679)	-
24	ERP reclass	s	Corp	(16,208)	-	(16,208)	-	(16,208)	-
25	IRS Exam Adj reclass	f	Gen	(1,352,963)	-	(1,352,963)	-	(1,352,963)	-
26	IRS Exam Adj reclass	s	Gen	2,222,086	-	2,222,086	-	2,222,086	-
27									
28	G/L			(822,720,599)	(64,547,368)	(887,267,967)	(16,843,611)	(904,111,578)	(15,170,109)
29									
30	Items shown separately								
31									
32	FERC	f	trans	(88,166)	(8)	(88,174)	-	(88,174)	-
33	FERC	s	trans	(4,200)	(2)	(4,202)	-	(4,202)	-
34	FERC	f	dist	132,282	(3,148)	129,134	-	129,134	-
35	FERC	s	dist	28,736	(619)	28,117	-	28,117	-
36	FERC	f	Gen	926,018	-	926,018	-	926,018	-
37	FERC	s	Gen	265,517	-	265,517	-	265,517	-
38				-	-	-	-	-	-
39	AFUDC Debt	f	trans	(3,522,045)	(370,732)	(3,892,777)	(136,347)	(4,029,124)	(136,347)
40	AFUDC Debt	s	trans	(756,299)	(73,031)	(829,330)	(25,704)	(855,034)	(25,704)
41	AFUDC Debt	f	dist	(3,142,654)	(96,903)	(3,239,557)	(25,818)	(3,265,375)	(25,818)
42	AFUDC Debt	s	dist	(685,506)	(19,094)	(704,600)	(4,866)	(709,466)	(4,866)
43	AFUDC Debt	f	Gen	(10,893,615)	(531,393)	(11,425,008)	(257,094)	(11,682,102)	(257,094)
44	AFUDC Debt	s	Gen	(2,350,633)	(104,683)	(2,455,316)	(48,468)	(2,503,784)	(48,468)
45				-	-	-	-	-	-
46	Repair Allow	f	trans	(3,397,127)	-	(3,397,127)	-	(3,397,127)	-
47	Repair Allow	s	trans	(737,304)	-	(737,304)	-	(737,304)	-
48	Repair Allow	f	dist	(8,294,549)	-	(8,294,549)	-	(8,294,549)	-
49	Repair Allow	s	dist	(1,800,226)	-	(1,800,226)	-	(1,800,226)	-
50	Repair Allow	f	Gen	(6,498,746)	-	(6,498,746)	-	(6,498,746)	-
51	Repair Allow	s	Gen	(1,410,470)	-	(1,410,470)	-	(1,410,470)	-
52				-	-	-	-	-	-
53	Fas 109	f	trans	(2,319,815)	(289,435)	(2,609,250)	-	(2,609,250)	-
54	Fas 109	s	trans	183,251	847,107	1,030,358	-	1,030,358	-
55	Fas 109	f	dist	(6,139,506)	(738,219)	(6,877,725)	-	(6,877,725)	-
56	Fas 109	s	dist	411,091	2,150,145	2,561,236	-	2,561,236	-
57	Fas 109	f	Gen	(24,321,928)	(7,150,559)	(31,472,487)	-	(31,472,487)	-

	A	B	C	J	K	L	M	N	O
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-9 Base Period Depreciation ADIT by Function								
5	Hyperlink to Lead Sheet								
6				Acct 282		Acct 282		Acct 282	
7				G/L Balance		G/L Balance		G/L Balance	
8	Co			09/30/15	Activity	12/13/15	Activity	03/31/16	Activity
58	Fas 109	s	Gen	(4,937,670)	2,652,423	(2,285,247)	-	(2,285,247)	-
59				-	-	-	-	-	-
60	ARO	f	trans	-	-	-	-	-	-
61	ARO	s	trans	-	-	-	-	-	-
62	ARO	f	dist	292,257	(95,729)	196,528	-	196,528	-
63	ARO	s	dist	63,098	(18,858)	44,240	-	44,240	-
64	ARO	f	Gen	46,016,289	2,571,288	48,587,577	1,380,201	49,967,778	1,380,201
65	ARO	s	Gen	9,871,323	513,902	10,385,225	260,205	10,645,430	260,205
66				-	-	-	-	-	-
67	Alvarado Sq Dist	f	Dist	(1,294,338)	-	(1,294,338)	-	(1,294,338)	-
68	Alvarado Sq Dist	s	Dist	(280,920)	-	(280,920)	-	(280,920)	-
69				-	-	-	-	-	-
70	PVNGS startup	f	Gen	263,465	-	263,465	-	263,465	-
71	PVNGS startup	s	Gen	(13,439)	-	(13,439)	-	(13,439)	-
72	Nuc Fuel	f	Gen	(5,216,282)	674,011	(4,542,271)	-	(4,542,271)	-
73	Nuc Fuel	s	Gen	(1,275,315)	132,775	(1,142,540)	-	(1,142,540)	-
74	Nuc Fuel amort	f	Gen	13,172,869	-	13,172,869	-	13,172,869	-
75	Nuc Fuel amort	s	Gen	2,859,001	-	2,859,001	-	2,859,001	-
76	PV3	f	Gen	(60,928,974)	(7,721,578)	(68,650,552)	13,924	(68,636,628)	-
77	PV3	s	Gen	(7,988,868)	(1,541,465)	(9,530,333)	(740,192)	(10,270,525)	-
78	PV licensing	f	Gen	(3,685,481)	(60,997)	(3,746,478)	-	(3,746,478)	-
79	PV licensing	s	Gen	(801,360)	(12,016)	(813,376)	-	(813,376)	-
80	Afton w/d	f	Gen	6,503,263	-	6,503,263	-	6,503,263	-
81	Afton w/d	s	Gen	1,411,449	-	1,411,449	-	1,411,449	-
82									
83	<u>Depreciation</u>								
84	Distribution	f	dist	(166,461,712)	(15,411,271)	(181,872,983)	(2,876,444)	(184,749,427)	(3,104,056)
85	Distribution	s	dist	(30,945,404)	(1,380,303)	(32,325,707)	(814,991)	(33,140,698)	(587,379)
86	trans	f	trans	(78,986,388)	(8,658,801)	(87,645,189)	(1,909,979)	(89,555,168)	(2,061,115)
87	trans	s	trans	(14,617,507)	(775,521)	(15,393,028)	(541,159)	(15,934,187)	(390,023)
88	Generation	f	Gen	(375,680,144)	(26,678,384)	(402,358,528)	(8,662,508)	(411,021,036)	(8,551,458)
89	Generation	s	Gen	(70,149,477)	(2,389,436)	(72,538,913)	(2,454,371)	(74,993,284)	(1,618,187)
90	General	f	Corp	(4,621,625)	30,440	(4,591,186)	-	(4,591,186)	-
91	General	s	Corp	(872,815)	2,726	(870,088)	-	(870,088)	-
92									
93	Total 282		dist	(218,117,351)	(15,613,999)	(233,731,350)	(3,722,119)	(237,453,469)	(3,722,119)
94	Total 282		trans	(104,245,600)	(9,320,423)	(113,566,023)	(2,613,189)	(116,179,212)	(2,613,189)
95	Total 282		Gen	(494,863,208)	(39,646,112)	(534,509,320)	(10,508,303)	(545,017,623)	(8,834,801)
96	Total 282		Corp	(5,494,440)	33,166	(5,461,274)	-	(5,461,274)	-
97									
98	Total 282		Total PNM	(822,720,599)	(64,547,368)	(887,267,967)	(16,843,611)	(904,111,578)	(15,170,109)
99									
100	ULD			-	-	-	-	-	-
101									
102									
103									
104									
105									
106									

	A	B	C	J	K	L	M	N	O
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-9 Base Period Depreciation ADIT by Function								
5	Hyperlink to Lead Sheet								
6				Acct 282		Acct 282		Acct 282	
7				G/L Balance		G/L Balance		G/L Balance	
8	Co			09/30/15	Activity	12/13/15	Activity	03/31/16	Activity
107									
108									
109									
110									
111									
112	Federal			(70,489,541)	(70,489,541)	(752,208,868)	(13,124,899)	(765,333,767)	(12,756,252)
113	State			(6,313,361)	(6,313,361)	(135,059,099)	(3,718,712)	(138,777,811)	(2,413,857)
114	Total			(76,802,902)	(76,802,902)	(887,267,967)	(16,843,611)	(904,111,578)	(15,170,109)

	A	B	C	P	Q	R	S	T	U	V	W
1	Public Service Company of New Mexico										
2	NMPRC Case No. 16-00276-UT										
3	PNM Exhibit MFH-2										
4	ADIT-9 Base Period Depreciation ADIT by Function										
5	Hyperlink to Lead Sheet										
6				Acct 282							
7				G/L Balance							
8	Co			06/30/16		G/L Doc ref numbers associated with ADIT category					
9	1		Dist	(223,207,227)							
10	2		Trans	(109,260,199)							
11	3		Gen	(554,240,770)							
12	00C		Gen	-							
13	00J		Corp	(148,983)							
14	34		Dist	(17,968,361)							
15	35		Trans	(9,532,202)							
16											
17	G/L			(914,357,742)							
18											
19	FERC FIN 48 Reclass	f	Gen	(395,041)							
20	FERC FIN 48 Reclass	s	Gen	(85,736)							
21	Comp S/W Reclass	f	Corp	(4,462,737)		283008					
22	Comp S/W Reclass	s	Corp	(758,667)			283009				
23	ERP reclass	f	Corp	(74,679)		283185					
24	ERP reclass	s	Corp	(16,208)			283186				
25	IRS Exam Adj reclass	f	Gen	(1,352,963)		190054					
26	IRS Exam Adj reclass	s	Gen	2,222,086			190055				
27											
28	G/L			(919,281,687)							
29											
30	<u>Items shown separately</u>										
31											
32	FERC	f	trans	(88,174)		282005					
33	FERC	s	trans	(4,202)			282006				
34	FERC	f	dist	129,134		282005					
35	FERC	s	dist	28,117			282006				
36	FERC	f	Gen	926,018		282005					
37	FERC	s	Gen	265,517			282006				
38				-							
39	AFUDC Debt	f	trans	(4,165,471)		282017					
40	AFUDC Debt	s	trans	(880,738)			282018				
41	AFUDC Debt	f	dist	(3,291,193)		282017					
42	AFUDC Debt	s	dist	(714,332)			282018				
43	AFUDC Debt	f	Gen	(11,939,196)		282017					
44	AFUDC Debt	s	Gen	(2,552,252)			282018				
45				-							
46	Repair Allow	f	trans	(3,397,127)		282025					
47	Repair Allow	s	trans	(737,304)			282026				
48	Repair Allow	f	dist	(8,294,549)		282025					
49	Repair Allow	s	dist	(1,800,226)			282026				
50	Repair Allow	f	Gen	(6,498,746)		282025					
51	Repair Allow	s	Gen	(1,410,470)			282026				
52				-							
53	Fas 109	f	trans	(2,609,250)		282033					
54	Fas 109	s	trans	1,030,358			282034				
55	Fas 109	f	dist	(6,877,725)		282033					
56	Fas 109	s	dist	2,561,236			282034				
57	Fas 109	f	Gen	(31,472,487)		282033					

	A	B	C	P	Q	R	S	T	U	V	W
1	Public Service Company of New Mexico										
2	NMPRC Case No. 16-00276-UT										
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4	ADIT-9 Base Period Depreciation ADIT by Function										
5	Hyperlink to Lead Sheet										
6				Acct 282							
7				G/L Balance							
8	Co			06/30/16		G/L Doc ref numbers associated with ADIT category					
58	Fas 109	s	Gen	(2,285,247)		282034					
59				-							
60	ARO	f	trans	-	282052		282021		282203		
61	ARO	s	trans	-	-	282053		282022		282204	
62	ARO	f	dist	196,528	282052		282021		282203		
63	ARO	s	dist	44,240		282053		282022		282204	
64	ARO	f	Gen	51,347,979	282052		282021		282203		
65	ARO	s	Gen	10,905,635		282053		282022		282204	
66				-							
67	Alvarado Sq Dist	f	Dist	(1,294,338)	282322						
68	Alvarado Sq Dist	s	Dist	(280,920)		282323					
69				-							
70	PVNGS startup	f	Gen	263,465	282007						
71	PVNGS startup	s	Gen	(13,439)		282008					
72	Nuc Fuel	f	Gen	(4,542,271)	282009						
73	Nuc Fuel	s	Gen	(1,142,540)		282010					
74	Nuc Fuel amort	f	Gen	13,172,869	282304						
75	Nuc Fuel amort	s	Gen	2,859,001		282305					
76	PV3	f	Gen	(68,636,628)	282011						
77	PV3	s	Gen	(10,270,525)		282012					
78	PV licensing	f	Gen	(3,746,478)	282019						
79	PV licensing	s	Gen	(813,376)		282020					
80	Afton w/d	f	Gen	6,503,263	282267						
81	Afton w/d	s	Gen	1,411,449		282268					
82											
83	Depreciation										
84	Distribution	f	dist	(187,853,484)	Remainder to be allocated by function						
85	Distribution	s	dist	(33,728,076)							
86	trans	f	trans	(91,616,282)	Remainder to be allocated by function						
87	trans	s	trans	(16,324,211)							
88	Generation	f	Gen	(419,572,494)	Remainder to be allocated by function						
89	Generation	s	Gen	(76,611,471)							
90	General	f	Corp	(4,591,186)	Remainder to be allocated by function						
91	General	s	Corp	(870,088)							
92											
93	Total 282		dist	(241,175,588)							
94	Total 282		trans	(118,792,401)							
95	Total 282		Gen	(553,852,424)							
96	Total 282		Corp	(5,461,274)							
97											
98	Total 282		Total PNM	(919,281,687)							
99											
100	ULD			-							
101											
102											
103											
104											
105											
106											

	A	B	C	P	Q	R	S	T	U	V	W
1	Public Service Company of New Mexico										
2	NMPRC Case No. 16-00276-UT										
3	PNM Exhibit MFH-2										
4	ADIT-9 Base Period Depreciation ADIT by Function										
5	Hyperlink to Lead Sheet										
6				Acct 282							
7				G/L Balance							
8	Co			06/30/16		G/L Doc ref numbers associated with ADIT category					
107											
108											
109											
110											
111											
112	Federal			(778,090,019)							
113	State			(141,191,668)							
114	Total			(919,281,687)							

	A	B	W	X	Y	Z	AA	AB	AC	AD	AE
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2015	2015	2015	2015	2015	2015	2015	2016	2016
8		Other Rate Base Items	June	July	August	September	October	November	December	January	February
9											
10		Customer Deposits									
11		RWIP-Production									
12		RWIP-Transmission									
13		RWIP-Distribution									
14		RWIP-PV 3									
15		ARO Liability - Production	(74,112,305)	(74,602,489)	(75,095,943)	(76,599,473)	(77,093,541)	(77,590,853)	(76,914,570)	(77,412,930)	(77,914,574)
16		ARO Liability - Transmission									
17		ARO Liability - Distribution	(1,552,014)	(1,562,601)	(1,573,261)	(1,583,993)	(1,594,798)	(1,605,677)	(1,110,633)	(1,103,758)	(1,111,287)
18		ARO Liability - PV 3	(31,712,571)	(31,927,477)	(32,143,840)	(32,361,672)	(32,580,981)	(32,801,779)	(33,024,074)	(33,247,877)	(33,473,199)
19		Injuries and Damages PNM	(8,553,870)	(8,369,770)	(8,238,475)	(7,773,646)	(7,821,806)	(7,810,274)	(6,340,272)	(5,888,448)	(5,709,343)
20		AMPP - Expense in Excess of Funding	(6,561,790)	(6,509,365)	(6,456,940)	(6,404,515)	(6,352,090)	(6,299,665)	(6,247,240)	(6,195,640)	(6,144,039)
21		PV 1&2 Dry Cask Storage	(8,394,686)	(8,029,246)	(8,093,523)	(8,105,959)	(8,063,657)	(8,112,112)	(8,164,743)	(8,228,423)	(8,091,076)
22		PV 3 Dry Cask Storage	(4,087,518)	(3,904,707)	(3,936,721)	(3,942,791)	(3,932,331)	(4,006,958)	(4,033,121)	(4,064,495)	(3,995,356)
23		PV 1&2 Excess Gain Amortization	(511,126)	(499,034)	(486,942)	(474,850)	(462,758)	(450,666)	(438,574)	(417,413)	(414,094)
24		High Lonesome Mesa -									
25		CWIP - Production									
26		CWIP - Transmission									
27		CWIP - Distribution									
28		CWIP - PV 3									
29		CWIP - Renewables									
30		CWIP - Production Related									
31		Pueblos Transmission Rights-of-Way									
32		Pueblos Distribution Rights-of-Way									
33		Prepaid Pension Asset	180,760,885	181,295,866	181,830,847	182,365,827	182,900,808	183,435,789	177,360,688	177,607,609	177,854,530
34		Unamortized Loss on Reacquired Debt	8,207,588	8,174,997	8,142,405	8,109,814	8,077,222	8,044,631	8,012,039	7,979,447	7,946,856
35		Rate Case Expense									
36		SGS Coal Agreement Transaction Costs									
37		PV2 Lease Acquisition Adjustment-First Chicago									
38		PV2 Lease Acquisition Adjustment									
39		Total Other Rate Base Items-Base Period	53,482,594	54,066,174	53,947,608	53,228,743	53,076,068	52,802,436	49,099,500	49,028,072	48,948,417
40		Per WP ORB-1									
41											
42		ADIT Fed	32.74%	32.74%	32.74%	32.74%	32.74%	32.74%	32.74%	32.83%	32.83%
43		ADIT State	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%	6.19%	6.19%
44		ADIT combined Fed & state rate	39.19%	39.19%	39.19%	39.19%	39.19%	39.19%	39.19%	39.02%	39.02%
45											
46											
47		Recalculated ADIT on Other Rate Base									
48											
49		Customer Deposits									
50		RWIP-Production									
51		RWIP-Transmission									
52		RWIP-Distribution									
53		RWIP-PV 3									
54		ARO Liability - Production	29,320,274	29,512,377	29,705,762	30,294,996	30,488,621	30,683,517	30,418,482	30,612,942	30,808,683
55		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
56		ARO Liability - Distribution	613,996	618,145	622,322	626,528	630,763	635,026	441,018	438,336	441,274
57		ARO Liability - PV 3	12,545,934	12,630,155	12,714,948	12,800,316	12,886,264	12,972,794	13,059,912	13,147,240	13,235,160
58		Injuries and Damages PNM	3,389,990	3,317,841	3,266,387	3,084,220	3,103,094	3,098,575	2,522,481	2,346,179	2,276,292
59		AMPP - Expense in Excess of Funding	2,599,374	2,578,828	2,558,283	2,537,738	2,517,193	2,496,647	2,476,102	2,455,967	2,435,833
60		PV 1&2 Dry Cask Storage	3,322,532	3,179,316	3,204,507	3,209,380	3,192,802	3,211,792	3,232,418	3,257,266	3,203,673
61		PV 3 Dry Cask Storage	1,617,852	1,546,209	1,558,755	1,561,134	1,557,035	1,586,281	1,596,534	1,608,776	1,581,798

	A	B	W	X	Y	Z	AA	AB	AC	AD	AE
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2015	2015	2015	2015	2015	2015	2015	2016	2016
8		Other Rate Base Items	June	July	August	September	October	November	December	January	February
62		PV 1&2 Excess Gain Amortization	202,921	198,183	193,444	188,705	183,966	179,227	174,488	166,231	164,936
63		High Lonesome Mesa -									
64		CWIP - Production									
65		CWIP - Transmission									
66		CWIP - Distribution									
67		CWIP - PV 3									
68		CWIP - Renewables									
69		CWIP - Production Related									
70		Pueblos Transmission Rights-of-Way									
71		Pueblos Distribution Rights-of-Way									
72		Prepaid Pension Asset	(71,443,804)	(71,653,463)	(71,863,122)	(72,072,781)	(72,282,440)	(72,492,099)	(70,111,267)	(70,207,615)	(70,303,964)
73		Unamortized Loss on Reacquired Debt	(3,250,887)	(3,238,114)	(3,225,341)	(3,212,569)	(3,199,796)	(3,187,024)	(3,174,251)	(3,161,534)	(3,148,816)
74		Rate Case Expense	-	-	-	-	-	-	-	-	-
75		SIQS Coal Agreement Transaction Costs									
76		PV2 Lease Acquisition Adjustment-First Chicago									
77		PV2 Lease Acquisition Adjustment									
78		Total Other Rate Base Items-Base Period	(21,081,817)	(21,310,522)	(21,264,056)	(20,982,333)	(20,922,500)	(20,815,263)	(19,364,083)	(19,336,211)	(19,305,130)
79		Change in ADIT Balances									
80											
81											
82											
83											
84											
85											
86											
87		Recalculated Fed ADIT on Other Rate Base									
88											
89		Customer Deposits									
90		RWIP-Production									
91		RWIP-Transmission									
92		RWIP-Distribution									
93		RWIP-PV 3									
94		ARO Liability - Production	24,119,687	24,280,173	24,441,730	24,933,986	25,095,744	25,258,564	25,037,149	25,200,760	25,365,450
95		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
96		ARO Liability - Distribution	505,106	508,572	512,062	515,575	519,113	522,675	360,597	358,340	360,812
97		ARO Liability - PV 3	10,320,881	10,391,241	10,462,078	10,533,396	10,605,198	10,677,487	10,750,267	10,823,741	10,897,715
98		Injuries and Damages PNM	2,780,717	2,720,443	2,677,457	2,525,272	2,541,039	2,537,264	2,055,985	1,907,651	1,848,851
99		AMPP - Expense in Excess of Funding	2,133,731	2,116,567	2,099,403	2,082,239	2,065,075	2,047,912	2,030,748	2,013,807	1,996,867
100		PV 1&2 Dry Cask Storage	2,731,278	2,611,633	2,632,678	2,636,749	2,622,899	2,638,764	2,655,995	2,676,901	2,631,810
101		PV 3 Dry Cask Storage	1,329,879	1,270,027	1,280,508	1,282,495	1,279,071	1,303,503	1,312,069	1,322,369	1,299,671
102		PV 1&2 Excess Gain Amortization	165,970	162,012	158,053	154,094	150,135	146,176	142,217	135,270	134,180
103		High Lonesome Mesa -									
104		CWIP - Production									
105		CWIP - Transmission									
106		CWIP - Distribution									
107		CWIP - PV 3									
108		CWIP - Renewables									
109		CWIP - Production Related									
110		Pueblos Transmission Rights-of-Way									
111		Pueblos Distribution Rights-of-Way									
112		Prepaid Pension Asset	(58,864,451)	(59,039,604)	(59,214,756)	(59,389,909)	(59,565,062)	(59,740,214)	(57,751,227)	(57,832,291)	(57,913,355)
113		Unamortized Loss on Reacquired Debt	(2,669,137)	(2,658,466)	(2,647,796)	(2,637,125)	(2,626,455)	(2,615,784)	(2,605,114)	(2,594,414)	(2,583,714)
114		Rate Case Expense	-	-	-	-	-	-	-	-	-

	A	B	W	X	Y	Z	AA	AB	AC	AD	AE
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2015	2015	2015	2015	2015	2015	2015	2016	2016
8		Other Rate Base Items	June	July	August	September	October	November	December	January	February
115		SJGS Coal Agreement Transaction Costs	-	-	-	-	-	-	-	-	-
116		PV2 Lease Acquisition Adjustment-First Chicago									
117		PV2 Lease Acquisition Adjustment									
118		Total Other Rate Base Items-Base Period	(17,446,339)	(17,637,403)	(17,598,584)	(17,363,228)	(17,313,242)	(17,223,655)	(16,011,314)	(15,987,864)	(15,961,713)
119											
120											
121											
122											
123											
124											
125											
126											
127		Recalculated State ADIT on Other Rate Base									
128											
129		Customer Deposits									
130		RWIP-Production									
131		RWIP-Transmission									
132		RWIP-Distribution									
133		RWIP-PV 3									
134		ARO Liability - Production	5,200,587	5,232,204	5,264,032	5,361,010	5,392,877	5,424,954	5,381,333	5,412,182	5,443,234
135		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
136		ARO Liability - Distribution	108,890	109,573	110,261	110,953	111,650	112,352	80,421	79,996	80,462
137		ARO Liability - PV 3	2,225,053	2,238,914	2,252,870	2,266,920	2,281,066	2,295,307	2,309,645	2,323,498	2,337,446
138		Injuries and Damages PNM	609,273	597,398	588,930	558,948	562,055	561,311	466,496	438,528	427,441
139		AMPP - Expense in Excess of Funding	465,643	462,261	458,880	455,498	452,117	448,736	445,354	442,160	438,966
140		PV 1&2 Dry Cask Storage	591,254	567,683	571,829	572,631	569,903	573,028	576,423	580,364	571,863
141		PV 3 Dry Cask Storage	287,974	276,182	278,247	278,639	277,964	282,778	284,465	286,407	282,127
142		PV 1&2 Excess Gain Amortization	36,951	36,171	35,391	34,611	33,831	33,051	32,271	30,961	30,756
143		High Lonesome Mesa -									
144		CWIP - Production									
145		CWIP - Transmission									
146		CWIP - Distribution									
147		CWIP - PV 3									
148		CWIP - Renewables									
149		CWIP - Production Related									
150		Pueblos Transmission Rights-of-Way									
151		Pueblos Distribution Rights-of-Way									
152		Prepaid Pension Asset	(12,579,353)	(12,613,859)	(12,648,366)	(12,682,872)	(12,717,378)	(12,751,884)	(12,360,040)	(12,375,325)	(12,390,609)
153		Unamortized Loss on Reacquired Debt	(581,750)	(579,648)	(577,546)	(575,444)	(573,342)	(571,239)	(569,137)	(567,120)	(565,102)
154		Rate Case Expense	-	-	-	-	-	-	-	-	-
155		SJGS Coal Agreement Transaction Costs	-	-	-	-	-	-	-	-	-
156		PV2 Lease Acquisition Adjustment-First Chicago									
157		PV2 Lease Acquisition Adjustment									
158		Total Other Rate Base Items-Base Period	(3,635,479)	(3,673,120)	(3,665,472)	(3,619,105)	(3,609,258)	(3,591,608)	(3,352,769)	(3,348,348)	(3,343,417)
159			-	-	-	(0)	(0)	(0)	(0)	(0)	(0)

	A	B	AF	AG	AH	AI	AJ	AK	AQ	AW	BC
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2016	2016	2016	2016	Base Period	Adjusted	2016	2017	2017
8		Other Rate Base Items	March	April	May	June	Adjustments	Base Period	December	June	December
9											
10		Customer Deposits				(11,782,604)	(580,415)	(12,363,018)	(12,363,018)	(12,363,018)	(12,363,018)
11		RWIP-Production				2,666,561	(2,666,561)	-	-	-	-
12		RWIP-Transmission				1,034,398	(1,034,398)	-	-	-	-
13		RWIP-Distribution				1,089,063	(1,089,063)	-	-	-	-
14		RWIP-PV 3				100,655	(100,655)	-	-	-	-
15		ARO Liability - Production	(78,763,576)	(79,273,461)	(79,786,704)	(80,303,326)	64,792,820	(15,510,506)	(14,722,984)	(15,146,783)	(14,985,025)
16		ARO Liability - Transmission				-	-	-	-	-	-
17		ARO Liability - Distribution	(1,118,868)	(1,126,500)	(1,134,185)	(1,141,921)	-	(1,141,921)	(1,188,481)	(1,235,978)	(1,285,451)
18		ARO Liability - PV 3	(33,700,050)	(33,928,440)	(34,158,379)	(34,389,879)	34,389,879	-	-	-	-
19		Injuries and Damages PNM	(5,803,141)	(5,818,624)	(5,816,772)	(5,308,656)	(1,556,967)	(6,865,623)	(6,865,623)	(6,865,623)	(6,865,623)
20		AMPP - Expense In Excess of Funding	(6,092,382)	(6,040,762)	(5,989,142)	(6,332,225)	-	(6,332,225)	(6,201,901)	(6,078,980)	(5,956,059)
21		PV 1&2 Dry Cask Storage	(7,920,833)	(7,962,518)	(7,960,138)	(7,930,713)	7,930,713	-	-	-	-
22		PV 3 Dry Cask Storage	(3,910,439)	(3,968,007)	(3,938,844)	(3,924,221)	3,924,221	-	-	-	-
23		PV 1&2 Excess Gain Amortization	(410,775)	(407,456)	(404,137)	(400,818)	-	(400,818)	(380,907)	(360,997)	(341,087)
24		High Lonesome Mesa -				(12,788,967)		(12,788,967)	(11,620,053)	(10,451,139)	(9,282,225)
25		CWIP - Production				77,642,523	(77,642,523)	-	-	-	-
26		CWIP - Transmission				45,909,127	(45,909,127)	-	-	-	-
27		CWIP - Distribution				21,464,185	(21,464,185)	-	-	-	-
28		CWIP - PV 3				11,581,494	(11,581,494)	-	-	-	-
29		CWIP - Renewables				10,552	(10,552)	-	-	-	-
30		CWIP - Production Related				193,576	(193,576)	-	-	-	-
31		Pueblos Transmission Rights-of-Way				48,331,149		48,331,149	65,265,371	63,406,594	62,966,075
32		Pueblos Distribution Rights-of-Way				988,708		988,708	4,899,195	4,768,243	6,573,543
33		Prepaid Pension Asset	178,101,451	178,348,372	178,595,292	177,706,598	-	177,706,598	175,460,218	173,146,642	170,833,065
34		Unamortized Loss on Reacquired Debt	7,914,264	7,881,673	7,849,081	7,816,490	-	7,816,490	9,626,919	9,216,444	8,805,969
35		Rate Case Expense				547	-	547	547	547	2,670,000
36		SJGS Coal Agreement Transaction Costs				2,915,662	(168,185)	2,747,477	2,747,476	2,747,476	2,747,476
37		PV2 Lease Acquisition Adjustment-First Chicago						-	-	-	-
38		PV2 Lease Acquisition Adjustment						-	-	-	-
39		Total Other Rate Base Items-Base Period	48,295,652	47,704,276	47,256,072	235,147,960	(52,960,069)	182,187,891	204,656,759	200,783,428	203,517,640
40		Per WP ORB-1				235,147,960		182,187,891	204,656,759	200,783,428	203,517,640
41						-		0	-	-	-
42		ADIT Fed	32.83%	32.83%	32.83%	32.83%			32.83%	32.95%	32.95%
43		ADIT State	6.19%	6.19%	6.19%	6.19%			6.19%	5.84%	5.84%
44		ADIT combined Fed & state rate	39.02%	39.02%	39.02%	39.02%	Pro Rata		39.02%	38.79%	38.79%
45											
46											
47		Recalculated ADIT on Other Rate Base									
48											
49		Customer Deposits						-	-	-	-
50		RWIP-Production						-	-	-	-
51		RWIP-Transmission						-	-	-	-
52		RWIP-Distribution						-	-	-	-
53		RWIP-PV 3						-	-	-	-
54		ARO Liability - Production	31,139,964	31,338,921	31,539,189	31,740,775	(25,610,076)	6,130,698	5,823,407	5,987,799	5,925,053
55		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
56		ARO Liability - Distribution	444,232	447,210	450,208	453,227	-	453,227	471,395	489,819	509,010
57		ARO Liability - PV 3	13,323,678	13,412,795	13,502,518	13,592,849	(13,592,849)	-	-	-	-
58		Injuries and Damages PNM	2,312,892	2,318,934	2,318,211	2,119,944	621,755	2,741,699	2,741,699	2,741,699	2,741,699
59		AMPP - Expense In Excess of Funding	2,415,676	2,395,534	2,375,392	2,509,263	-	2,509,263	2,458,411	2,410,729	2,363,048
60		PV 1&2 Dry Cask Storage	3,137,244	3,153,510	3,152,581	3,141,099	(3,141,099)	-	-	-	-
61		PV 3 Dry Cask Storage	1,548,664	1,571,127	1,559,747	1,554,041	(1,554,041)	-	-	-	-

	A	B	AF	AG	AH	AI	AJ	AK	AQ	AW	BC
1		Public Service Company of New Mexico									
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3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2016	2016	2016	2016	Base Period	Adjusted	2016	2017	2017
8		Other Rate Base Items	March	April	May	June	Adjustments	Base Period	December	June	December
62		PV 1&2 Excess Gain Amortization	163,641	162,346	161,051	159,756	-	159,756	151,987	144,264	136,541
63		High Lonesome Mesa -									
64		CWIP - Production									
65		CWIP - Transmission									
66		CWIP - Distribution									
67		CWIP - PV 3									
68		CWIP - Renewables									
69		CWIP - Production Related									
70		Pueblos Transmission Rights-of-Way									
71		Pueblos Distribution Rights-of-Way									
72		Prepaid Pension Asset	(70,400,312)	(70,496,661)	(70,593,009)	(70,246,241)	-	(70,246,241)	(69,369,703)	(68,472,267)	(67,574,831)
73		Unamortized Loss on Reacquired Debt	(3,136,099)	(3,123,382)	(3,110,665)	(3,097,947)	-	(3,097,947)	(3,804,377)	(3,645,154)	(3,485,931)
74		Rate Case Expense	-	-	-	(214)		(214)	(214)	(214)	(1,035,694)
75		SIJS Coal Agreement Transaction Costs				(1,137,691)	65,626	(1,072,065)	(1,072,065)	(1,072,065)	(1,072,065)
76		PV2 Lease Acquisition Adjustment-First Chicago									
77		PV2 Lease Acquisition Adjustment									
78		Total Other Rate Base Items-Base Period	(19,050,421)	(18,819,666)	(18,644,777)	(19,211,139)	(43,210,685)	(62,421,824)	(62,599,460)	(61,415,390)	(61,493,170)
79		Change in ADIT Balances							193,098	197,752	(1,069,027)
80											
81											
82											
83											
84											
85											
86											
87		Recalculated Fed ADIT on Other Rate Base									
88											
89		Customer Deposits						-			
90		RWIP-Production						-			
91		RWIP-Transmission						-			
92		RWIP-Distribution						-			
93		RWIP-PV 3						-			
94		ARO Liability - Production	25,644,177	25,811,573	25,980,070	26,149,677	(21,098,894)	5,050,784	4,792,240	4,931,882	4,878,583
95		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
96		ARO Liability - Distribution	363,301	365,807	368,329	370,869	-	370,869	386,155	401,805	418,107
97		ARO Liability - PV 3	10,972,190	11,047,170	11,122,659	11,198,660	(11,198,660)	-	-	-	-
98		Injuries and Damages PNM	1,879,645	1,884,728	1,884,120	1,717,306	503,666	2,220,971	2,220,971	2,220,971	2,220,971
99		AMPP - Expense in Excess of Funding	1,979,908	1,962,961	1,946,014	2,058,648	-	2,058,648	2,015,863	1,975,360	1,934,858
100		PV 1&2 Dry Cask Storage	2,575,919	2,589,605	2,588,823	2,579,163	(2,579,163)	-	-	-	-
101		PV 3 Dry Cask Storage	1,271,793	1,290,692	1,281,118	1,276,317	(1,276,317)	-	-	-	-
102		PV 1&2 Excess Gain Amortization	133,091	132,001	130,911	129,822	-	129,822	123,285	116,725	110,164
103		High Lonesome Mesa -									
104		CWIP - Production									
105		CWIP - Transmission									
106		CWIP - Distribution									
107		CWIP - PV 3									
108		CWIP - Renewables									
109		CWIP - Production Related									
110		Pueblos Transmission Rights-of-Way									
111		Pueblos Distribution Rights-of-Way									
112		Prepaid Pension Asset	(57,994,419)	(58,075,483)	(58,156,547)	(57,864,789)	-	(57,864,789)	(57,127,302)	(56,364,979)	(55,602,655)
113		Unamortized Loss on Reacquired Debt	(2,573,014)	(2,562,314)	(2,551,615)	(2,540,915)	-	(2,540,915)	(3,135,279)	(3,000,027)	(2,864,776)
114		Rate Case Expense	-	-	-	(180)		(180)	(180)	(180)	(879,764)

	A	B	AF	AG	AH	AI	AJ	AK	AQ	AW	BC
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2016	2016	2016	2016	Base Period	Adjusted	2016	2017	2017
8		Other Rate Base Items	March	April	May	June	Adjustments	Base Period	December	June	December
115		SJGS Coal Agreement Transaction Costs	-	-	-	(957,212)	55,215	(901,997)	(901,996)	(901,996)	(901,996)
116		PV2 Lease Acquisition Adjustment-First Chicago									
117		PV2 Lease Acquisition Adjustment									
118		Total Other Rate Base Items-Base Period	(15,747,410)	(15,553,261)	(15,406,116)	(15,882,632)	(35,594,154)	(51,476,786)	(51,626,243)	(50,620,439)	(50,686,509)
119											
120											
121											
122											
123											
124											
125											
126											
127		Recalculated State ADIT on Other Rate Base									
128											
129		Customer Deposits						-			
130		RWIP-Production						-			
131		RWIP-Transmission						-			
132		RWIP-Distribution						-			
133		RWIP-PV 3						-			
134		ARO Liability - Production	5,495,787	5,527,349	5,559,118	5,591,097	(4,511,183)	1,079,915	1,031,167	1,055,917	1,046,470
135		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
136		ARO Liability - Distribution	80,931	81,403	81,879	82,358	-	82,358	85,240	88,014	90,903
137		ARO Liability - PV 3	2,351,488	2,365,625	2,379,858	2,394,188	(2,394,188)	-	-	-	-
138		Injuries and Damages PNM	433,247	434,206	434,091	402,639	118,089	520,728	520,728	520,728	520,728
139		AMPP - Expense in Excess of Funding	435,769	432,573	429,378	450,615	-	450,615	442,548	435,369	428,191
140		PV 1&2 Dry Cask Storage	561,325	563,905	563,758	561,936	(561,936)	-	-	-	-
141		PV 3 Dry Cask Storage	276,871	280,434	278,629	277,724	(277,724)	-	-	-	-
142		PV 1&2 Excess Gain Amortization	30,551	30,345	30,140	29,934	-	29,934	28,702	27,539	26,376
143		High Lonesome Mesa -									
144		CWIP - Production									
145		CWIP - Transmission									
146		CWIP - Distribution									
147		CWIP - PV 3									
148		CWIP - Renewables									
149		CWIP - Production Related									
150		Pueblos Transmission Rights-of-Way									
151		Pueblos Distribution Rights-of-Way									
152		Prepaid Pension Asset	(12,405,894)	(12,421,178)	(12,436,462)	(12,381,452)	-	(12,381,452)	(12,242,401)	(12,107,288)	(11,972,176)
153		Unamortized Loss on Reacquired Debt	(563,085)	(561,068)	(559,050)	(557,033)	-	(557,033)	(669,098)	(645,127)	(621,155)
154		Rate Case Expense	-	-	-	(34)	(34)	(34)	(34)	(34)	(155,930)
155		SJGS Coal Agreement Transaction Costs	-	-	-	(180,479)	10,411	(170,069)	(170,069)	(170,069)	(170,069)
156		PV2 Lease Acquisition Adjustment-First Chicago									
157		PV2 Lease Acquisition Adjustment									
158		Total Other Rate Base Items-Base Period	(3,303,011)	(3,266,405)	(3,238,661)	(3,328,507)	(7,616,531)	(10,945,038)	(10,973,218)	(10,794,951)	(10,806,661)
159			(0)	(0)	(0)	(0)	-	(0)	-	-	-

	A	B	BD	BE	BF	BG	BH	BI	BJ	BK	BL
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2018	2018	2018	2018	2018	2018	2018	2018	2018
8		Other Rate Base Items	January	February	March	April	May	June	July	August	September
9											
10		Customer Deposits	(12,363,018)	(12,363,018)	(12,363,018)	(12,363,018)	(12,363,018)	(12,363,018)	(12,363,018)	(12,363,018)	(12,363,018)
11		RWIP-Production	-	-	-	-	-	-	-	-	-
12		RWIP-Transmission	-	-	-	-	-	-	-	-	-
13		RWIP-Distribution	-	-	-	-	-	-	-	-	-
14		RWIP-PV 3	-	-	-	-	-	-	-	-	-
15		ARO Liability - Production	(15,056,317)	(15,127,979)	(15,200,014)	(15,272,422)	(15,345,208)	(15,418,372)	(15,491,916)	(15,565,844)	(15,640,156)
16		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
17		ARO Liability - Distribution	(1,293,895)	(1,302,396)	(1,310,955)	(1,319,573)	(1,328,249)	(1,336,985)	(1,345,780)	(1,354,635)	(1,363,551)
18		ARO Liability - PV 3	-	-	-	-	-	-	-	-	-
19		Injuries and Damages PNM	(6,865,623)	(6,865,623)	(6,865,623)	(6,865,623)	(6,865,623)	(6,865,623)	(6,865,623)	(6,865,623)	(6,865,623)
20		AMPP - Expense in Excess of Funding	(5,934,529)	(5,913,000)	(5,891,470)	(5,869,941)	(5,848,411)	(5,826,882)	(5,805,352)	(5,783,822)	(5,762,293)
21		PV 1&2 Dry Cask Storage	-	-	-	-	-	-	-	-	-
22		PV 3 Dry Cask Storage	-	-	-	-	-	-	-	-	-
23		PV 1&2 Excess Gain Amortization	(337,769)	(334,451)	(331,132)	(327,814)	(324,496)	(321,177)	(317,859)	(314,540)	(311,222)
24		High Lonesome Mesa -	(9,087,406)	(8,892,587)	(8,697,768)	(8,502,949)	(8,308,130)	(8,113,311)	(7,918,492)	(7,723,673)	(7,528,854)
25		CWIP - Production	-	-	-	-	-	-	-	-	-
26		CWIP - Transmission	-	-	-	-	-	-	-	-	-
27		CWIP - Distribution	-	-	-	-	-	-	-	-	-
28		CWIP - PV 3	-	-	-	-	-	-	-	-	-
29		CWIP - Renewables	-	-	-	-	-	-	-	-	-
30		CWIP - Production Related	-	-	-	-	-	-	-	-	-
31		Pueblos Transmission Rights-of-Way	62,650,269	62,334,463	62,018,658	61,702,852	66,634,742	69,403,947	69,800,026	69,446,105	69,092,184
32		Pueblos Distribution Rights-of-Way	6,545,132	6,516,720	6,488,309	6,459,898	6,431,486	6,403,075	6,374,663	6,346,252	6,317,841
33		Prepaid Pension Asset	170,433,487	170,033,909	169,634,330	169,234,752	168,835,174	168,435,595	168,036,017	167,636,439	167,236,860
34		Unamortized Loss on Reacquired Debt	8,737,557	8,669,144	8,600,732	8,532,319	8,463,907	8,395,494	8,327,082	8,258,670	8,190,257
35		Rate Case Expense	2,595,833	2,521,667	2,447,500	2,373,333	2,299,167	2,225,000	2,150,833	2,076,667	2,002,500
36		SJGS Coal Agreement Transaction Costs	2,696,597	2,645,718	2,594,839	2,543,959	2,493,080	2,442,201	2,391,322	2,340,443	2,289,564
37		PV2 Lease Acquisition Adjustment-First Chicago									
38		PV2 Lease Acquisition Adjustment									
39		Total Other Rate Base Items-Base Period	202,720,318	201,922,568	201,124,387	200,325,774	204,774,421	207,059,945	206,971,903	206,133,419	205,294,489
40		Per WP ORB-1	202,720,318	201,922,568	201,124,387	200,325,774	204,774,421	207,059,945	206,971,903	206,133,419	205,294,489
41			-	-	-	-	-	-	-	-	-
42		ADIT Fed	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%
43		ADIT State	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
44		ADIT combined Fed & state rate	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%
45											
46											
47		Recalculated ADIT on Other Rate Base									
48											
49		Customer Deposits									
50		RWIP-Production									
51		RWIP-Transmission									
52		RWIP-Distribution									
53		RWIP-PV 3									
54		ARO Liability - Production	5,952,586	5,980,262	6,008,082	6,036,046	6,064,156	6,092,412	6,120,815	6,149,365	6,178,065
55		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
56		ARO Liability - Distribution	512,271	515,554	518,859	522,187	525,538	528,912	532,309	535,728	539,172
57		ARO Liability - PV 3	-	-	-	-	-	-	-	-	-
58		Injuries and Damages PNM	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699	2,741,699
59		AMPP - Expense in Excess of Funding	2,354,734	2,346,419	2,338,104	2,329,789	2,321,475	2,313,160	2,304,845	2,296,531	2,288,216
60		PV 1&2 Dry Cask Storage	-	-	-	-	-	-	-	-	-
61		PV 3 Dry Cask Storage	-	-	-	-	-	-	-	-	-

	A	B	BD	BE	BF	BG	BH	BI	BJ	BK	BL
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2018	2018	2018	2018	2018	2018	2018	2018	2018
8		Other Rate Base Items	January	February	March	April	May	June	July	August	September
62		PV 1&2 Excess Gain Amortization	135,259	133,978	132,696	131,414	130,133	128,851	127,570	126,288	125,007
63		High Lonesome Mesa -									
64		CWIP - Production									
65		CWIP - Transmission									
66		CWIP - Distribution									
67		CWIP - PV 3									
68		CWIP - Renewables									
69		CWIP - Production Related									
70		Pueblos Transmission Rights-of-Way									
71		Pueblos Distribution Rights-of-Way									
72		Prepaid Pension Asset	(67,420,514)	(67,266,197)	(67,111,879)	(66,957,562)	(66,803,245)	(66,648,928)	(66,494,611)	(66,340,294)	(66,185,977)
73		Unamortized Loss on Reacquired Debt	(3,459,510)	(3,433,089)	(3,406,668)	(3,380,247)	(3,353,826)	(3,327,405)	(3,300,984)	(3,274,564)	(3,248,143)
74		Rate Case Expense	(1,007,051)	(978,408)	(949,765)	(921,122)	(892,478)	(863,835)	(835,192)	(806,549)	(777,906)
75		SGS Coal Agreement Transaction Costs	(1,052,416)	(1,032,766)	(1,013,117)	(993,467)	(973,818)	(954,168)	(934,518)	(914,869)	(895,219)
76		PV2 Lease Acquisition Adjustment-First Chicago									
77		PV2 Lease Acquisition Adjustment									
78		Total Other Rate Base Items-Base Period	(61,242,942)	(60,992,548)	(60,741,989)	(60,491,262)	(60,240,367)	(59,989,302)	(59,738,068)	(59,486,663)	(59,235,086)
79		Change in ADIT Balances	250,228	250,394	250,560	250,727	250,895	251,064	251,234	251,405	251,577
80											
81											
82											
83											
84											
85											
86											
87		Recalculated Fed ADIT on Other Rate Base									
88											
89		Customer Deposits									
90		RWIP-Production									
91		RWIP-Transmission									
92		RWIP-Distribution									
93		RWIP-PV 3									
94		ARO Liability - Production	4,902,145	4,925,829	4,949,636	4,973,568	4,997,623	5,021,804	5,046,110	5,070,543	5,095,103
95		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
96		ARO Liability - Distribution	420,897	423,707	426,536	429,384	432,251	435,138	438,045	440,972	443,918
97		ARO Liability - PV 3	-	-	-	-	-	-	-	-	-
98		Injuries and Damages PNM	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971	2,220,971
99		AMPP - Expense in Excess of Funding	1,927,742	1,920,627	1,913,511	1,906,396	1,899,280	1,892,165	1,885,049	1,877,934	1,870,818
100		PV 1&2 Dry Cask Storage	-	-	-	-	-	-	-	-	-
101		PV 3 Dry Cask Storage	-	-	-	-	-	-	-	-	-
102		PV 1&2 Excess Gain Amortization	109,068	107,971	106,874	105,777	104,681	103,584	102,487	101,391	100,294
103		High Lonesome Mesa -									
104		CWIP - Production									
105		CWIP - Transmission									
106		CWIP - Distribution									
107		CWIP - PV 3									
108		CWIP - Renewables									
109		CWIP - Production Related									
110		Pueblos Transmission Rights-of-Way									
111		Pueblos Distribution Rights-of-Way									
112		Prepaid Pension Asset	(55,470,595)	(55,338,534)	(55,206,473)	(55,074,413)	(54,942,352)	(54,810,292)	(54,678,231)	(54,546,170)	(54,414,110)
113		Unamortized Loss on Reacquired Debt	(2,842,166)	(2,819,555)	(2,796,945)	(2,774,335)	(2,751,724)	(2,729,114)	(2,706,504)	(2,683,893)	(2,661,283)
114		Rate Case Expense	(855,252)	(830,740)	(806,228)	(781,716)	(757,204)	(732,692)	(708,180)	(683,668)	(659,156)

	A	B	BD	BE	BF	BG	BH	BI	BJ	BK	BL
1		Public Service Company of New Mexico									
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3		PNM Exhibit MFH-2									
4		ADIT-10 MDCs - Other Rate Base									
5		Hyperlink to Lead Sheet									
6											
7			2018	2018	2018	2018	2018	2018	2018	2018	2018
8		Other Rate Base Items	January	February	March	April	May	June	July	August	September
115		SIJS Coal Agreement Transaction Costs	(885,181)	(868,365)	(851,550)	(834,734)	(817,919)	(801,103)	(784,287)	(767,472)	(750,656)
116		PV2 Lease Acquisition Adjustment-First Chicago									
117		PV2 Lease Acquisition Adjustment									
118		Total Other Rate Base Items-Base Period	(50,472,370)	(50,258,090)	(50,043,667)	(49,829,102)	(49,614,392)	(49,399,538)	(49,184,538)	(48,969,392)	(48,754,099)
119											
120											
121											
122											
123											
124											
125											
126											
127		Recalculated State ADIT on Other Rate Base									
128											
129		Customer Deposits									
130		RWIP-Production									
131		RWIP-Transmission									
132		RWIP-Distribution									
133		RWIP-PV 3									
134		ARO Liability - Production	1,050,441	1,054,433	1,058,445	1,062,478	1,066,533	1,070,608	1,074,704	1,078,822	1,082,961
135		ARO Liability - Transmission	-	-	-	-	-	-	-	-	-
136		ARO Liability - Distribution	91,373	91,847	92,324	92,804	93,287	93,774	94,263	94,757	95,253
137		ARO Liability - PV 3	-	-	-	-	-	-	-	-	-
138		Injuries and Damages PNM	520,728	520,728	520,728	520,728	520,728	520,728	520,728	520,728	520,728
139		AMPP - Expense in Excess of Funding	426,991	425,792	424,593	423,394	422,195	420,995	419,796	418,597	417,398
140		PV 1&2 Dry Cask Storage	-	-	-	-	-	-	-	-	-
141		PV 3 Dry Cask Storage	-	-	-	-	-	-	-	-	-
142		PV 1&2 Excess Gain Amortization	26,191	26,007	25,822	25,637	25,452	25,267	25,082	24,898	24,713
143		High Lonesome Mesa -									
144		CWIP - Production									
145		CWIP - Transmission									
146		CWIP - Distribution									
147		CWIP - PV 3									
148		CWIP - Renewables									
149		CWIP - Production Related									
150		Pueblos Transmission Rights-of-Way									
151		Pueblos Distribution Rights-of-Way									
152		Prepaid Pension Asset	(11,949,919)	(11,927,663)	(11,905,406)	(11,883,150)	(11,860,893)	(11,838,637)	(11,816,380)	(11,794,123)	(11,771,867)
153		Unamortized Loss on Reacquired Debt	(617,344)	(613,534)	(609,723)	(605,913)	(602,102)	(598,291)	(594,481)	(590,670)	(586,860)
154		Rate Case Expense	(151,799)	(147,668)	(143,537)	(139,406)	(135,274)	(131,143)	(127,012)	(122,881)	(118,750)
155		SIJS Coal Agreement Transaction Costs	(167,235)	(164,401)	(161,567)	(158,733)	(155,899)	(153,065)	(150,231)	(147,397)	(144,563)
156		PV2 Lease Acquisition Adjustment-First Chicago									
157		PV2 Lease Acquisition Adjustment									
158		Total Other Rate Base Items-Base Period	(10,770,571)	(10,734,458)	(10,698,321)	(10,662,160)	(10,625,974)	(10,589,764)	(10,553,530)	(10,517,271)	(10,480,987)
159			-	-	-	-	-	-	-	-	-

	A	B	BM	BN	BO	BP	BQ	BR	BS
1		Public Service Company of New Mexico							
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3		PNM Exhibit MFH-2							
4		ADIT-10 MDCs - Other Rate Base							
5		Hyperlink to Lead Sheet							
6									
7			2018	2018	2018			Test Period	Adjusted
8		Other Rate Base Items	October	November	December	Averaging Adj	Average Balance	Adjustments	Test Period
9									
10		Customer Deposits	(12,363,018)	(12,363,018)	(12,363,018)	-	(12,363,018)		(12,363,018)
11		RWIP-Production	-	-	-	-	-		-
12		RWIP-Transmission	-	-	-	-	-		-
13		RWIP-Distribution	-	-	-	-	-		-
14		RWIP-PV 3	-	-	-	-	-		-
15		ARO Liability - Production	(15,714,855)	(15,789,942)	(15,865,422)	444,385	(15,421,036)		(15,421,036)
16		ARO Liability - Transmission	-	-	-	-	-		-
17		ARO Liability - Distribution	(1,372,527)	(1,381,565)	(1,390,664)	53,262	(1,337,402)		(1,337,402)
18		ARO Liability - PV 3	-	-	-	-	-		-
19		Injuries and Damages PNM	(6,865,623)	(6,865,623)	(6,865,623)	-	(6,865,623)		(6,865,623)
20		AMPP - Expense in Excess of Funding	(5,740,763)	(5,719,234)	(5,697,704)	(129,177)	(5,826,882)		(5,826,882)
21		PV 1&2 Dry Cask Storage	-	-	-	-	-		-
22		PV 3 Dry Cask Storage	-	-	-	-	-		-
23		PV 1&2 Excess Gain Amortization	(307,904)	(304,585)	(301,267)	(19,910)	(321,177)		(321,177)
24		High Lonesome Mesa -	(7,334,035)	(7,139,216)	(6,944,397)	(1,168,914)	(8,113,311)		(8,113,311)
25		CWIP - Production	-	-	-	-	-		-
26		CWIP - Transmission	-	-	-	-	-		-
27		CWIP - Distribution	-	-	-	-	-		-
28		CWIP - PV 3	-	-	-	-	-		-
29		CWIP - Renewables	-	-	-	-	-		-
30		CWIP - Production Related	-	-	-	-	-		-
31		Pueblos Transmission Rights-of-Way	68,738,263	68,384,343	68,030,422	(1,784,087)	66,246,335		66,246,335
32		Pueblos Distribution Rights-of-Way	6,289,429	6,263,622	6,237,815	165,861	6,403,676		6,403,676
33		Prepaid Pension Asset	166,837,282	166,437,704	166,038,125	2,397,470	168,435,595	(12,000,000)	156,435,595
34		Unamortized Loss on Reacquired Debt	8,121,845	8,053,432	7,985,020	410,475	8,395,494		8,395,494
35		Rate Case Expense	1,928,333	1,854,167	1,780,000	445,000	2,225,000		2,225,000
36		SIJS Coal Agreement Transaction Costs	2,238,684	2,187,805	2,136,926	305,275	2,442,201		2,442,201
37		PV2 Lease Acquisition Adjustment-First Chicago					-		-
38		PV2 Lease Acquisition Adjustment					-		-
39		Total Other Rate Base Items-Base Period	204,455,112	203,617,889	202,780,213	1,119,639	203,899,852	(12,000,000)	191,899,852
40		Per WP ORB-1	204,455,112	203,617,889	202,780,213	1,119,639	203,899,852	(12,000,000)	191,899,852
41			-	-	-	-	-	-	-
42		ADIT Fed	33.05%	33.05%	33.05%				
43		ADIT State	5.57%	5.57%	5.57%				
44		ADIT combined Fed & state rate	38.62%	38.62%	38.62%			Pro Rata	
45									
46									
47		Recalculated ADIT on Other Rate Base							
48									
49		Customer Deposits					-		-
50		RWIP-Production					-		-
51		RWIP-Transmission					-		-
52		RWIP-Distribution					-		-
53		RWIP-PV 3					-		-
54		ARO Liability - Production	6,206,913	6,235,912	6,265,062	(171,622)	6,093,441	-	6,093,441
55		ARO Liability - Transmission	-	-	-	-	-		-
56		ARO Liability - Distribution	542,638	546,129	549,643	(20,570)	529,073	-	529,073
57		ARO Liability - PV 3	-	-	-	-	-		-
58		Injuries and Damages PNM	2,741,699	2,741,699	2,741,699	-	2,741,699	-	2,741,699
59		AMPP - Expense in Excess of Funding	2,279,901	2,271,586	2,263,272	49,888	2,313,160	-	2,313,160
60		PV 1&2 Dry Cask Storage	-	-	-	-	-		-
61		PV 3 Dry Cask Storage	-	-	-	-	-		-

	A	B	BM	BN	BO	BP	BQ	BR	BS
1		Public Service Company of New Mexico							
2		NMPRC Case No. 16-00276-UT							
3		PNM Exhibit MFH-2							
4		ADIT-10 MDCs - Other Rate Base							
5		Hyperlink to Lead Sheet							
6									
7			2018	2018	2018			Test Period	Adjusted
8		Other Rate Base Items	October	November	December	Averaging Adj	Average Balance	Adjustments	Test Period
62		PV 1&2 Excess Gain Amortization	123,725	122,444	121,162	7,689	128,851	-	128,851
63		High Lonesome Mesa -					-		-
64		CWIP - Production					-		-
65		CWIP - Transmission					-		-
66		CWIP - Distribution					-		-
67		CWIP - PV 3					-		-
68		CWIP - Renewables					-		-
69		CWIP - Production Related					-		-
70		Pueblos Transmission Rights-of-Way					-		-
71		Pueblos Distribution Rights-of-Way					-		-
72		Prepaid Pension Asset	(66,031,659)	(65,877,342)	(65,723,025)	(925,903)	(66,648,928)	4,749,971	(61,898,957)
73		Unamortized Loss on Reacquired Debt	(3,221,722)	(3,195,301)	(3,168,880)	(158,525)	(3,327,405)	-	(3,327,405)
74		Rate Case Expense	(749,263)	(720,619)	(691,976)	(171,859)	(863,835)	-	(863,835)
75		SGS Coal Agreement Transaction Costs	(875,570)	(855,920)	(836,271)	(117,897)	(954,168)	-	(954,168)
76		PV2 Lease Acquisition Adjustment-First Chicago					-		-
77		PV2 Lease Acquisition Adjustment					-		-
78		Total Other Rate Base Items-Base Period	(58,983,336)	(58,731,413)	(58,479,314)	(1,508,798)	(59,988,112)	4,749,971	(55,238,141)
79		Change in ADIT Balances	251,750	251,924	252,099				
80									
81									
82									
83									
84									
85									
86									
87		Recalculated Fed ADIT on Other Rate Base							
88									
89		Customer Deposits					-		-
90		RWIP-Production					-		-
91		RWIP-Transmission					-		-
92		RWIP-Distribution					-		-
93		RWIP-PV 3					-		-
94		ARO Liability - Production	5,119,791	5,144,608	5,169,554	(146,869)	5,022,684	-	5,022,684
95		ARO Liability - Transmission	-	-	-	-	-	-	-
96		ARO Liability - Distribution	446,885	449,872	452,879	(17,603)	435,276	-	435,276
97		ARO Liability - PV 3	-	-	-	-	-	-	-
98		Injuries and Damages PNM	2,220,971	2,220,971	2,220,971	-	2,220,971	-	2,220,971
99		AMPP - Expense in Excess of Funding	1,863,703	1,856,587	1,849,472	42,693	1,892,165	-	1,892,165
100		PV 1&2 Dry Cask Storage	-	-	-	-	-	-	-
101		PV 3 Dry Cask Storage	-	-	-	-	-	-	-
102		PV 1&2 Excess Gain Amortization	99,197	98,101	97,004	6,580	103,584	-	103,584
103		High Lonesome Mesa -					-		-
104		CWIP - Production					-		-
105		CWIP - Transmission					-		-
106		CWIP - Distribution					-		-
107		CWIP - PV 3					-		-
108		CWIP - Renewables					-		-
109		CWIP - Production Related					-		-
110		Pueblos Transmission Rights-of-Way					-		-
111		Pueblos Distribution Rights-of-Way					-		-
112		Prepaid Pension Asset	(54,282,049)	(54,149,988)	(54,017,928)	(792,364)	(54,810,292)	3,904,014	(50,906,278)
113		Unamortized Loss on Reacquired Debt	(2,638,673)	(2,616,062)	(2,593,452)	(135,662)	(2,729,114)	-	(2,729,114)
114		Rate Case Expense	(634,644)	(610,131)	(585,619)	(147,073)	(732,692)	-	(732,692)

	A	B	BM	BN	BO	BP	BQ	BR	BS
1		Public Service Company of New Mexico							
2		NMPRC Case No. 16-00276-UT							
3		PNM Exhibit MFH-2							
4		ADIT-10 MDCs - Other Rate Base							
5		Hyperlink to Lead Sheet							
6									
7			2018	2018	2018			Test Period	Adjusted
8		Other Rate Base Items	October	November	December	Averaging Adj	Average Balance	Adjustments	Test Period
115		SIJS Coal Agreement Transaction Costs	(733,841)	(717,025)	(700,210)	(100,893)	(801,103)	-	(801,103)
116		PV2 Lease Acquisition Adjustment-First Chicago					-		-
117		PV2 Lease Acquisition Adjustment					-		-
118		Total Other Rate Base Items-Base Period	(48,538,658)	(48,323,068)	(48,107,329)	(1,291,191)	(49,398,520)	3,904,014	(45,494,506)
119									
120									
121									
122									
123									
124									
125									
126									
127		Recalculated State ADIT on Other Rate Base							
128									
129		Customer Deposits					-		-
130		RWIP-Production					-		-
131		RWIP-Transmission					-		-
132		RWIP-Distribution					-		-
133		RWIP-PV 3					-		-
134		ARO Liability - Production	1,087,122	1,091,304	1,095,508	(24,752)	1,070,756	-	1,070,756
135		ARO Liability - Transmission	-	-	-	-	-		-
136		ARO Liability - Distribution	95,753	96,257	96,763	(2,967)	93,797	-	93,797
137		ARO Liability - PV 3	-	-	-	-	-		-
138		Injuries and Damages PNM	520,728	520,728	520,728	-	520,728	-	520,728
139		AMPP - Expense in Excess of Funding	416,199	414,999	413,800	7,195	420,995	-	420,995
140		PV 1&2 Dry Cask Storage	-	-	-	-	-		-
141		PV 3 Dry Cask Storage	-	-	-	-	-		-
142		PV 1&2 Excess Gain Amortization	24,528	24,343	24,158	1,109	25,267	-	25,267
143		High Lonesome Mesa -					-		-
144		CWIP - Production					-		-
145		CWIP - Transmission					-		-
146		CWIP - Distribution					-		-
147		CWIP - PV 3					-		-
148		CWIP - Renewables					-		-
149		CWIP - Production Related					-		-
150		Pueblos Transmission Rights-of-Way					-		-
151		Pueblos Distribution Rights-of-Way					-		-
152		Prepaid Pension Asset	(11,749,610)	(11,727,354)	(11,705,097)	(133,539)	(11,838,637)	845,957	(10,992,679)
153		Unamortized Loss on Reacquired Debt	(583,049)	(579,239)	(575,428)	(22,863)	(598,291)	-	(598,291)
154		Rate Case Expense	(114,619)	(110,488)	(106,357)	(24,787)	(131,143)	-	(131,143)
155		SIJS Coal Agreement Transaction Costs	(141,729)	(138,895)	(136,061)	(17,004)	(153,065)	-	(153,065)
156		PV2 Lease Acquisition Adjustment-First Chicago					-		-
157		PV2 Lease Acquisition Adjustment					-		-
158		Total Other Rate Base Items-Base Period	(10,444,678)	(10,408,344)	(10,371,985)	(217,608)	(10,589,593)	845,957	(9,743,635)
159			-	-	-	(0)	-	-	-

	A	B	C	D	W	X	Y	Z	AA	AB	AC
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-11 MDCs - Regulatory Assets & Liabilities									
5		Hyperlink to Lead Sheet									
6											
7					2015	2015	2015	2015	2015	2015	2015
8		Regulatory Assets & Liabilities	Tax Class	Acct #	June	July	August	September	October	November	December
9											
10											
11		Coal Mine Decommissioning-Surface		182301	30,392,168	29,901,972	29,411,776	28,921,580	28,431,383	27,941,187	27,450,991
12		PV 1&2 Combustion Engineering		254024	(248,708)	(242,785)	(236,862)	(230,939)	(225,016)	(219,093)	(213,170)
13		Palo Verde DOE Spent Fuel Refund		254375	(6,171,071)	(6,171,071)	(6,171,071)	(6,241,847)	(6,241,847)	(6,241,847)	(6,214,242)
14		Palo Verde DOE Spent Fuel Refund PV3			-	-	-	-	-	-	(3,000,000)
15		Reg Asset LVGS Decommission		182371	257,117	259,643	262,194	264,770	267,371	269,998	272,651
16		Reg Liab LVGS Decommission		254363	(1,414,943)	(1,428,845)	(1,442,883)	(1,457,060)	(1,471,375)	(1,485,832)	(1,500,430)
17		PCB Refinancing Hedge		182303	16,036,879	15,966,508	15,896,138	15,825,768	15,755,397	15,685,027	15,614,656
18		Reg Liab Renewables Fed Grant		254380	(20,332,615)	(20,252,374)	(20,172,133)	(20,091,892)	(20,011,651)	(19,931,410)	(19,851,169)
19		Reg Liab Renewables St Credit		254381	(3,942,721)	(3,926,551)	(3,910,381)	(3,894,211)	(3,878,041)	(3,861,871)	(3,845,701)
20		Rate Case Expense			1,109,564	1,446,726	1,776,752	2,167,887	2,177,965	2,349,662	2,691,381
21		50% SJGS 2&3									
22											
23											
24		Total Regulatory Assets and Liabilities			15,685,669	15,553,223	15,413,529	15,264,055	14,804,186	14,505,821	11,404,967
25											
26		Note 1:Base period data is historical information from the Company's Book Balance Amounts.									
27											
28		ADIT Fed			32.74%	32.74%	32.74%	32.74%	32.74%	32.74%	32.74%
29		ADIT State			6.45%	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%
30		ADIT combined Fed & state rate			39.19%	39.19%	39.19%	39.19%	39.19%	39.19%	39.19%
31											
32											
33		Recalculated ADIT on Reg asset/liabs									
34											
35		Coal Mine Decommissioning-Surface	Coal Mine Decommissioning		(12,038,950)	(11,846,842)	(11,654,734)	(11,462,626)	(11,270,518)	(11,078,411)	(10,886,303)
36		PV 1&2 Combustion Engineering	Palo Verde Construction Credits 1 & 2		98,726	96,405	94,084	91,763	89,442	87,120	84,799
37		Palo Verde DOE Spent Fuel Refund	DOE Spent Fuel Settlement		2,426,780	2,426,780	2,426,780	2,454,518	2,454,518	2,454,518	2,443,699
38		Palo Verde DOE Spent Fuel Refund PV3	DOE Spent Fuel Settlement PV3		-	-	-	-	-	-	1,175,700
39		Reg Asset LVGS Decommission	LVGS Decommissioning		(101,688)	(102,678)	(103,678)	(104,688)	(105,707)	(106,737)	(107,776)
40		Reg Liab LVGS Decommission	LVGS Decommissioning		559,602	565,051	570,552	576,108	581,718	587,384	593,105
41		PCB Refinancing Hedge	PCB Refinancing		(6,352,125)	(6,324,547)	(6,296,968)	(6,269,390)	(6,241,812)	(6,214,234)	(6,186,656)
42		Reg Liab Renewables Fed Grant									
43		Reg Liab Renewables St Credit	Renewable NM AETC		1,561,641	1,555,304	1,548,967	1,542,630	1,536,293	1,529,956	1,523,619
44		Rate Case Expense	Rate Case Expense		(434,838)	(566,972)	(696,309)	(849,595)	(853,544)	(920,832)	(1,054,752)
45		50% SJGS 2&3	50% SJGS 2&3		-	-	-	-	-	-	-
46											
47					-	-	-	-	-	-	-
48		Total Regulatory Assets and Liabilities			(14,280,850)	(14,197,498)	(14,111,306)	(14,021,281)	(13,809,611)	(13,661,236)	(12,414,565)
49											
50											
51											
52											
53		Recalculated Fed ADIT on Reg asset/liabs									
54											
55		Coal Mine Decommissioning-Surface	Coal Mine Decommissioning		(9,883,046)	(9,722,556)	(9,562,066)	(9,401,575)	(9,241,085)	(9,080,595)	(8,920,105)
56		PV 1&2 Combustion Engineering	Palo Verde Construction Credits 1 & 2		80,766	78,827	76,888	74,949	73,009	71,070	69,131

	A	B	C	D	W	X	Y	Z	AA	AB	AC
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-11 MDCs - Regulatory Assets & Liabilities									
5		Hyperlink to Lead Sheet									
6											
7					2015	2015	2015	2015	2015	2015	2015
8		Regulatory Assets & Liabilities	Tax Class	Acct #	June	July	August	September	October	November	December
57		Palo Verde DOE Spent Fuel Refund	DOE Spent Fuel Settlement		2,016,059	2,016,059	2,016,059	2,039,231	2,039,231	2,039,231	2,030,193
58		Palo Verde DOE Spent Fuel Refund PV3	DOE Spent Fuel Settlement PV3		-	-	-	-	-	-	982,200
59		Reg Asset LVGS Decommission	LVGS Decommissioning		(83,695)	(84,522)	(85,357)	(86,201)	(87,052)	(87,912)	(88,781)
60		Reg Liab LVGS Decommission	LVGS Decommissioning		460,583	465,135	469,731	474,372	479,059	483,792	488,572
61		PCB Refinancing Hedge	PCB Refinancing		(5,215,150)	(5,192,111)	(5,169,071)	(5,146,032)	(5,122,993)	(5,099,954)	(5,076,914)
62		Reg Liab Renewables Fed Grant									
63		Reg Liab Renewables St Credit	Renewable NM AETC		1,282,189	1,276,895	1,271,601	1,266,307	1,261,013	1,255,719	1,250,425
64		Rate Case Expense	Rate Case Expense		(363,271)	(473,658)	(581,709)	(709,766)	(713,066)	(769,279)	(881,158)
65		50% SJGS 2&3	50% SJGS 2&3		-	-	-	-	-	-	-
66					0	0	0	0	0	0	0
67					-	-	-	-	-	-	-
68		Total Regulatory Assets and Liabilities			(11,705,565)	(11,635,932)	(11,563,925)	(11,488,716)	(11,311,884)	(11,187,929)	(10,146,438)
69											
70											
71											
72											
73		Recalculated State ADIT on Reg asset/liabs									
74											
75		Coal Mine Decommissioning-Surface	Coal Mine Decommissioning		(2,155,904)	(2,124,286)	(2,092,669)	(2,061,051)	(2,029,433)	(1,997,816)	(1,966,198)
76		PV 1&2 Combustion Engineering	Palo Verde Construction Credits 1 & 2		17,960	17,578	17,196	16,814	16,432	16,050	15,668
77		Palo Verde DOE Spent Fuel Refund	DOE Spent Fuel Settlement		410,722	410,722	410,722	415,287	415,287	415,287	413,506
78		Palo Verde DOE Spent Fuel Refund PV3	DOE Spent Fuel Settlement PV3		-	-	-	-	-	-	193,500
79		Reg Asset LVGS Decommission	LVGS Decommissioning		(17,993)	(18,156)	(18,321)	(18,487)	(18,655)	(18,824)	(18,995)
80		Reg Liab LVGS Decommission	LVGS Decommissioning		99,019	99,916	100,821	101,736	102,659	103,591	104,533
81		PCB Refinancing Hedge	PCB Refinancing		(1,136,975)	(1,132,436)	(1,127,897)	(1,123,358)	(1,118,819)	(1,114,280)	(1,109,741)
82		Reg Liab Renewables Fed Grant									
83		Reg Liab Renewables St Credit	Renewable NM AETC		279,452	278,409	277,367	276,324	275,281	274,238	273,195
84		Rate Case Expense	Rate Case Expense		(71,567)	(93,314)	(114,600)	(139,829)	(140,479)	(151,553)	(173,594)
85		50% SJGS 2&3	50% SJGS 2&3		-	-	-	-	-	-	-
86					0	0	0	0	0	0	0
87					-	-	-	-	-	-	-
88		Total Regulatory Assets and Liabilities			(2,575,285)	(2,561,567)	(2,547,381)	(2,532,564)	(2,497,727)	(2,473,307)	(2,268,127)
89					-	-	-	-	-	-	(0)

	B	AD	AE	AF	AG	AH	AI	AJ	AK	AQ
1	Public Service Company of New Mexico									
2	NMPRC Case No. 16-00276-UT									
3	PNM Exhibit MFH-2									
4	ADIT-11 MDCs - Regulatory Assets & Liabilities									
5	Hyperlink to Lead Sheet									
6										
7		2016	2016	2016	2016	2016	2016			2016
8	Regulatory Assets & Liabilities	January	February	March	April	May	June	Base Period Adjustments	Adjusted Base Period	December
9										
10										
11	Coal Mine Decommissioning-Surface	26,960,795	26,470,599	25,980,403	25,490,207	25,000,011	24,509,815	(16,975,326)	7,534,489	6,630,350
12	PV 1&2 Combustion Engineering	(207,247)	(201,324)	(195,401)	(189,478)	(183,555)	(177,632)		(177,632)	(142,094)
13	Palo Verde DOE Spent Fuel Refund	(6,214,242)	(6,214,242)	(6,652,568)	(6,652,568)	(6,652,568)	(6,713,838)		(6,713,838)	(5,874,608)
14	Palo Verde DOE Spent Fuel Refund PV3	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)		(3,000,000)	(3,000,000)
15	Reg Asset LVGS Decommission	275,330	278,035	280,767	283,525	286,311	289,124		289,124	260,514
16	Reg Liab LVGS Decommission	(1,515,172)	(1,530,058)	(1,545,091)	(1,560,272)	(1,575,601)	(1,591,082)		(1,591,082)	(1,433,636)
17	PCB Refinancing Hedge	15,544,286	15,473,915	15,403,545	15,333,174	15,262,804	15,192,433		15,192,433	14,770,210
18	Reg Liab Renewables Fed Grant	(19,770,928)	(19,690,702)	(19,610,461)	(19,530,220)	(19,449,979)	(19,369,738)		(19,369,738)	(18,888,292)
19	Reg Liab Renewables St Credit	(3,829,531)	(3,813,368)	(3,797,198)	(3,781,028)	(3,764,858)	(3,748,688)		(3,748,688)	(3,651,668)
20	Rate Case Expense	2,710,390	2,889,114	3,334,716	3,537,725	3,778,197	4,028,463	(238,440)	3,790,023	3,316,270
21	50% SJGS 2&3								-	
22									-	
23									-	
24	Total Regulatory Assets and Liabilities	10,953,681	10,661,969	10,198,711	9,931,066	9,700,762	9,418,857	(17,213,766)	(7,794,909)	(8,012,954)
25									(7,794,909)	(8,012,954)
26	Note 1:Base period data is historical inform								(0)	-
27										
28	ADIT Fed	32.83%	32.83%	32.83%	32.83%	32.83%	32.83%			32.83%
29	ADIT State	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%			6.19%
30	ADIT combined Fed & state rate	39.02%	39.02%	39.02%	39.02%	39.02%	39.02%	Pro-rata		39.02%
31										
32										
33	Recalculated ADIT on Reg asset/liabs									
34										
35	Coal Mine Decommissioning-Surface	(10,695,028)	(10,503,754)	(10,312,479)	(10,121,205)	(9,929,930)	(9,738,656)	6,744,925	(2,993,731)	(2,640,936)
36	PV 1&2 Combustion Engineering	82,488	80,177	77,866	75,555	73,243	70,932	-	70,932	57,065
37	Palo Verde DOE Spent Fuel Refund	2,443,699	2,443,699	2,614,734	2,614,734	2,614,734	2,638,641	-	2,638,641	2,311,174
38	Palo Verde DOE Spent Fuel Refund PV3	1,175,700	1,175,700	1,175,700	1,175,700	1,175,700	1,175,700	-	1,175,700	1,175,700
39	Reg Asset LVGS Decommission	(108,821)	(109,877)	(110,943)	(112,019)	(113,106)	(114,204)	-	(114,204)	(103,040)
40	Reg Liab LVGS Decommission	598,857	604,666	610,531	616,455	622,437	628,477	-	628,477	567,042
41	PCB Refinancing Hedge	(6,159,197)	(6,131,739)	(6,104,280)	(6,076,821)	(6,049,363)	(6,021,904)	-	(6,021,904)	(5,857,153)
42	Reg Liab Renewables Fed Grant								-	
43	Reg Liab Renewables St Credit	1,517,310	1,511,003	1,504,693	1,498,384	1,492,074	1,485,765	-	1,485,765	1,447,907
44	Rate Case Expense	(1,062,169)	(1,131,908)	(1,305,782)	(1,384,996)	(1,478,828)	(1,576,481)	93,310	(1,483,171)	(1,298,313)
45	50% SJGS 2&3	-	-	-	-	-	-		-	-
46										
47		-	-	-	-	-	-		-	
48	Total Regulatory Assets and Liabilities	(12,207,163)	(12,062,033)	(11,849,959)	(11,714,214)	(11,593,039)	(11,451,730)	6,838,235	(4,613,495)	(4,340,554)
49										8,303
50										
51										
52										
53	Recalculated Fed ADIT on Reg asset/liabs									
54										
55	Coal Mine Decommissioning-Surface	(8,759,173)	(8,598,242)	(8,437,311)	(8,276,379)	(8,115,448)	(7,954,517)	5,509,243	(2,445,274)	(2,148,445)
56	PV 1&2 Combustion Engineering	67,186	65,242	63,297	61,353	59,408	57,464	-	57,464	45,797

	A	B	AD	AE	AF	AG	AH	AI	AJ	AK	AQ
1		Public Service Company of New Mexico									
2		NMPRC Case No. 16-00276-UT									
3		PNM Exhibit MFH-2									
4		ADIT-11 MDCs - Regulatory Assets & Liabilities									
5		Hyperlink to Lead Sheet									
6											
7			2016	2016	2016	2016	2016	2016			2016
8		Regulatory Assets & Liabilities	January	February	March	April	May	June	Base Period Adjustments	Adjusted Base Period	December
57		Palo Verde DOE Spent Fuel Refund	2,030,193	2,030,193	2,174,095	2,174,095	2,174,095	2,194,210	-	2,194,210	1,918,691
58		Palo Verde DOE Spent Fuel Refund PV3	982,200	982,200	982,200	982,200	982,200	982,200	-	982,200	982,200
59		Reg Asset LVGS Decommission	(89,660)	(90,548)	(91,445)	(92,351)	(93,265)	(94,189)	-	(94,189)	(84,796)
60		Reg Liab LVGS Decommission	493,411	498,299	503,234	508,218	513,250	518,333	-	518,333	466,643
61		PCB Refinancing Hedge	(5,053,812)	(5,030,709)	(5,007,606)	(4,984,504)	(4,961,401)	(4,938,299)	-	(4,938,299)	(4,799,683)
62		Reg Liab Renewables Fed Grant							-	-	
63		Reg Liab Renewables St Credit	1,245,116	1,239,809	1,234,501	1,229,192	1,223,884	1,218,575	-	1,218,575	1,186,723
64		Rate Case Expense	(887,399)	(946,074)	(1,092,365)	(1,159,013)	(1,237,960)	(1,320,122)	78,136	(1,241,986)	(1,086,453)
65		50% SJGS 2&3	-	-	-	-	-	-	-	-	-
66			0	0	0	0	0	0	-	-	0
67			-	-	-	-	-	-	-	-	-
68		Total Regulatory Assets and Liabilities	(9,971,938)	(9,849,831)	(9,671,400)	(9,557,189)	(9,455,237)	(9,336,344)	5,587,379	(3,748,965)	(3,519,322)
69											
70											
71											
72											
73		Recalculated State ADIT on Reg asset/liabs									
74											
75		Coal Mine Decommissioning-Surface	(1,935,855)	(1,905,512)	(1,875,169)	(1,844,825)	(1,814,482)	(1,784,139)	1,235,682	(548,457)	(492,491)
76		PV 1&2 Combustion Engineering	15,302	14,935	14,568	14,202	13,835	13,468	-	13,468	11,269
77		Palo Verde DOE Spent Fuel Refund	413,506	413,506	440,639	440,639	440,639	444,431	-	444,431	392,483
78		Palo Verde DOE Spent Fuel Refund PV3	193,500	193,500	193,500	193,500	193,500	193,500	-	193,500	193,500
79		Reg Asset LVGS Decommission	(19,161)	(19,329)	(19,498)	(19,668)	(19,841)	(20,015)	-	(20,015)	(18,244)
80		Reg Liab LVGS Decommission	105,446	106,367	107,298	108,237	109,186	110,144	-	110,144	100,399
81		PCB Refinancing Hedge	(1,105,385)	(1,101,030)	(1,096,674)	(1,092,318)	(1,087,962)	(1,083,606)	-	(1,083,606)	(1,057,470)
82		Reg Liab Renewables Fed Grant							-	-	
83		Reg Liab Renewables St Credit	272,194	271,193	270,192	269,191	268,190	267,190	-	267,190	261,184
84		Rate Case Expense	(174,771)	(185,834)	(213,417)	(225,983)	(240,868)	(256,359)	15,174	(241,186)	(211,861)
85		50% SJGS 2&3	-	-	-	-	-	-	-	-	-
86			0	0	0	0	0	0	-	-	0
87			-	-	-	-	-	-	-	-	-
88		Total Regulatory Assets and Liabilities	(2,235,225)	(2,212,202)	(2,178,560)	(2,157,025)	(2,137,803)	(2,115,386)	1,250,856	(864,530)	(821,231)
89			-	-	-	-	-	-	-	-	-

	A	B	AW	BC	BD	BE	BF	BG	BH	BI
1		Public Service Company of New Mexico								
2		NMPRC Case No. 16-00276-UT								
3		PNM Exhibit MFH-2								
4		ADIT-11 MDCs - Regulatory Assets & Liabilities								
5		Hyperlink to Lead Sheet								
6										
7			2017	2017	2018	2018	2018	2018	2018	2018
8		Regulatory Assets & Liabilities	June	December	January	February	March	April	May	June
9										
10										
11		Coal Mine Decommissioning-Surface	5,726,211	4,822,073	4,671,383	4,520,693	4,370,003	4,219,314	4,068,624	3,917,934
12		PV 1&2 Combustion Engineering	(106,556)	(71,018)	(65,095)	(59,172)	(53,249)	(47,326)	(41,403)	(35,480)
13		Palo Verde DOE Spent Fuel Refund	(4,196,149)	(2,517,689)	(2,237,946)	(1,958,203)	(1,678,460)	(1,398,716)	(1,118,973)	(839,230)
14		Palo Verde DOE Spent Fuel Refund PV3	(3,000,000)	(3,000,000)	(2,875,000)	(2,750,000)	(2,625,000)	(2,500,000)	(2,375,000)	(2,250,000)
15		Reg Asset LVGS Decommission	186,081	111,649	108,547	105,446	102,345	99,243	96,142	93,041
16		Reg Liab LVGS Decommission	(1,024,026)	(614,415)	(597,348)	(580,281)	(563,214)	(546,147)	(529,080)	(512,013)
17		PCB Refinancing Hedge	14,347,987	13,925,765	13,855,394	13,785,024	13,714,653	13,644,283	13,573,912	13,503,542
18		Reg Liab Renewables Fed Grant	(18,406,846)	(17,925,400)	(17,845,159)	(17,764,918)	(17,684,677)	(17,604,436)	(17,524,195)	(17,443,954)
19		Reg Liab Renewables St Credit	(3,554,648)	(3,457,628)	(3,441,458)	(3,425,288)	(3,409,118)	(3,392,948)	(3,376,778)	(3,360,608)
20		Rate Case Expense	2,368,764	1,421,259	1,381,779	1,342,300	1,302,820	1,263,341	1,223,861	1,184,382
21		50% SJGS 2&3		128,224,199	127,689,932	127,155,664	126,621,397	126,087,129	125,552,862	125,018,594
22										
23										
24		Total Regulatory Assets and Liabilities	(7,659,180)	120,918,793	120,645,029	120,371,265	120,097,501	119,823,737	119,549,972	119,276,208
25			(7,659,180)	120,918,793	120,645,029	120,371,265	120,097,501	119,823,737	119,549,972	119,276,208
26		Note 1:Base period data is historical inform	-	-	-	-	-	-	-	-
27										
28		ADIT Fed	32.95%	32.95%	32.95%	32.95%	32.95%	33.05%	33.05%	33.05%
29		ADIT State	5.84%	5.84%	5.84%	5.84%	5.84%	5.57%	5.57%	5.57%
30		ADIT combined Fed & state rate	38.79%	38.79%	38.79%	38.79%	38.79%	38.62%	38.62%	38.62%
31										
32										
33		Recalculated ADIT on Reg asset/liabs								
34										
35		Coal Mine Decommissioning-Surface	(2,290,221)	(1,939,505)	(1,881,053)	(1,822,600)	(1,764,148)	(1,705,951)	(1,647,755)	(1,589,558)
36		PV 1&2 Combustion Engineering	43,280	29,495	27,197	24,900	22,602	20,315	18,027	15,740
37		Palo Verde DOE Spent Fuel Refund	1,660,100	1,009,025	900,513	792,000	683,488	575,451	467,414	359,377
38		Palo Verde DOE Spent Fuel Refund PV3	1,175,700	1,175,700	1,127,213	1,078,725	1,030,238	981,963	933,688	885,413
39		Reg Asset LVGS Decommission	(74,168)	(45,295)	(44,092)	(42,889)	(41,686)	(40,489)	(39,291)	(38,093)
40		Reg Liab LVGS Decommission	408,154	249,266	242,646	236,025	229,405	222,814	216,222	209,631
41		PCB Refinancing Hedge	(5,693,373)	(5,529,592)	(5,502,296)	(5,474,999)	(5,447,702)	(5,420,525)	(5,393,348)	(5,366,171)
42		Reg Liab Renewables Fed Grant								
43		Reg Liab Renewables St Credit	1,410,273	1,372,639	1,366,367	1,360,095	1,353,822	1,347,577	1,341,333	1,335,088
44		Rate Case Expense	(930,776)	(563,238)	(547,924)	(532,610)	(517,296)	(502,049)	(486,802)	(471,555)
45		50% SJGS 2&3	-	(49,738,167)	(49,530,924)	(49,323,682)	(49,116,440)	(48,910,106)	(48,703,772)	(48,497,437)
46										
47										
48		Total Regulatory Assets and Liabilities	(4,291,030)	(53,979,673)	(53,842,354)	(53,705,036)	(53,567,717)	(53,431,000)	(53,294,283)	(53,157,567)
49			8,254	(49,729,913)	137,319	137,319	137,319	136,717	136,717	136,717
50										
51										
52										
53		Recalculated Fed ADIT on Reg asset/liabs								
54										
55		Coal Mine Decommissioning-Surface	(1,850,532)	(1,552,618)	(1,502,966)	(1,453,313)	(1,403,661)	(1,353,858)	(1,304,055)	(1,254,252)
56		PV 1&2 Combustion Engineering	34,087	22,377	20,426	18,474	16,522	14,565	12,607	10,650

	A	B	AW	BC	BD	BE	BF	BG	BH	BI
1		Public Service Company of New Mexico								
2		NMPRC Case No. 16-00276-UT								
3		PNM Exhibit MFH-2								
4		ADIT-11 MDCs - Regulatory Assets & Liabilities								
5		Hyperlink to Lead Sheet								
6										
7			2017	2017	2018	2018	2018	2018	2018	2018
8		Regulatory Assets & Liabilities	June	December	January	February	March	April	May	June
57		Palo Verde DOE Spent Fuel Refund	1,365,639	812,586	720,411	628,236	536,060	443,605	351,150	258,695
58		Palo Verde DOE Spent Fuel Refund PV3	982,200	982,200	941,013	899,825	858,638	817,325	776,013	734,700
59		Reg Asset LVGS Decommission	(60,271)	(35,745)	(34,723)	(33,701)	(32,680)	(31,655)	(30,630)	(29,605)
60		Reg Liab LVGS Decommission	331,677	196,710	191,086	185,463	179,839	174,198	168,558	162,917
61		PCB Refinancing Hedge	(4,660,560)	(4,521,438)	(4,498,251)	(4,475,064)	(4,451,877)	(4,428,619)	(4,405,362)	(4,382,104)
62		Reg Liab Renewables Fed Grant								
63		Reg Liab Renewables St Credit	1,154,755	1,122,787	1,117,459	1,112,131	1,106,803	1,101,459	1,096,115	1,090,771
64		Rate Case Expense	(774,249)	(462,046)	(449,038)	(436,029)	(423,021)	(409,973)	(396,925)	(383,877)
65		50% SJGS 2&3	-	(42,249,874)	(42,073,832)	(41,897,791)	(41,721,750)	(41,545,175)	(41,368,599)	(41,192,024)
66			0	0	0	0	0	0	0	0
67			-	-	-	-	-	-	-	-
68		Total Regulatory Assets and Liabilities	(3,477,255)	(45,685,060)	(45,568,416)	(45,451,771)	(45,335,126)	(45,218,128)	(45,101,129)	(44,984,130)
69										
70										
71										
72										
73		Recalculated State ADIT on Reg asset/liabls								
74										
75		Coal Mine Decommissioning-Surface	(439,689)	(386,887)	(378,087)	(369,287)	(360,486)	(352,093)	(343,700)	(335,306)
76		PV 1&2 Combustion Engineering	9,193	7,118	6,772	6,426	6,080	5,750	5,420	5,090
77		Palo Verde DOE Spent Fuel Refund	294,461	196,439	180,102	163,765	147,428	131,846	116,264	100,683
78		Palo Verde DOE Spent Fuel Refund PV3	193,500	193,500	186,200	178,900	171,600	164,638	157,675	150,713
79		Reg Asset LVGS Decommission	(13,897)	(9,550)	(9,369)	(9,188)	(9,007)	(8,834)	(8,661)	(8,489)
80		Reg Liab LVGS Decommission	76,477	52,556	51,559	50,563	49,566	48,615	47,665	46,714
81		PCB Refinancing Hedge	(1,032,812)	(1,008,155)	(1,004,045)	(999,935)	(995,826)	(991,906)	(987,986)	(984,067)
82		Reg Liab Renewables Fed Grant								
83		Reg Liab Renewables St Credit	255,518	249,852	248,908	247,963	247,019	246,118	245,218	244,317
84		Rate Case Expense	(156,526)	(101,192)	(98,886)	(96,581)	(94,275)	(92,076)	(89,877)	(87,678)
85		50% SJGS 2&3	-	(7,488,293)	(7,457,092)	(7,425,891)	(7,394,690)	(7,364,931)	(7,335,172)	(7,305,413)
86			0	0	0	0	0	0	0	0
87			-	-	-	-	-	-	-	-
88		Total Regulatory Assets and Liabilities	(813,775)	(8,294,613)	(8,273,939)	(8,253,265)	(8,232,591)	(8,212,873)	(8,193,155)	(8,173,437)
89			-	-	-	-	-	-	-	-

	A	B	BJ	BK	BL	BM	BN
1		Public Service Company of New Mexico					
2		NMPRC Case No. 16-00276-UT					
3		PNM Exhibit MFH-2					
4		ADIT-11 MDCs - Regulatory Assets & Liabilities					
5		Hyperlink to Lead Sheet					
6							
7			2018	2018	2018	2018	2018
8		Regulatory Assets & Liabilities	July	August	September	October	November
9							
10							
11		Coal Mine Decommissioning-Surface	3,767,244	3,616,555	3,465,865	3,315,175	3,164,485
12		PV 1&2 Combustion Engineering	(29,557)	(23,634)	(17,711)	(11,788)	(5,865)
13		Palo Verde DOE Spent Fuel Refund	(559,487)	(279,743)	-	-	-
14		Palo Verde DOE Spent Fuel Refund PV3	(2,125,000)	(2,000,000)	(1,875,000)	(1,750,000)	(1,625,000)
15		Reg Asset LVGS Decommission	89,939	86,838	83,737	80,635	77,534
16		Reg Liab LVGS Decommission	(494,946)	(477,879)	(460,812)	(443,744)	(426,677)
17		PCB Refinancing Hedge	13,433,171	13,362,801	13,292,430	13,222,060	13,151,689
18		Reg Liab Renewables Fed Grant	(17,363,713)	(17,283,472)	(17,203,231)	(17,122,990)	(17,042,749)
19		Reg Liab Renewables St Credit	(3,344,438)	(3,328,268)	(3,312,098)	(3,295,928)	(3,279,758)
20		Rate Case Expense	1,144,903	1,105,423	1,065,944	1,026,464	986,985
21		50% SJGS 2&3	124,484,327	123,950,059	123,415,792	122,881,524	122,347,257
22							
23							
24		Total Regulatory Assets and Liabilities	119,002,444	118,728,680	118,454,916	117,901,408	117,347,901
25			119,002,444	118,728,680	118,454,916	117,901,408	117,347,901
26		Note 1:Base period data is historical inform	-	-	-	-	-
27							
28		ADIT Fed	33.05%	33.05%	33.05%	33.05%	33.05%
29		ADIT State	5.57%	5.57%	5.57%	5.57%	5.57%
30		ADIT combined Fed & state rate	38.62%	38.62%	38.62%	38.62%	38.62%
31							
32							
33		Recalculated ADIT on Reg asset/liabs					
34							
35		Coal Mine Decommissioning-Surface	(1,531,362)	(1,473,166)	(1,414,969)	(1,356,773)	(1,298,576)
36		PV 1&2 Combustion Engineering	13,452	11,165	8,878	6,590	4,303
37		Palo Verde DOE Spent Fuel Refund	251,341	143,304	-	-	-
38		Palo Verde DOE Spent Fuel Refund PV3	837,138	788,863	740,588	692,313	644,038
39		Reg Asset LVGS Decommission	(36,895)	(35,698)	(34,500)	(33,302)	(32,104)
40		Reg Liab LVGS Decommission	203,040	196,448	189,857	183,266	176,675
41		PCB Refinancing Hedge	(5,338,994)	(5,311,817)	(5,284,640)	(5,257,463)	(5,230,286)
42		Reg Liab Renewables Fed Grant					
43		Reg Liab Renewables St Credit	1,328,843	1,322,598	1,316,353	1,310,108	1,303,863
44		Rate Case Expense	(456,308)	(441,061)	(425,814)	(410,567)	(395,320)
45		50% SJGS 2&3	(48,291,103)	(48,084,769)	(47,878,435)	(47,672,101)	(47,465,767)
46							
47							
48		Total Regulatory Assets and Liabilities	(53,020,850)	(52,884,133)	(52,782,683)	(52,537,930)	(52,293,176)
49			136,717	136,717	101,450	244,754	244,754
50							
51							
52							
53		Recalculated Fed ADIT on Reg asset/liabs					
54							
55		Coal Mine Decommissioning-Surface	(1,204,449)	(1,154,646)	(1,104,843)	(1,055,040)	(1,005,237)
56		PV 1&2 Combustion Engineering	8,692	6,735	4,777	2,819	862

	A	B	BJ	BK	BL	BM	BN
1		Public Service Company of New Mexico					
2		NMPRC Case No. 16-00276-UT					
3		PNM Exhibit MFH-2					
4		ADIT-11 MDCs - Regulatory Assets & Liabilities					
5		Hyperlink to Lead Sheet					
6							
7			2018	2018	2018	2018	2018
8		Regulatory Assets & Liabilities	July	August	September	October	November
57		Palo Verde DOE Spent Fuel Refund	166,240	73,784		-	-
58		Palo Verde DOE Spent Fuel Refund PV3	693,388	652,075	610,763	569,450	528,138
59		Reg Asset LVGS Decommission	(28,580)	(27,555)	(26,530)	(25,505)	(24,480)
60		Reg Liab LVGS Decommission	157,276	151,636	145,995	140,354	134,714
61		PCB Refinancing Hedge	(4,358,847)	(4,335,589)	(4,312,332)	(4,289,075)	(4,265,817)
62		Reg Liab Renewables Fed Grant					
63		Reg Liab Renewables St Credit	1,085,426	1,080,082	1,074,738	1,069,394	1,064,050
64		Rate Case Expense	(370,829)	(357,781)	(344,733)	(331,685)	(318,637)
65		50% SJGS 2&3	(41,015,449)	(40,838,873)	(40,662,298)	(40,485,722)	(40,309,147)
66			0	0	0	0	0
67			-	-	-	-	-
68		Total Regulatory Assets and Liabilities	(44,867,131)	(44,750,133)	(44,614,463)	(44,405,009)	(44,195,556)
69							
70							
71							
72							
73		Recalculated State ADIT on Reg asset/liabs					
74							
75		Coal Mine Decommissioning-Surface	(326,913)	(318,519)	(310,126)	(301,732)	(293,339)
76		PV 1&2 Combustion Engineering	4,760	4,430	4,101	3,771	3,441
77		Palo Verde DOE Spent Fuel Refund	85,101	69,519		-	-
78		Palo Verde DOE Spent Fuel Refund PV3	143,750	136,788	129,825	122,863	115,900
79		Reg Asset LVGS Decommission	(8,316)	(8,143)	(7,970)	(7,798)	(7,625)
80		Reg Liab LVGS Decommission	45,763	44,813	43,862	42,911	41,961
81		PCB Refinancing Hedge	(980,147)	(976,227)	(972,308)	(968,388)	(964,469)
82		Reg Liab Renewables Fed Grant					
83		Reg Liab Renewables St Credit	243,416	242,516	241,615	240,714	239,814
84		Rate Case Expense	(85,479)	(83,280)	(81,081)	(78,882)	(76,683)
85		50% SJGS 2&3	(7,275,655)	(7,245,896)	(7,216,137)	(7,186,379)	(7,156,620)
86			0	0	0	0	0
87			-	-	-	-	-
88		Total Regulatory Assets and Liabilities	(8,153,718)	(8,134,000)	(8,168,220)	(8,132,920)	(8,097,620)
89			-	-	-	-	-

	B	BO	BP	BQ	BR	B5
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-11 MDCs - Regulatory Assets & Liabilities					
5	Hyperlink to Lead Sheet					
6						
7		2018				
8	Regulatory Assets & Liabilities	December	Averaging adj	Average test Period	Test Period Adjustments	Adjusted Test Period
9						
10						
11	Coal Mine Decommissioning-Surface	3,013,795	904,139	3,917,934		3,917,934
12	PV 1&2 Combustion Engineering	-	(35,484)	(35,484)		(35,484)
13	Palo Verde DOE Spent Fuel Refund	-	-	-	-	-
14	Palo Verde DOE Spent Fuel Refund PV3	(1,500,000)		(1,500,000)	1,500,000	-
15	Reg Asset LVGS Decommission	74,432	18,608	93,041		93,041
16	Reg Liab LVGS Decommission	(409,610)	(102,403)	(512,013)		(512,013)
17	PCB Refinancing Hedge	13,081,319	422,223	13,503,542		13,503,542
18	Reg Liab Renewables Fed Grant	(16,962,508)	(481,446)	(17,443,954)		(17,443,954)
19	Reg Liab Renewables St Credit	(3,263,588)	(97,020)	(3,360,608)		(3,360,608)
20	Rate Case Expense	947,506	236,876	1,184,382		1,184,382
21	50% SJGS 2&3	121,812,989	3,205,605	125,018,594		125,018,594
22						
23						
24	Total Regulatory Assets and Liabilities	116,794,336	4,071,098	120,865,434	1,500,000	122,365,434
25		116,794,336	4,071,098	120,865,434	1,500,000	122,365,434
26	Note 1:Base period data is historical inform	-	-	-	-	-
27						
28	ADIT Fed	33.05%				
29	ADIT State	5.57%				
30	ADIT combined Fed & state rate	38.62%			Pro-rata	
31						
32						
33	Recalculated ADIT on Reg asset/liabs					
34						
35	Coal Mine Decommissioning-Surface	(1,240,380)	(349,297)	(1,589,677)	-	(1,589,677)
36	PV 1&2 Combustion Engineering	2,038	13,709	15,746	-	15,746
37	Palo Verde DOE Spent Fuel Refund	-	-	-	-	-
38	Palo Verde DOE Spent Fuel Refund PV3	595,763		595,763	(595,763)	-
39	Reg Asset LVGS Decommission	(30,907)	8,259	(22,648)	-	(22,648)
40	Reg Liab LVGS Decommission	170,083	(45,450)	124,633	-	124,633
41	PCB Refinancing Hedge	(5,203,109)	(163,118)	(5,366,226)	-	(5,366,226)
42	Reg Liab Renewables Fed Grant			-		-
43	Reg Liab Renewables St Credit	1,297,619	37,482	1,335,100	-	1,335,100
44	Rate Case Expense	(380,073)	98,454	(281,619)		(281,619)
45	50% SJGS 2&3	(47,259,433)	(1,238,424)	(48,497,857)		(48,497,857)
46						
47						
48	Total Regulatory Assets and Liabilities	(52,048,400)	(1,638,384)	(53,686,784)	(595,763)	(54,282,547)
49		244,776				
50						
51						
52						
53	Recalculated Fed ADIT on Reg asset/liabs					
54						
55	Coal Mine Decommissioning-Surface	(955,434)	(298,748)	(1,254,183)	-	(1,254,183)
56	PV 1&2 Combustion Engineering	(1,076)	11,725	10,648	-	10,648

	A	B	BO	BP	BQ	BR	BS
1		Public Service Company of New Mexico					
2		NMPRC Case No. 16-00276-UT					
3		PNM Exhibit MFH-2					
4		ADIT-11 MDCs - Regulatory Assets & Liabilities					
5		Hyperlink to Lead Sheet					
6							
7		2018					
8		Regulatory Assets & Liabilities	December	Averaging adj	Average test Period	Test Period Adjustments	Adjusted Test Period
57		Palo Verde DOE Spent Fuel Refund	-	-	-	-	-
58		Palo Verde DOE Spent Fuel Refund PV3	486,825		486,825	(486,825)	-
59		Reg Asset LVGS Decommission	(23,455)	5,582	(17,873)	-	(17,873)
60		Reg Liab LVGS Decommission	129,073	(30,718)	98,355	-	98,355
61		PCB Refinancing Hedge	(4,242,560)	(139,512)	(4,382,072)	-	(4,382,072)
62		Reg Liab Renewables Fed Grant			-	-	-
63		Reg Liab Renewables St Credit	1,058,705	32,058	1,090,763	-	1,090,763
64		Rate Case Expense	(305,589)	74,566	(231,023)	-	(231,023)
65		50% SJGS 2&3	(40,132,572)	(1,059,206)	(41,191,777)	-	(41,191,777)
66		0					
67		-					
68		Total Regulatory Assets and Liabilities	(43,986,083)	(1,404,254)	(45,390,336)	(486,825)	(45,877,161)
69							
70							
71							
72							
73		Recalculated State ADIT on Reg asset/liabs					
74							
75		Coal Mine Decommissioning-Surface	(284,946)	(50,548)	(335,494)	-	(335,494)
76		PV 1&2 Combustion Engineering	3,114	1,984	5,098	-	5,098
77		Palo Verde DOE Spent Fuel Refund	-		-	-	-
78		Palo Verde DOE Spent Fuel Refund PV3	108,938		108,938	(108,938)	-
79		Reg Asset LVGS Decommission	(7,452)	2,677	(4,775)	-	(4,775)
80		Reg Liab LVGS Decommission	41,010	(14,732)	26,278	-	26,278
81		PCB Refinancing Hedge	(960,549)	(23,606)	(984,154)	-	(984,154)
82		Reg Liab Renewables Fed Grant			-	-	-
83		Reg Liab Renewables St Credit	238,913	5,424	244,337	-	244,337
84		Rate Case Expense	(74,484)	23,888	(50,596)	-	(50,596)
85		50% SJGS 2&3	(7,126,861)	(179,218)	(7,306,079)	-	(7,306,079)
86		0					
87		-					
88		Total Regulatory Assets and Liabilities	(8,062,317)	(234,131)	(8,296,448)	(108,938)	(8,405,386)
89		-		(0)	-	-	-

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-12 Linkage & Test Period Depreciation ADIT							
5	Hyperlink to Lead Sheet							
6			2016	2016	2016	2016	2016	2016
7		PNM	Jan	Feb	Mar	Apr	May	Jun
8		Book Depreciation Expense						
9		Generation						
10		Renewable generation - pre 2015						
11		Renewable generation - 2015						
12		PV3 generation						
13		132 mW Generation						
14		65 mW Generation						
15		Transmission						
16		HLM transmission						
17		PV3 transmission						
18		Distribution						
19		Renewable distribution						
20		General						
21		Corporate Allocation						
22		Nuc Fuel 1&2	1,495,881	1,398,760	1,494,253	1,255,056	1,081,993	1,453,964
23		Nuc Fuel 3	712,204	666,198	778,085	753,012	777,776	752,222
24								
25		Total Book	2,208,086	2,064,959	2,272,339	2,008,068	1,859,768	2,206,187
26		Add: EIP acquisition amort (ORB)						
27		Add: PV acquisition amort (ORB)						
28		Add: PV acquisition amort 1st Chi (ORB)						
29		Add: PV 2 lease acquis amort (OA) NOT RECOVERABLE						
30		Less: corp allocation	-	-	-	-	-	-
31		total Book before corp alloc	2,208,086	2,064,959	2,272,339	2,008,068	1,859,768	2,206,187
32		check total						
33								
34		Tax Depreciation Expense on Additions						
35		Generation	690,623	1,196,991	1,516,750	1,503,087	1,829,817	2,318,736
36		Renewable generation - 2015	34,928	(121,266)	60,055	60,055	60,055	59,887
37		PV3 generation	(3,663)	34,065	34,865	35,669	73,033	72,840
38		132 mW Generation	-	-	-	-	-	-
39		65 mW Generation	-	-	-	-	-	-
40		Transmission	36,287	101,040	102,328	599,436	603,751	3,640,753
41		HLM transmission	-	-	-	-	-	-
42		PV3 transmission	-	-	-	-	-	-
43		Distribution	31,710	173,093	292,281	548,195	859,319	1,211,661
44		Renewable distribution	-	-	-	-	-	-
45		General	(2,588)	(2,584)	375	(1,500)	(4,930)	68,025
46		Corporate Allocation						
47		Nuc Fuel 1&2	119,616	152,146	173,832	595,855	363,377	471,575
48		Nuc Fuel 3	-	-	-	-	320,738	349,771
49								
50		Total Tax on Additions	906,913	1,533,486	2,180,486	3,340,797	4,105,160	8,193,249
51		check total	(0)	-	0	(0)	0	0
52		Tax Depreciation Expense on Existing plant						
53		Generation	5,830,655	5,830,655	5,830,655	5,830,655	5,830,655	5,830,655
54		Renewable generation - pre 2015	488,202	488,202	488,202	488,202	488,202	488,202
55		PV3 generation	232,800	232,800	232,800	232,800	232,800	232,800
56		132 mW Generation	-	-	-	-	-	-
57		65 mW Generation	-	-	-	-	-	-

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-12 Linkage & Test Period Depreciation ADIT							
5	Hyperlink to Lead Sheet							
6			2016	2016	2016	2016	2016	2016
7		PNM	Jan	Feb	Mar	Apr	May	Jun
58		Transmission	1,605,846	1,605,846	1,605,846	1,605,846	1,605,846	1,605,846
59		HLM transmission	58,257	58,257	58,257	58,257	58,257	58,257
60		PV3 transmission	-	-	-	-	-	-
61		Distribution	2,801,912	2,801,912	2,801,912	2,801,912	2,801,912	2,801,912
62		Renewable distribution	-	-	-	-	-	-
63		General	13,556	13,556	13,556	13,556	13,556	13,556
64		Corporate Allocation	-	-	-	-	-	-
65		Nuc Fuel 1&2	484,772	484,772	484,772	484,772	484,772	484,772
66		Nuc Fuel 3	282,556	282,556	282,556	282,556	282,556	282,556
67			-	-	-	-	-	-
68								
69		Total Tax on Existing	11,798,555	11,798,555	11,798,555	11,798,555	11,798,555	11,798,555
70		check total						
71								
72		Temporary Difference						
73		Generation	(6,521,278)	(7,027,646)	(7,347,405)	(7,333,742)	(7,660,472)	(8,149,391)
74		Renewable generation - pre 2015	(488,202)	(488,202)	(488,202)	(488,202)	(488,202)	(488,202)
75		Renewable generation - 2015	(34,928)	121,266	(60,055)	(60,055)	(60,055)	(59,887)
76		PV3 generation	(229,137)	(266,865)	(267,664)	(268,469)	(305,832)	(305,640)
77		132 mW Generation	-	-	-	-	-	-
78		65 mW Generation	-	-	-	-	-	-
79		Transmission	(1,642,133)	(1,706,886)	(1,708,174)	(2,205,282)	(2,209,597)	(5,246,599)
80		HLM transmission	(58,257)	(58,257)	(58,257)	(58,257)	(58,257)	(58,257)
81		PV3 transmission	-	-	-	-	-	-
82		Distribution	(2,833,622)	(2,975,005)	(3,094,192)	(3,350,107)	(3,661,231)	(4,013,572)
83		Renewable distribution	-	-	-	-	-	-
84		General	(10,968)	(10,972)	(13,931)	(12,055)	(8,626)	(81,581)
85		Corporate Allocation						
86		Nuc Fuel 1&2	891,494	761,842	835,650	174,429	233,844	497,617
87		Nuc Fuel 3	429,648	383,642	495,529	470,456	174,481	119,895
88								
89								
90		Total Temporary Difference	(10,497,383)	(11,267,082)	(11,706,702)	(13,131,285)	(14,043,947)	(17,785,617)
91		check total	-	-	-	-	-	-
92								
93		Fed Rate	32.83%	32.83%	32.83%	32.83%	32.83%	32.83%
94		State Rate	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%
95		ADIT before proration	39.02%	39.02%	39.02%	39.02%	39.02%	39.02%
96		Generation	(2,544,603)	(2,742,187)	(2,866,957)	(2,861,626)	(2,989,116)	(3,179,892)
97		Renewable generation - pre 2015	(190,496)	(190,496)	(190,496)	(190,496)	(190,496)	(190,496)
98		Renewable generation - 2015	(13,629)	47,318	(23,434)	(23,434)	(23,434)	(23,368)
99		PV3 generation	(89,409)	(104,131)	(104,443)	(104,757)	(119,336)	(119,261)
100		132 mW Generation	-	-	-	-	-	-
101		65 mW Generation	-	-	-	-	-	-
102		Transmission	(640,760)	(666,027)	(666,530)	(860,501)	(862,185)	(2,047,223)
103		HLM transmission (with Trans)	(22,732)	(22,732)	(22,732)	(22,732)	(22,732)	(22,732)
104		PV3 transmission (with PV3 gen)	-	-	-	-	-	-
105		Distribution	(1,105,679)	(1,160,847)	(1,207,354)	(1,307,212)	(1,428,612)	(1,566,096)
106		Renewable distribution (with renew)	-	-	-	-	-	-
107		General	(4,280)	(4,281)	(5,436)	(4,704)	(3,366)	(31,833)

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-12 Linkage & Test Period Depreciation ADIT							
5	Hyperlink to Lead Sheet							
6			2016	2016	2016	2016	2016	2016
7		PNM	Jan	Feb	Mar	Apr	May	Jun
108		Corporate Allocation	-	-	-	-	-	-
109		Nuc Fuel 1&2	347,861	297,271	326,070	68,062	91,246	194,170
110		Nuc Fuel 3	167,649	149,697	193,355	183,572	68,083	46,783
111			-	-	-	-	-	-
112			-	-	-	-	-	-
113		Total ADIT change before proration	(4,096,079)	(4,396,415)	(4,567,955)	(5,123,827)	(5,479,948)	(6,939,948)
114		check						
115								
116		Numerator Days	365	365	365	365	365	365
117		Denominator Days	365	365	365	365	365	365
118			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
119								
120		TOTAL ADIT after proration						
121	Liberalized Depreciation - Generation	Generation	(2,544,603)	(2,742,187)	(2,866,957)	(2,861,626)	(2,989,116)	(3,179,892)
122	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	(190,496)	(190,496)	(190,496)	(190,496)	(190,496)	(190,496)
123	Liberalized Depreciation - Generation	Renewable generation	(13,629)	47,318	(23,434)	(23,434)	(23,434)	(23,368)
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(89,409)	(104,131)	(104,443)	(104,757)	(119,336)	(119,261)
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	-	-	-	-	-	-
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
127	Liberalized Depreciation - Transmission	Transmission	(640,760)	(666,027)	(666,530)	(860,501)	(862,185)	(2,047,223)
128	Liberalized Depreciation - HLM	HLM transmission	(22,732)	(22,732)	(22,732)	(22,732)	(22,732)	(22,732)
129	Liberalized Depreciation - PV 3	PV3 transmission	-	-	-	-	-	-
130	Liberalized Depreciation - Distribution	Distribution	(1,105,679)	(1,160,847)	(1,207,354)	(1,307,212)	(1,428,612)	(1,566,096)
131	Liberalized Depreciation - Renewables	Renewable distribution	-	-	-	-	-	-
132	Liberalized Depreciation - Other	General	(4,280)	(4,281)	(5,436)	(4,704)	(3,366)	(31,833)
133	Liberalized Depreciation - Corp Allocation	Corporate Allocation						
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	347,861	297,271	326,070	68,062	91,246	194,170
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	167,649	149,697	193,355	183,572	68,083	46,783
136	Liberalized Depreciation - Generation	PV3 generation post 2018						
137								
138		Total ADIT change after proration	(4,096,079)	(4,396,415)	(4,567,955)	(5,123,827)	(5,479,948)	(6,939,948)
139								
140								
141		Corp Alloc ADIT change before proration	(190,562)	(239,291)	(275,395)	(309,975)	(319,069)	(321,085)
142	Liberalized Depreciation - Corp Allocation	Corp Alloc ADIT change after proration	(190,562)	(239,291)	(275,395)	(309,975)	(319,069)	(321,085)
143								
144								
145								
146								
147								
148								
149								
150		FED ADIT after proration						
151	Liberalized Depreciation - Generation	Generation	(2,140,936)	(2,307,176)	(2,412,153)	(2,407,667)	(2,514,933)	(2,675,445)
152	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	(160,277)	(160,277)	(160,277)	(160,277)	(160,277)	(160,277)
153	Liberalized Depreciation - Generation	Renewable generation	(11,467)	39,812	(19,716)	(19,716)	(19,716)	(19,661)
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(75,226)	(87,612)	(87,874)	(88,138)	(100,405)	(100,342)
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	-	-	-	-	-	-
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
157	Liberalized Depreciation - Transmission	Transmission	(539,112)	(560,371)	(560,794)	(723,994)	(725,411)	(1,722,459)

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
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4	ADIT-12 Linkage & Test Period Depreciation ADIT							
5	Hyperlink to Lead Sheet							
6			2016	2016	2016	2016	2016	2016
7		PNM	Jan	Feb	Mar	Apr	May	Jun
158	Liberalized Depreciation - HLM	HLM transmission	(19,126)	(19,126)	(19,126)	(19,126)	(19,126)	(19,126)
159	Liberalized Depreciation - PV 3	PV3 transmission	-	-	-	-	-	-
160	Liberalized Depreciation - Distribution	Distribution	(930,278)	(976,694)	(1,015,823)	(1,099,840)	(1,201,982)	(1,317,656)
161	Liberalized Depreciation - Renewables	Renewable distribution	-	-	-	-	-	-
162	Liberalized Depreciation - Other	General	(3,601)	(3,602)	(4,574)	(3,958)	(2,832)	(26,783)
163	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-	-	-
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	292,677	250,113	274,344	57,265	76,771	163,368
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	141,054	125,950	162,682	154,451	57,282	39,362
166	Liberalized Depreciation - Generation	PV3 generation post 2018						
167								
168		Total ADIT change after proration	(3,446,291)	(3,698,983)	(3,843,310)	(4,311,001)	(4,610,628)	(5,839,018)
169								
170								
171								
172	Liberalized Depreciation - Corp Allocation	Corp Alloc FED ADIT change after proration	(160,332)	(201,331)	(231,707)	(260,802)	(268,453)	(270,149)
173								
174								
175								
176								
177								
178								
179								
180		STATE ADIT after proration						
181	Liberalized Depreciation - Generation	Generation	(403,667)	(435,011)	(454,804)	(453,959)	(474,183)	(504,447)
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	(30,220)	(30,220)	(30,220)	(30,220)	(30,220)	(30,220)
183	Liberalized Depreciation - Generation	Renewable generation	(2,162)	7,506	(3,717)	(3,717)	(3,717)	(3,707)
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(14,184)	(16,519)	(16,568)	(16,618)	(18,931)	(18,919)
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	-	-	-	-	-	-
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
187	Liberalized Depreciation - Transmission	Transmission	(101,648)	(105,656)	(105,736)	(136,507)	(136,774)	(324,764)
188	Liberalized Depreciation - HLM	HLM transmission	(3,606)	(3,606)	(3,606)	(3,606)	(3,606)	(3,606)
189	Liberalized Depreciation - PV 3	PV3 transmission	-	-	-	-	-	-
190	Liberalized Depreciation - Distribution	Distribution	(175,401)	(184,153)	(191,531)	(207,372)	(226,630)	(248,440)
191	Liberalized Depreciation - Renewables	Renewable distribution	-	-	-	-	-	-
192	Liberalized Depreciation - Other	General	(679)	(679)	(862)	(746)	(534)	(5,050)
193	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-	-	-
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	55,183	47,158	51,727	10,797	14,475	30,803
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	26,595	23,747	30,673	29,121	10,800	7,422
196	Liberalized Depreciation - Generation	PV3 generation post 2018						
197								
198		Total ADIT change after proration	(649,788)	(697,432)	(724,645)	(812,827)	(869,320)	(1,100,930)
199								
200								
201								
202	Liberalized Depreciation - Corp Allocation	Corp Alloc STATE ADIT change after proration	(30,230)	(37,960)	(43,688)	(49,173)	(50,616)	(50,936)
203								
204								
205								
206		check	-	-	-	-	-	-

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4	ADIT-12 Linkage & Test Period Depreciation ADIT							
5	Hyperlink to Lead Sheet							
6			2016	2016	2016	2016	2016	2016
7		PNM	Jul	Aug	Sep	Oct	Nov	Dec
8		Book Depreciation Expense						
9		Generation	3,554,437	3,557,253	3,561,249	4,096,220	4,099,878	4,107,030
10		Renewable generation - pre 2015	527,971	527,971	527,971	482,522	482,522	482,522
11		Renewable generation - 2015	209,314	209,314	209,314	209,314	209,314	209,314
12		PV3 generation	376,473	377,642	377,667	406,037	407,626	411,383
13		132 mW Generation						
14		65 mW Generation	-	-	-	-	-	-
15		Transmission	1,317,872	1,332,968	1,340,863	1,670,098	1,672,533	1,679,870
16		HLM transmission	41,362	41,362	41,362	53,714	53,714	53,714
17		PV3 transmission	16,889	16,889	16,889	19,338	19,362	19,395
18		Distribution	2,958,498	2,972,278	2,985,845	3,135,860	3,154,031	3,159,398
19		Renewable distribution	30,083	30,083	30,083	32,510	32,510	32,510
20		General	725,141	676,684	682,305	726,327	730,621	731,375
21		Corporate Allocation						
22		Nuc Fuel 1&2	1,672,889	1,672,889	1,639,036	1,672,889	1,649,091	1,672,889
23		Nuc Fuel 3	768,906	758,515	734,047	384,453	713,936	1,891,092
24								
25		Total Book	12,199,835	12,173,849	12,146,633	12,889,283	13,225,138	14,450,491
26		Add: EIP acquisition amort (ORB)	48,831	48,831	48,831	48,831	48,831	48,831
27		Add: PV acquisition amort (ORB)	30,426	30,426	30,426	30,426	30,426	30,426
28		Add: PV acquisition amort 1st Chi (ORB)	69,338	69,338	69,338	69,338	69,338	69,338
29		Add: PV 2 lease acquis amort (OA) NOT RECOVERABLE	-	-	-	-	-	-
30		Less: corp allocation	-	-	-	-	-	-
31		total Book before corp alloc	12,348,430	12,322,444	12,295,227	13,037,878	13,373,733	14,599,086
32		check total	-	-	-	0	-	-
33								
34		Tax Depreciation Expense on Additions						
35		Generation	2,429,715	2,833,965	3,413,099	3,665,882	4,612,004	10,796,180
36		Renewable generation - 2015	66,780	66,780	66,780	66,780	66,780	72,235
37		PV3 generation	122,196	117,251	409,340	544,928	1,012,640	2,918,372
38		132 mW Generation	15,276	22,368	54,872	132,314	314,110	619,184
39		65 mW Generation	-	-	-	-	-	-
40		Transmission	4,382,188	4,837,449	5,518,309	5,674,083	6,476,457	14,483,415
41		HLM transmission	-	-	-	-	-	-
42		PV3 transmission	1,287	1,320	9,012	12,439	25,048	70,533
43		Distribution	1,714,897	2,455,085	3,017,966	4,345,366	4,956,986	9,094,343
44		Renewable distribution	-	-	-	-	-	-
45		General	128,211	275,670	410,667	641,470	750,869	1,465,250
46		Corporate Allocation						
47		Nuc Fuel 1&2	541,898	554,271	2,226,964	2,234,898	2,422,628	2,487,105
48		Nuc Fuel 3	518,554	536,747	563,961	563,100	565,651	582,034
49								
50		Total Tax on Additions	9,921,001	11,700,906	15,690,971	17,881,262	21,203,172	42,588,652
51		check total	0	0	0	(0)	0	0
52		Tax Depreciation Expense on Existing plant						
53		Generation	5,830,655	5,830,655	5,830,655	5,830,655	5,830,655	5,830,655
54		Renewable generation - pre 2015	488,202	488,202	488,202	488,202	488,202	488,202
55		PV3 generation	232,800	232,800	232,800	232,800	232,800	232,800
56		132 mW Generation	-	-	-	-	-	-
57		65 mW Generation	-	-	-	-	-	-

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5	Hyperlink to Lead Sheet							
6			2016	2016	2016	2016	2016	2016
7		PNM	Jul	Aug	Sep	Oct	Nov	Dec
58		Transmission	1,605,846	1,605,846	1,605,846	1,605,846	1,605,846	1,605,846
59		HLM transmission	58,257	58,257	58,257	58,257	58,257	58,257
60		PV3 transmission	-	-	-	-	-	-
61		Distribution	2,801,912	2,801,912	2,801,912	2,801,912	2,801,912	2,801,912
62		Renewable distribution	-	-	-	-	-	-
63		General	13,556	13,556	13,556	13,556	13,556	13,556
64		Corporate Allocation	-	-	-	-	-	-
65		Nuc Fuel 1&2	484,772	484,772	484,772	484,772	484,772	484,772
66		Nuc Fuel 3	282,556	282,556	282,556	282,556	282,556	282,556
67			-	-	-	-	-	-
68								
69		Total Tax on Existing	11,798,555	11,798,555	11,798,555	11,798,555	11,798,555	11,798,555
70		check total						
71								
72		Temporary Difference						
73		Generation	(4,606,169)	(5,007,603)	(5,582,742)	(5,300,553)	(6,243,018)	(12,420,042)
74		Renewable generation - pre 2015	39,769	39,769	39,769	(5,681)	(5,681)	(5,681)
75		Renewable generation - 2015	142,534	142,534	142,534	142,534	142,534	137,079
76		PV3 generation	21,478	27,591	(264,472)	(371,690)	(837,814)	(2,739,789)
77		132 mW Generation	(15,276)	(22,368)	(54,872)	(132,314)	(314,110)	(619,184)
78		65 mW Generation	-	-	-	-	-	-
79		Transmission	(4,621,331)	(5,061,496)	(5,734,461)	(5,561,000)	(6,360,939)	(14,360,560)
80		HLM transmission	(16,894)	(16,894)	(16,894)	(4,542)	(4,542)	(4,542)
81		PV3 transmission	15,602	15,569	7,877	6,898	(5,685)	(51,138)
82		Distribution	(1,558,311)	(2,284,719)	(2,834,032)	(4,011,418)	(4,604,867)	(8,736,857)
83		Renewable distribution	30,083	30,083	30,083	32,510	32,510	32,510
84		General	583,375	387,459	258,082	71,301	(33,803)	(747,431)
85		Corporate Allocation						
86		Nuc Fuel 1&2	646,219	633,846	(1,072,700)	(1,046,781)	(1,258,308)	(1,298,988)
87		Nuc Fuel 3	(32,205)	(60,788)	(112,470)	(461,204)	(134,271)	1,026,502
88								
89								
90		Total Temporary Difference	(9,371,126)	(11,177,017)	(15,194,299)	(16,641,939)	(19,627,995)	(39,788,121)
91		check total	-	-	-	-	-	-
92								
93		Fed Rate	32.83%	32.83%	32.83%	32.83%	32.83%	32.83%
94		State Rate	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%
95		ADIT before proration	39.02%	39.02%	39.02%	39.02%	39.02%	39.02%
96		Generation	(1,797,327)	(1,953,967)	(2,178,386)	(2,068,276)	(2,436,026)	(4,846,300)
97		Renewable generation - pre 2015	15,518	15,518	15,518	(2,217)	(2,217)	(2,217)
98		Renewable generation - 2015	55,617	55,617	55,617	55,617	55,617	53,488
99		PV3 generation	8,381	10,766	(103,197)	(145,033)	(326,915)	(1,069,066)
100		132 mW Generation	(5,961)	(8,728)	(21,411)	(51,629)	(122,566)	(241,606)
101		65 mW Generation	-	-	-	-	-	-
102		Transmission	(1,803,243)	(1,974,996)	(2,237,587)	(2,169,902)	(2,482,038)	(5,603,491)
103		HLM transmission (with Trans)	(6,592)	(6,592)	(6,592)	(1,772)	(1,772)	(1,772)
104		PV3 transmission (with PV3 gen)	6,088	6,075	3,074	2,692	(2,218)	(19,954)
105		Distribution	(608,053)	(891,497)	(1,105,839)	(1,565,255)	(1,796,819)	(3,409,121)
106		Renewable distribution (with renew)	11,738	11,738	11,738	12,685	12,685	12,685
107		General	227,633	151,186	100,704	27,822	(13,190)	(291,648)

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6			2016	2016	2016	2016	2016	2016
7		PNM	Jul	Aug	Sep	Oct	Nov	Dec
108		Corporate Allocation	-	-	-	-	-	-
109		Nuc Fuel 1&2	252,155	247,327	(418,567)	(408,454)	(490,992)	(506,865)
110		Nuc Fuel 3	(12,566)	(23,720)	(43,886)	(179,962)	(52,393)	400,541
111			-	-	-	-	-	-
112			-	-	-	-	-	-
113		Total ADIT change before proration	(3,656,613)	(4,361,272)	(5,928,815)	(6,493,685)	(7,658,844)	(15,525,325)
114		check						
115								
116		Numerator Days	365	365	365	365	365	365
117		Denominator Days	365	365	365	365	365	365
118			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
119								
120		<u>TOTAL ADIT after proration</u>						
121	Liberalized Depreciation - Generation	Generation	(1,797,327)	(1,953,967)	(2,178,386)	(2,068,276)	(2,436,026)	(4,846,300)
122	Liberalized Depreciation - Renewable	Renewable generation - pre 2015	15,518	15,518	15,518	(2,217)	(2,217)	(2,217)
123	Liberalized Depreciation - Generation	Renewable generation	55,617	55,617	55,617	55,617	55,617	53,488
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	8,381	10,766	(103,197)	(145,033)	(326,915)	(1,069,066)
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(5,961)	(8,728)	(21,411)	(51,629)	(122,566)	(241,606)
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
127	Liberalized Depreciation - Transmission	Transmission	(1,803,243)	(1,974,996)	(2,237,587)	(2,169,902)	(2,482,038)	(5,603,491)
128	Liberalized Depreciation - HLM	HLM transmission	(6,592)	(6,592)	(6,592)	(1,772)	(1,772)	(1,772)
129	Liberalized Depreciation - PV 3	PV3 transmission	6,088	6,075	3,074	2,692	(2,218)	(19,954)
130	Liberalized Depreciation - Distribution	Distribution	(608,053)	(891,497)	(1,105,839)	(1,565,255)	(1,796,819)	(3,409,121)
131	Liberalized Depreciation - Renewables	Renewable distribution	11,738	11,738	11,738	12,685	12,685	12,685
132	Liberalized Depreciation - Other	General	227,633	151,186	100,704	27,822	(13,190)	(291,648)
133	Liberalized Depreciation - Corp Allocation	Corporate Allocation						
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	252,155	247,327	(418,567)	(408,454)	(490,992)	(506,865)
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(12,566)	(23,720)	(43,886)	(179,962)	(52,393)	400,541
136	Liberalized Depreciation - Generation	PV3 generation post 2018						
137								
138		Total ADIT change after proration	(3,656,613)	(4,361,272)	(5,928,815)	(6,493,685)	(7,658,844)	(15,525,325)
139								
140								
141		Corp Alloc ADIT change before proration	59,592	24,793	(24,357)	35,212	14,096	(1,060,501)
142	Liberalized Depreciation - Corp Allocation	Corp Alloc ADIT change after proration	59,592	24,793	(24,357)	35,212	14,096	(1,060,501)
143								
144								
145								
146								
147								
148								
149								
150		<u>FED ADIT after proration</u>						
151	Liberalized Depreciation - Generation	Generation	(1,512,205)	(1,643,996)	(1,832,814)	(1,740,172)	(2,049,583)	(4,077,500)
152	Liberalized Depreciation - Renewable	Renewable generation - pre 2015	13,056	13,056	13,056	(1,865)	(1,865)	(1,865)
153	Liberalized Depreciation - Generation	Renewable generation	46,794	46,794	46,794	46,794	46,794	45,003
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	7,051	9,058	(86,826)	(122,026)	(275,054)	(899,473)
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(5,015)	(7,343)	(18,015)	(43,439)	(103,122)	(203,278)
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
157	Liberalized Depreciation - Transmission	Transmission	(1,517,183)	(1,661,689)	(1,882,624)	(1,825,676)	(2,088,296)	(4,714,572)

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6			2016	2016	2016	2016	2016	2016
7		PNM	Jul	Aug	Sep	Oct	Nov	Dec
158	Liberalized Depreciation - HLM	HLM transmission	(5,546)	(5,546)	(5,546)	(1,491)	(1,491)	(1,491)
159	Liberalized Depreciation - PV 3	PV3 transmission	5,122	5,111	2,586	2,265	(1,867)	(16,789)
160	Liberalized Depreciation - Distribution	Distribution	(511,594)	(750,073)	(930,413)	(1,316,948)	(1,511,778)	(2,868,310)
161	Liberalized Depreciation - Renewables	Renewable distribution	9,876	9,876	9,876	10,673	10,673	10,673
162	Liberalized Depreciation - Other	General	191,522	127,203	84,728	23,408	(11,098)	(245,382)
163	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-	-	-
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	212,154	208,092	(352,167)	(343,658)	(413,103)	(426,458)
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(10,573)	(19,957)	(36,924)	(151,413)	(44,081)	337,001
166	Liberalized Depreciation - Generation	PV3 generation post 2018						
167								
168		Total ADIT change after proration	(3,076,541)	(3,669,415)	(4,988,288)	(5,463,549)	(6,443,871)	(13,062,440)
169								
170								
171								
172	Liberalized Depreciation - Corp Allocation	Corp Alloc FED ADIT change after proration	50,139	20,860	(20,493)	29,626	11,860	(892,267)
173								
174								
175								
176								
177								
178								
179								
180		STATE ADIT after proration						
181	Liberalized Depreciation - Generation	Generation	(285,122)	(309,971)	(345,572)	(328,104)	(386,443)	(768,801)
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	2,462	2,462	2,462	(352)	(352)	(352)
183	Liberalized Depreciation - Generation	Renewable generation	8,823	8,823	8,823	8,823	8,823	8,485
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	1,329	1,708	(16,371)	(23,008)	(51,861)	(169,593)
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(946)	(1,385)	(3,397)	(8,190)	(19,443)	(38,328)
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
187	Liberalized Depreciation - Transmission	Transmission	(286,060)	(313,307)	(354,963)	(344,226)	(393,742)	(888,919)
188	Liberalized Depreciation - HLM	HLM transmission	(1,046)	(1,046)	(1,046)	(281)	(281)	(281)
189	Liberalized Depreciation - PV 3	PV3 transmission	966	964	488	427	(352)	(3,165)
190	Liberalized Depreciation - Distribution	Distribution	(96,459)	(141,424)	(175,427)	(248,307)	(285,041)	(540,811)
191	Liberalized Depreciation - Renewables	Renewable distribution	1,862	1,862	1,862	2,012	2,012	2,012
192	Liberalized Depreciation - Other	General	36,111	23,984	15,975	4,414	(2,092)	(46,266)
193	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-	-	-
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	40,001	39,235	(66,400)	(64,796)	(77,889)	(80,407)
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(1,993)	(3,763)	(6,962)	(28,549)	(8,311)	63,540
196	Liberalized Depreciation - Generation	PV3 generation post 2018						
197								
198		Total ADIT change after proration	(580,073)	(691,857)	(940,527)	(1,030,136)	(1,214,973)	(2,462,885)
199								
200								
201								
202	Liberalized Depreciation - Corp Allocation	Corp Alloc STATE ADIT change after proration	9,453	3,933	(3,864)	5,586	2,236	(168,234)
203								
204								
205								
206		check	-	-	-	-	-	-

	A	B	O	P	Q	R	S	T
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-12 Linkage & Test Period Depreciation ADIT							
5	Hyperlink to Lead Sheet							
6			2016	2017	2017	2017	2017	2017
7		PNM	Total	Jan	Feb	Mar	Apr	May
8		Book Depreciation Expense						
9		Generation	22,976,067	4,132,660	4,134,845	4,136,416	4,083,880	4,075,428
10		Renewable generation - pre 2015	3,031,479	482,522	482,522	482,522	482,522	482,522
11		Renewable generation - 2015	1,255,885	209,335	209,335	209,335	209,335	209,335
12		PV3 generation	2,356,829	418,679	418,706	418,824	418,542	419,336
13		132 mW Generation						
14		65 mW Generation	-	-	-	-	-	-
15		Transmission	9,014,204	1,713,835	1,718,379	1,719,059	1,720,156	1,730,129
16		HLM transmission	285,231	53,714	53,714	53,714	53,714	53,714
17		PV3 transmission	108,761	19,474	19,474	19,474	19,474	19,493
18		Distribution	18,365,910	3,178,091	3,182,352	3,186,031	3,192,600	3,200,191
19		Renewable distribution	187,778	32,510	32,510	32,510	32,510	32,510
20		General	4,272,454	733,470	733,890	734,190	735,477	736,580
21		Corporate Allocation	-	-	-	-	-	-
22		Nuc Fuel 1&2	18,159,592	1,200,581	1,200,581	1,200,583	847,735	1,547,304
23		Nuc Fuel 3	9,690,445	644,442	609,442	644,442	633,442	644,442
24								
25		Total Book	89,704,635	12,819,313	12,795,751	12,837,100	12,429,386	13,150,984
26		Add: EIP acquisition amort (ORB)	292,986	48,831	48,831	48,831	48,831	48,831
27		Add: PV acquisition amort (ORB)	182,556	30,426	30,426	30,426	30,426	30,426
28		Add: PV acquisition amort 1st Chi (ORB)	416,027	69,338	69,338	69,338	69,338	69,338
29		Add: PV 2 lease acquis amort (OA) NOT RECOVERABLE	-	-	-	-	-	-
30		Less: corp allocation	-	-	-	-	-	-
31		total Book before corp alloc	90,596,203	12,967,908	12,944,346	12,985,694	12,577,981	13,299,579
32		check total		-	0	0	0	-
33								
34		Tax Depreciation Expense on Additions						
35		Generation	36,806,849	907,073	916,143	777,425	947,150	1,289,107
36		Renewable generation - 2015	559,852	12,441	12,441	12,441	12,441	12,441
37		PV3 generation	5,371,535	39,613	40,636	30,836	54,337	97,854
38		132 mW Generation	1,158,123	20,047	20,288	26,252	91,475	94,326
39		65 mW Generation	-	-	-	-	-	-
40		Transmission	46,455,496	428,516	427,640	434,431	670,090	1,745,531
41		HLM transmission	-	-	-	-	-	-
42		PV3 transmission	119,638	915	976	1,038	1,645	2,731
43		Distribution	28,700,902	248,201	325,273	474,664	654,338	816,707
44		Renewable distribution	-	-	-	-	-	-
45		General	3,728,936	97,368	111,539	130,213	148,385	219,738
46		Corporate Allocation	-	-	-	-	-	-
47		Nuc Fuel 1&2	12,344,166	347,198	397,430	664,426	860,526	876,892
48		Nuc Fuel 3	4,000,558	89,757	97,124	98,101	189,738	296,153
49								
50		Total Tax on Additions	139,246,055	2,191,128	2,349,490	2,649,828	3,630,124	5,451,480
51		check total	0	0	0	0	(0)	(0)
52		Tax Depreciation Expense on Existing plant						
53		Generation	69,967,862	4,871,834	4,871,834	4,871,834	4,871,834	4,871,834
54		Renewable generation - pre 2015	5,858,426	369,809	369,809	369,809	369,809	369,809
55		PV3 generation	2,793,596	217,218	217,218	217,218	217,218	217,218
56		132 mW Generation	-	-	-	-	-	-
57		65 mW Generation	-	-	-	-	-	-

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5	Hyperlink to Lead Sheet							
6			2016	2017	2017	2017	2017	2017
7		PNM	Total	Jan	Feb	Mar	Apr	May
58		Transmission	19,270,153	1,431,458	1,431,458	1,431,458	1,431,458	1,431,458
59		HLM transmission	699,080	53,556	53,556	53,556	53,556	53,556
60		PV3 transmission	-	-	-	-	-	-
61		Distribution	33,622,941	2,469,172	2,469,172	2,469,172	2,469,172	2,469,172
62		Renewable distribution	-	-	-	-	-	-
63		General	162,670	13,608	13,608	13,608	13,608	13,608
64		Corporate Allocation	-	-	-	-	-	-
65		Nuc Fuel 1&2	5,817,261	309,215	309,215	309,215	309,215	309,215
66		Nuc Fuel 3	3,390,671	186,506	186,506	186,506	186,506	186,506
67			-	-	-	-	-	-
68								
69		Total Tax on Existing	141,582,660	9,922,377	9,922,377	9,922,377	9,922,377	9,922,377
70		check total	-					
71								
72		Temporary Difference						
73		Generation	(83,200,062)	(1,546,483)	(1,553,369)	(1,413,080)	(1,635,340)	(1,985,749)
74		Renewable generation - pre 2015	(2,826,947)	112,712	112,712	112,712	112,712	112,712
75		Renewable generation - 2015	696,033	196,893	196,893	196,893	196,893	196,893
76		PV3 generation	(5,808,302)	161,848	160,853	170,770	146,987	104,264
77		132 mW Generation	(1,158,123)	(20,047)	(20,288)	(26,252)	(91,475)	(94,326)
78		65 mW Generation	-	-	-	-	-	-
79		Transmission	(56,418,460)	(97,308)	(91,887)	(97,999)	(332,561)	(1,398,029)
80		HLM transmission	(413,849)	159	159	159	159	159
81		PV3 transmission	(10,877)	18,559	18,498	18,436	17,829	16,762
82		Distribution	(43,957,933)	460,718	387,907	242,195	69,090	(85,688)
83		Renewable distribution	187,778	32,510	32,510	32,510	32,510	32,510
84		General	380,848	622,494	608,743	590,369	573,484	503,233
85		Corporate Allocation	-					
86		Nuc Fuel 1&2	(1,834)	544,168	493,936	226,942	(322,007)	361,197
87		Nuc Fuel 3	2,299,217	368,179	325,812	359,835	257,198	161,783
88								
89								
90		Total Temporary Difference	(190,232,512)	854,403	672,479	413,490	(974,520)	(2,074,278)
91		check total		0	0	-	0	-
92								
93		Fed Rate		32.95%	32.95%	32.95%	32.95%	32.95%
94		State Rate		5.84%	5.84%	5.84%	5.84%	5.84%
95		ADIT before proration		38.79%	38.79%	38.79%	38.79%	38.79%
96		Generation	(32,464,664)	(599,881)	(602,552)	(548,134)	(634,349)	(770,272)
97		Renewable generation - pre 2015	(1,103,075)	43,721	43,721	43,721	43,721	43,721
98		Renewable generation - 2015	271,592	76,375	76,375	76,375	76,375	76,375
99		PV3 generation	(2,266,400)	62,781	62,395	66,242	57,016	40,444
100		132 mW Generation	(451,900)	(7,776)	(7,870)	(10,183)	(35,483)	(36,589)
101		65 mW Generation	-	-	-	-	-	-
102		Transmission	(22,014,483)	(37,746)	(35,643)	(38,014)	(129,000)	(542,295)
103		HLM transmission (with Trans)	(161,484)	62	62	62	62	62
104		PV3 transmission (with PV3 gen)	(4,244)	7,199	7,175	7,151	6,916	6,502
105		Distribution	(17,152,385)	178,713	150,469	93,947	26,800	(33,238)
106		Renewable distribution (with renew)	73,271	12,611	12,611	12,611	12,611	12,611
107		General	148,607	241,465	236,132	229,004	222,454	195,204

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5	Hyperlink to Lead Sheet							
6			2016	2017	2017	2017	2017	2017
7		PNM	Total	Jan	Feb	Mar	Apr	May
108		Corporate Allocation	-	-	-	-	-	-
109		Nuc Fuel 1&2	(716)	211,083	191,598	88,031	(124,906)	140,108
110		Nuc Fuel 3	897,154	142,817	126,382	139,580	99,767	62,756
111			-	-	-	-	-	-
112			-	-	-	-	-	-
113		Total ADIT change before proration	(74,228,726)	331,423	260,855	160,393	(378,016)	(804,612)
114		check						
115								
116		Numerator Days		365	365	365	365	365
117		Denominator Days		365	365	365	365	365
118				100.00%	100.00%	100.00%	100.00%	100.00%
119								
120		TOTAL ADIT after proration						
121	Liberalized Depreciation - Generation	Generation	(32,464,664)	(599,881)	(602,552)	(548,134)	(634,349)	(770,272)
122	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	(1,103,075)	43,721	43,721	43,721	43,721	43,721
123	Liberalized Depreciation - Generation	Renewable generation	271,592	76,375	76,375	76,375	76,375	76,375
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(2,266,400)	62,781	62,395	66,242	57,016	40,444
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(451,900)	(7,776)	(7,870)	(10,183)	(35,483)	(36,589)
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
127	Liberalized Depreciation - Transmission	Transmission	(22,014,483)	(37,746)	(35,643)	(38,014)	(129,000)	(542,295)
128	Liberalized Depreciation - HLM	HLM transmission	(161,484)	62	62	62	62	62
129	Liberalized Depreciation - PV 3	PV3 transmission	(4,244)	7,199	7,175	7,151	6,916	6,502
130	Liberalized Depreciation - Distribution	Distribution	(17,152,385)	178,713	150,469	93,947	26,800	(33,238)
131	Liberalized Depreciation - Renewables	Renewable distribution	73,271	12,611	12,611	12,611	12,611	12,611
132	Liberalized Depreciation - Other	General	148,607	241,465	236,132	229,004	222,454	195,204
133	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-					
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(716)	211,083	191,598	88,031	(124,906)	140,108
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	897,154	142,817	126,382	139,580	99,767	62,756
136	Liberalized Depreciation - Generation	PV3 generation post 2018						
137								
138		Total ADIT change after proration	(74,228,726)	331,423	260,855	160,393	(378,016)	(804,612)
139								
140								
141		Corp Alloc ADIT change before proration	(2,606,542)	(36,683)	51,791	(16,750)	(11,715)	(118,827)
142	Liberalized Depreciation - Corp Allocation	Corp Alloc ADIT change after proration	(2,606,542)	(36,683)	51,791	(16,750)	(11,715)	(118,827)
143								
144								
145								
146								
147								
148								
149								
150		FED ADIT after proration						
151	Liberalized Depreciation - Generation	Generation	(27,314,580)	(509,566)	(511,835)	(465,610)	(538,845)	(654,304)
152	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	(928,087)	37,139	37,139	37,139	37,139	37,139
153	Liberalized Depreciation - Generation	Renewable generation	228,507	64,876	64,876	64,876	64,876	64,876
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(1,906,866)	53,329	53,001	56,269	48,432	34,355
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(380,212)	(6,605)	(6,685)	(8,650)	(30,141)	(31,081)
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
157	Liberalized Depreciation - Transmission	Transmission	(18,522,180)	(32,063)	(30,277)	(32,291)	(109,579)	(460,651)

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5	Hyperlink to Lead Sheet							
6			2016	2017	2017	2017	2017	2017
7		PNM	Total	Jan	Feb	Mar	Apr	May
158	Liberalized Depreciation - HLM	HLM transmission	(135,867)	52	52	52	52	52
159	Liberalized Depreciation - PV 3	PV3 transmission	(3,571)	6,115	6,095	6,075	5,875	5,523
160	Liberalized Depreciation - Distribution	Distribution	(14,431,389)	151,807	127,815	79,803	22,765	(28,234)
161	Liberalized Depreciation - Renewables	Renewable distribution	61,648	10,712	10,712	10,712	10,712	10,712
162	Liberalized Depreciation - Other	General	125,033	205,112	200,581	194,527	188,963	165,815
163	Liberalized Depreciation - Corp Alloc	Corporate Allocation	-	-	-	-	-	-
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(602)	179,303	162,752	74,777	(106,101)	119,014
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	754,833	121,315	107,355	118,566	84,747	53,307
166	Liberalized Depreciation - Generation	PV3 generation post 2018						
167								
168		Total ADIT change after proration	(62,453,334)	281,526	221,582	136,245	(321,104)	(683,475)
169								
170								
171								
172	Liberalized Depreciation - Corp Alloc	Corp Alloc FED ADIT change after proration	(2,193,049)	(31,160)	43,994	(14,229)	(9,951)	(100,937)
173								
174								
175								
176								
177								
178								
179								
180		STATE ADIT after proration						
181	Liberalized Depreciation - Generation	Generation	(5,150,084)	(90,315)	(90,717)	(82,524)	(95,504)	(115,968)
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	(174,988)	6,582	6,582	6,582	6,582	6,582
183	Liberalized Depreciation - Generation	Renewable generation	43,084	11,499	11,499	11,499	11,499	11,499
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(359,534)	9,452	9,394	9,973	8,584	6,089
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(71,688)	(1,171)	(1,185)	(1,533)	(5,342)	(5,509)
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	-	-	-	-	-
187	Liberalized Depreciation - Transmissi	Transmission	(3,492,303)	(5,683)	(5,366)	(5,723)	(19,422)	(81,645)
188	Liberalized Depreciation - HLM	HLM transmission	(25,617)	9	9	9	9	9
189	Liberalized Depreciation - PV 3	PV3 transmission	(673)	1,084	1,080	1,077	1,041	979
190	Liberalized Depreciation - Distribution	Distribution	(2,720,996)	26,906	22,654	14,144	4,035	(5,004)
191	Liberalized Depreciation - Renewables	Renewable distribution	11,623	1,899	1,899	1,899	1,899	1,899
192	Liberalized Depreciation - Other	General	23,575	36,354	35,551	34,478	33,491	29,389
193	Liberalized Depreciation - Corp Alloc	Corporate Allocation	-	-	-	-	-	-
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(114)	31,779	28,846	13,253	(18,805)	21,094
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	142,322	21,502	19,027	21,014	15,020	9,448
196	Liberalized Depreciation - Generation	PV3 generation post 2018						
197								
198		Total ADIT change after proration	(11,775,392)	49,897	39,273	24,148	(56,912)	(121,138)
199								
200								
201								
202	Liberalized Depreciation - Corp Alloc	Corp Alloc STATE ADIT change after proration	(413,493)	(5,523)	7,797	(2,522)	(1,764)	(17,890)
203								
204								
205								
206		check	-	-	-	-	-	-

	A	B	U	AA	AB	AC	AD	AE
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5	Hyperlink to Lead Sheet							
6			2017	2017	2017	2018	2018	2018
7		PNM	Jun	Dec	Total	Jan	Feb	Mar
8		Book Depreciation Expense						
9		Generation	4,087,292	4,106,593	49,202,442	3,640,078	3,641,538	3,643,142
10		Renewable generation - pre 2015	482,522	482,522	5,790,259	482,522	482,522	482,522
11		Renewable generation - 2015	209,335	209,335	2,512,015	209,335	209,335	209,335
12		PV3 generation	420,814	422,801	5,042,599	428,094	428,094	428,109
13		132 mW Generation						
14		65 mW Generation	-	-	-	26,535	26,535	26,535
15		Transmission	1,766,855	1,867,145	21,426,138	1,903,539	1,893,684	1,907,501
16		HLM transmission	53,714	53,714	644,572	53,714	53,714	53,714
17		PV3 transmission	19,498	19,548	233,942	19,548	31,496	19,548
18		Distribution	3,206,081	3,266,936	38,594,334	2,419,800	2,423,920	2,426,332
19		Renewable distribution	32,510	32,510	390,120	924,956	924,956	926,318
20		General	740,258	742,413	8,826,048	737,716	738,000	738,415
21		Corporate Allocation	-	-	-	-	-	-
22		Nuc Fuel 1&2	1,357,980	1,486,403	15,833,711	1,486,403	1,406,403	1,486,403
23		Nuc Fuel 3	633,442	644,442	7,654,304	644,442	609,442	633,442
24								
25		Total Book	13,010,302	13,334,362	156,150,485	12,976,682	12,869,639	12,981,316
26		Add: EIP acquisition amort (ORB)	48,831	48,831	585,972	48,831	48,831	48,831
27		Add: PV acquisition amort (ORB)	30,426	30,426	365,112	30,426	30,426	30,426
28		Add: PV acquisition amort 1st Chi (ORB)	69,338	69,338	832,053	69,338	69,338	69,338
29		Add: PV 2 lease acquis amort (OA) NOT RECOVERABLE	-	-	-	-	-	-
30		Less: corp allocation	-	-	-	-	-	-
31		total Book before corp alloc	13,158,897	13,482,957	157,933,622	13,125,276	13,018,234	13,129,911
32		check total	(0)	0		0	-	0
33								
34		Tax Depreciation Expense on Additions						
35		Generation	1,182,441	35,387,511	48,451,954	1,083,179	1,080,105	1,011,271
36		Renewable generation - 2015	12,441	12,441	149,294	7,465	7,465	7,465
37		PV3 generation	91,949	1,567,412	2,625,560	51,403	50,343	55,012
38		132 mW Generation	98,878	1,268,761	2,398,881	19,656	19,656	29,168
39		65 mW Generation	-	6,554,900	6,554,900	38,013	38,013	42,697
40		Transmission	2,728,839	14,897,296	47,710,121	666,281	686,110	2,085,848
41		HLM transmission	-	-	-	-	-	-
42		PV3 transmission	3,012	40,939	77,010	1,311	1,317	1,670
43		Distribution	1,171,979	14,493,227	31,930,986	392,153	456,467	565,003
44		Renewable distribution	-	-	-	-	-	-
45		General	24,283	809,942	3,373,763	100,928	106,134	172,561
46		Corporate Allocation	-	-	-	-	-	-
47		Nuc Fuel 1&2	1,014,568	2,261,327	13,908,200	428,557	481,131	680,237
48		Nuc Fuel 3	303,159	1,407,245	6,389,868	227,776	261,368	261,811
49								
50		Total Tax on Additions	6,631,548	78,700,999	163,570,536	3,016,723	3,188,109	4,912,743
51		check total	0	(0)	0	(0)	(0)	0
52		Tax Depreciation Expense on Existing plant						
53		Generation	4,871,834	4,871,834	58,462,011	4,256,464	4,256,464	4,256,464
54		Renewable generation - pre 2015	369,809	369,809	4,437,712	275,435	275,435	275,435
55		PV3 generation	217,218	217,218	2,606,616	209,080	209,080	209,080
56		132 mW Generation	-	-	-	-	-	-
57		65 mW Generation	-	-	-	-	-	-

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5	Hyperlink to Lead Sheet							
6			2017	2017	2017	2018	2018	2018
7		PNM	Jun	Dec	Total	Jan	Feb	Mar
58	Transmission		1,431,458	1,431,458	17,177,494	1,313,927	1,313,927	1,313,927
59	HLM transmission		53,556	53,556	642,668	52,667	52,667	52,667
60	PV3 transmission		-	-	-	-	-	-
61	Distribution		2,469,172	2,469,172	29,630,065	2,209,033	2,209,033	2,209,033
62	Renewable distribution		-	-	-	-	-	-
63	General		13,608	13,608	163,299	13,088	13,088	13,088
64	Corporate Allocation		-	-	-	-	-	-
65	Nuc Fuel 1&2		309,215	309,215	3,710,584	208,916	208,916	208,916
66	Nuc Fuel 3		186,506	186,506	2,238,070	85,626	85,626	85,626
67			-	-	-	-	-	-
68								
69	Total Tax on Existing		9,922,377	9,922,377	119,068,519	8,624,236	8,624,236	8,624,236
70	check total			-	-			
71								
72	Temporary Difference							
73	Generation		(1,867,219)	(36,052,988)	(56,514,357)	(1,599,801)	(1,595,268)	(1,524,830)
74	Renewable generation - pre 2015		112,712	112,712	1,352,547	207,086	207,086	207,086
75	Renewable generation - 2015		196,893	196,893	2,362,721	201,870	201,870	201,870
76	PV3 generation		111,647	(1,361,828)	(189,577)	167,611	168,671	164,017
77	132 mW Generation		(98,878)	(1,268,761)	(2,398,881)	(19,656)	(19,656)	(29,168)
78	65 mW Generation		-	(6,554,900)	(6,554,900)	(11,478)	(11,478)	(16,162)
79	Transmission		(2,344,610)	(14,412,777)	(42,875,505)	(27,838)	(57,522)	(1,443,443)
80	HLM transmission		159	159	1,904	1,047	1,047	1,047
81	PV3 transmission		16,486	(21,391)	156,933	18,237	30,179	17,878
82	Distribution		(435,070)	(13,695,463)	(22,966,717)	(181,386)	(241,579)	(347,703)
83	Renewable distribution		32,510	32,510	390,120	924,956	924,956	926,318
84	General		702,367	(81,137)	5,288,986	623,700	618,779	552,767
85	Corporate Allocation		-	-	-	-	-	-
86	Nuc Fuel 1&2		34,197	(1,084,139)	(1,785,074)	848,930	716,356	597,250
87	Nuc Fuel 3		143,777	(949,309)	(973,634)	331,039	262,448	286,005
88								
89								
90	Total Temporary Difference		(3,395,028)	(75,140,419)	(124,705,433)	1,484,318	1,205,889	(407,068)
91	check total		-	-	-	-	-	(0)
92								
93	Fed Rate		32.95%	32.95%		33.05%	33.05%	33.05%
94	State Rate		5.84%	5.84%		5.57%	5.57%	5.57%
95	ADIT before proration		38.79%	38.79%		38.62%	38.62%	38.62%
96	Generation		(724,294)	(13,984,954)	(21,921,919)	(617,843)	(616,092)	(588,889)
97	Renewable generation - pre 2015		43,721	43,721	524,653	79,977	79,977	79,977
98	Renewable generation - 2015		76,375	76,375	916,500	77,962	77,962	77,962
99	PV3 generation		43,308	(528,253)	(73,537)	64,731	65,141	63,344
100	132 mW Generation		(38,355)	(492,152)	(930,526)	(7,591)	(7,591)	(11,265)
101	65 mW Generation		-	(2,542,646)	(2,542,646)	(4,433)	(4,433)	(6,242)
102	Transmission		(909,474)	(5,590,716)	(16,631,408)	(10,751)	(22,215)	(557,458)
103	HLM transmission (with Trans)		62	62	739	404	404	404
104	PV3 transmission (with PV3 gen)		6,395	(8,298)	60,874	7,043	11,655	6,904
105	Distribution		(168,764)	(5,312,470)	(8,908,789)	(70,051)	(93,298)	(134,283)
106	Renewable distribution (with renew)		12,611	12,611	151,327	357,218	357,218	357,744
107	General		272,448	(31,473)	2,051,598	240,873	238,972	213,479

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6			2017	2017	2017	2018	2018	2018
7		PNM	Jun	Dec	Total	Jan	Feb	Mar
108		Corporate Allocation	-	-	-	-	-	-
109		Nuc Fuel 1&2	13,265	(420,538)	(692,430)	327,857	276,657	230,658
110		Nuc Fuel 3	55,771	(368,237)	(377,672)	127,847	101,357	110,455
111			-	-	-	-	-	-
112			-	-	-	-	-	-
113		Total ADIT change before proration	(1,316,931)	(29,146,969)	(48,373,237)	573,243	465,714	(157,210)
114		check						
115						1/31/2018	2/28/2018	3/31/2018
116		Numerator Days	365	365		335	307	276
117		Denominator Days	365	365		365	365	365
118			100.00%	100.00%		91.78%	84.11%	75.62%
119								
120		TOTAL ADIT after proration						
121	Liberalized Depreciation - Generation	Generation	(724,294)	(13,984,954)	(21,921,919)	(567,062)	(518,193)	(445,297)
122	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	43,721	43,721	524,653	73,403	67,268	60,476
123	Liberalized Depreciation - Generation	Renewable generation	76,375	76,375	916,500	71,554	65,574	58,952
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	43,308	(528,253)	(73,537)	59,411	54,790	47,898
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(38,355)	(492,152)	(930,526)	(6,967)	(6,385)	(8,518)
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	(2,542,646)	(2,542,646)	(4,068)	(3,728)	(4,720)
127	Liberalized Depreciation - Transmission	Transmission	(909,474)	(5,590,716)	(16,631,408)	(9,867)	(18,685)	(421,530)
128	Liberalized Depreciation - HLM	HLM transmission	62	62	739	371	340	306
129	Liberalized Depreciation - PV 3	PV3 transmission	6,395	(8,298)	60,874	6,464	9,803	5,221
130	Liberalized Depreciation - Distribution	Distribution	(168,764)	(5,312,470)	(8,908,789)	(64,294)	(78,472)	(101,540)
131	Liberalized Depreciation - Renewables	Renewable distribution	12,611	12,611	151,327	327,858	300,455	270,513
132	Liberalized Depreciation - Other	General	272,448	(31,473)	2,051,598	221,075	200,999	161,425
133	Liberalized Depreciation - Corp Allocation	Corporate Allocation			-			
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	13,265	(420,538)	(692,430)	300,910	232,695	174,415
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	55,771	(368,237)	(377,672)	117,339	85,251	83,522
136	Liberalized Depreciation - Generation	PV3 generation post 2018			-			
137					-			
138		Total ADIT change after proration	(1,316,931)	(29,146,969)	(48,373,237)	526,128	391,710	(118,876)
139								
140								
141		Corp Alloc ADIT change before proration	(160,683)	(1,819,919)	(3,310,420)	460,246	460,292	457,173
142	Liberalized Depreciation - Corp Allocation	Corp Alloc ADIT change after proration	(160,683)	(1,819,919)	(3,310,420)	422,418	387,150	345,698
143								
144								
145								
146								
147								
148								
149								
150		FED ADIT after proration						
151	Liberalized Depreciation - Generation	Generation	(615,249)	(11,879,460)	(18,621,481)	(485,277)	(443,456)	(381,074)
152	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	37,139	37,139	445,664	62,817	57,566	51,753
153	Liberalized Depreciation - Generation	Renewable generation	64,876	64,876	778,517	61,234	56,116	50,450
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	36,788	(448,722)	(62,466)	50,842	46,888	40,990
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(32,580)	(418,057)	(790,431)	(5,962)	(5,464)	(7,290)
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	(2,159,839)	(2,159,839)	(3,482)	(3,191)	(4,039)
157	Liberalized Depreciation - Transmission	Transmission	(772,549)	(4,749,010)	(14,127,479)	(8,444)	(15,990)	(360,734)

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6			2017	2017	2017	2018	2018	2018
7		PNM	Jun	Dec	Total	Jan	Feb	Mar
158	Liberalized Depreciation - HLM	HLM transmission	52	52	627	318	291	262
159	Liberalized Depreciation - PV 3	PV3 transmission	5,432	(7,048)	51,709	5,532	8,389	4,468
160	Liberalized Depreciation - Distribution	Distribution	(143,356)	(4,512,655)	(7,567,533)	(55,021)	(67,155)	(86,895)
161	Liberalized Depreciation - Renewables	Renewable distribution	10,712	10,712	128,544	280,572	257,121	231,498
162	Liberalized Depreciation - Other	General	231,430	(26,735)	1,742,721	189,190	172,009	138,143
163	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-	-	-
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	11,268	(357,224)	(588,182)	257,511	199,134	149,260
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	47,375	(312,797)	(320,812)	100,416	72,956	71,476
166	Liberalized Depreciation - Generation	PV3 generation post 2018			-			
167					-			
168		Total ADIT change after proration	(1,118,662)	(24,758,768)	(41,090,440)	450,246	335,216	(101,731)
169								
170								
171								
172	Liberalized Depreciation - Corp Allocation	Corp Alloc FED ADIT change after proration	(136,491)	(1,545,923)	(2,812,022)	361,494	331,313	295,840
173								
174								
175								
176								
177								
178								
179								
180		STATE ADIT after proration						
181	Liberalized Depreciation - Generation	Generation	(109,046)	(2,105,495)	(3,300,438)	(81,785)	(74,737)	(64,223)
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	6,582	6,582	78,989	10,587	9,702	8,722
183	Liberalized Depreciation - Generation	Renewable generation	11,499	11,499	137,983	10,320	9,457	8,502
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	6,520	(79,531)	(11,071)	8,569	7,902	6,908
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(5,774)	(74,096)	(140,095)	(1,005)	(921)	(1,229)
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	-	(382,806)	(382,806)	(587)	(538)	(681)
187	Liberalized Depreciation - Transmission	Transmission	(136,925)	(841,706)	(2,503,929)	(1,423)	(2,695)	(60,795)
188	Liberalized Depreciation - HLM	HLM transmission	9	9	111	54	49	44
189	Liberalized Depreciation - PV 3	PV3 transmission	963	(1,249)	9,165	932	1,414	753
190	Liberalized Depreciation - Distribution	Distribution	(25,408)	(799,815)	(1,341,256)	(9,273)	(11,318)	(14,645)
191	Liberalized Depreciation - Renewables	Renewable distribution	1,899	1,899	22,783	47,286	43,333	39,015
192	Liberalized Depreciation - Other	General	41,018	(4,738)	308,877	31,885	28,989	23,282
193	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-	-	-
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	1,997	(63,314)	(104,248)	43,399	33,561	25,155
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	8,397	(55,440)	(56,860)	16,923	12,295	12,046
196	Liberalized Depreciation - Generation	PV3 generation post 2018			-			
197					-			
198		Total ADIT change after proration	(198,270)	(4,388,200)	(7,282,797)	75,881	56,495	(17,145)
199								
200								
201								
202	Liberalized Depreciation - Corp Allocation	Corp Alloc STATE ADIT change after proration	(24,191)	(273,997)	(498,398)	60,924	55,837	49,859
203								
204								
205								
206		check	-	-	-	-	-	-

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5	Hyperlink to Lead Sheet							
6			2018	2018	2018	2018	2018	2018
7		PNM	Apr	May	Jun	Jul	Aug	Sep
8		Book Depreciation Expense						
9		Generation	3,641,694	3,690,336	3,725,113	3,727,654	3,733,031	3,738,027
10		Renewable generation - pre 2015	482,522	482,522	482,522	482,522	482,522	482,522
11		Renewable generation - 2015	209,335	209,335	209,335	209,335	209,335	209,335
12		PV3 generation	428,475	428,688	432,525	433,089	433,121	433,238
13		132 mW Generation						
14		65 mW Generation	26,734	26,734	27,835	28,997	29,324	29,340
15		Transmission	1,979,464	1,992,653	2,029,437	2,033,547	2,035,588	2,045,185
16		HLM transmission	53,714	53,714	53,714	53,714	53,714	53,714
17		PV3 transmission	19,548	19,554	19,641	19,666	19,667	19,671
18		Distribution	2,431,015	2,438,851	2,441,949	2,451,461	2,462,073	2,465,072
19		Renewable distribution	927,525	927,597	929,603	929,571	930,478	932,109
20		General	744,268	744,869	747,799	736,697	740,886	742,092
21		Corporate Allocation						
22		Nuc Fuel 1&2	1,459,403	1,486,403	1,459,403	1,486,403	1,486,403	1,469,403
23		Nuc Fuel 3	278,585	855,196	728,059	749,059	749,059	728,059
24								
25		Total Book	12,682,282	13,356,452	13,286,936	13,341,715	13,365,200	13,347,767
26		Add: EIP acquisition amort (ORB)	48,831	48,831	48,831	48,831	48,831	48,831
27		Add: PV acquisition amort (ORB)	30,426	30,426	30,426	30,426	30,426	30,426
28		Add: PV acquisition amort 1st Chi (ORB)	69,338	69,338	69,338	69,338	69,338	69,338
29		Add: PV 2 lease acquis amort (OA) NOT RECOVERABLE	-	-	-	-	-	-
30		Less: corp allocation	-	-	-	-	-	-
31		total Book before corp alloc	12,830,876	13,505,047	13,435,531	13,490,310	13,513,794	13,496,362
32		check total	-	0	(0)	-	0	-
33								
34		Tax Depreciation Expense on Additions						
35		Generation	2,823,626	3,982,654	3,980,100	4,177,272	4,414,335	4,749,215
36		Renewable generation - 2015	7,465	7,465	7,465	7,465	7,465	7,465
37		PV3 generation	58,838	170,202	188,665	187,114	189,389	253,727
38		132 mW Generation	29,168	95,039	174,479	200,525	202,098	202,098
39		65 mW Generation	42,697	75,132	114,249	127,074	127,849	127,849
40		Transmission	2,362,592	3,254,070	3,360,402	3,415,888	3,778,121	4,053,706
41		HLM transmission	-	-	-	-	-	-
42		PV3 transmission	1,810	4,493	5,274	5,305	5,444	7,575
43		Distribution	714,750	826,774	1,067,757	1,410,137	1,575,023	2,055,159
44		Renewable distribution	-	-	-	-	-	-
45		General	180,373	228,342	77,423	192,901	223,552	297,808
46		Corporate Allocation						
47		Nuc Fuel 1&2	834,964	939,327	996,526	1,049,404	1,118,741	1,547,225
48		Nuc Fuel 3	335,088	335,831	341,555	342,705	344,001	516,266
49								
50		Total Tax on Additions	7,391,370	9,919,329	10,313,893	11,115,789	11,986,018	13,818,092
51		check total	0	0	(0)	(0)	(0)	(0)
52		Tax Depreciation Expense on Existing plant						
53		Generation	4,256,464	4,256,464	4,256,464	4,256,464	4,256,464	4,256,464
54		Renewable generation - pre 2015	275,435	275,435	275,435	275,435	275,435	275,435
55		PV3 generation	209,080	209,080	209,080	209,080	209,080	209,080
56		132 mW Generation	-	-	-	-	-	-
57		65 mW Generation	-	-	-	-	-	-

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6			2018	2018	2018	2018	2018	2018
7		PNM	Apr	May	Jun	Jul	Aug	Sep
58		Transmission	1,313,927	1,313,927	1,313,927	1,313,927	1,313,927	1,313,927
59		HLM transmission	52,667	52,667	52,667	52,667	52,667	52,667
60		PV3 transmission	-	-	-	-	-	-
61		Distribution	2,209,033	2,209,033	2,209,033	2,209,033	2,209,033	2,209,033
62		Renewable distribution	-	-	-	-	-	-
63		General	13,088	13,088	13,088	13,088	13,088	13,088
64		Corporate Allocation	-	-	-	-	-	-
65		Nuc Fuel 1&2	208,916	208,916	208,916	208,916	208,916	208,916
66		Nuc Fuel 3	85,626	85,626	85,626	85,626	85,626	85,626
67			-	-	-	-	-	-
68								
69		Total Tax on Existing	8,624,236	8,624,236	8,624,236	8,624,236	8,624,236	8,624,236
70		check total						
71								
72		Temporary Difference						
73		Generation	(3,338,633)	(4,449,019)	(4,411,687)	(4,606,318)	(4,838,005)	(5,167,888)
74		Renewable generation - pre 2015	207,086	207,086	207,086	207,086	207,086	207,086
75		Renewable generation - 2015	201,870	201,870	201,870	201,870	201,870	201,870
76		PV3 generation	160,557	49,406	34,781	36,895	34,652	(29,569)
77		132 mW Generation	(29,168)	(95,039)	(174,479)	(200,525)	(202,098)	(202,098)
78		65 mW Generation	(15,963)	(48,398)	(86,414)	(98,077)	(98,525)	(98,509)
79		Transmission	(1,648,223)	(2,526,513)	(2,596,060)	(2,647,436)	(3,007,630)	(3,273,616)
80		HLM transmission	1,047	1,047	1,047	1,047	1,047	1,047
81		PV3 transmission	17,738	15,062	14,368	14,361	14,223	12,096
82		Distribution	(492,767)	(596,956)	(834,840)	(1,167,708)	(1,321,983)	(1,799,119)
83		Renewable distribution	927,525	927,597	929,603	929,571	930,478	932,109
84		General	550,808	503,439	657,287	530,708	504,246	431,197
85		Corporate Allocation						
86		Nuc Fuel 1&2	415,523	338,159	253,961	228,082	158,746	(286,738)
87		Nuc Fuel 3	(142,129)	433,740	300,878	320,728	319,432	126,166
88								
89								
90		Total Temporary Difference	(3,184,730)	(5,038,519)	(5,502,598)	(6,249,715)	(7,096,460)	(8,945,967)
91		check total	-	-	-	-	-	-
92								
93		Fed Rate	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%
94		State Rate	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
95		ADIT before proration	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%
96		Generation	(1,289,380)	(1,718,211)	(1,703,793)	(1,778,960)	(1,868,437)	(1,995,838)
97		Renewable generation - pre 2015	79,977	79,977	79,977	79,977	79,977	79,977
98		Renewable generation - 2015	77,962	77,962	77,962	77,962	77,962	77,962
99		PV3 generation	62,007	19,081	13,432	14,249	13,383	(11,420)
100		132 mW Generation	(11,265)	(36,704)	(67,384)	(77,443)	(78,050)	(78,050)
101		65 mW Generation	(6,165)	(18,691)	(33,373)	(37,877)	(38,051)	(38,044)
102		Transmission	(636,544)	(975,739)	(1,002,599)	(1,022,440)	(1,161,547)	(1,264,271)
103		HLM transmission (with Trans)	404	404	404	404	404	404
104		PV3 transmission (with PV3 gen)	6,851	5,817	5,549	5,546	5,493	4,671
105		Distribution	(190,307)	(230,544)	(322,415)	(450,969)	(510,550)	(694,820)
106		Renewable distribution (with renew)	358,210	358,238	359,013	359,000	359,351	359,981
107		General	212,722	194,428	253,844	204,960	194,740	166,528

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5	Hyperlink to Lead Sheet							
6			2018	2018	2018	2018	2018	2018
7		PNM	Apr	May	Jun	Jul	Aug	Sep
108		Corporate Allocation	-	-	-	-	-	-
109		Nuc Fuel 1&2	160,475	130,597	98,080	88,085	61,308	(110,738)
110		Nuc Fuel 3	(54,890)	167,510	116,199	123,865	123,365	48,725
111			-	-	-	-	-	-
112			-	-	-	-	-	-
113		Total ADIT change before proration	(1,229,943)	(1,945,876)	(2,125,103)	(2,413,640)	(2,740,653)	(3,454,932)
114		check						
115			4/30/2018	5/31/2018	6/30/2018	7/31/2018	8/31/2018	9/30/2018
116		Numerator Days	246	215	185	154	123	93
117		Denominator Days	365	365	365	365	365	365
118			67.40%	58.90%	50.68%	42.19%	33.70%	25.48%
119								
120		<u>TOTAL ADIT after proration</u>						
121	Liberalized Depreciation - Generation	Generation	(869,007)	(1,012,097)	(863,567)	(750,575)	(629,638)	(508,529)
122	Liberalized Depreciation - Renewable	Renewable generation - pre 2015	53,902	47,110	40,536	33,744	26,951	20,378
123	Liberalized Depreciation - Generation	Renewable generation	52,544	45,923	39,515	32,894	26,272	19,864
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	41,791	11,239	6,808	6,012	4,510	(2,910)
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(7,592)	(21,620)	(34,153)	(32,674)	(26,302)	(19,887)
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(4,155)	(11,010)	(16,915)	(15,981)	(12,823)	(9,693)
127	Liberalized Depreciation - Transmission	Transmission	(429,013)	(574,751)	(508,166)	(431,386)	(391,425)	(322,129)
128	Liberalized Depreciation - HLM	HLM transmission	273	238	205	171	136	103
129	Liberalized Depreciation - PV 3	PV3 transmission	4,617	3,426	2,812	2,340	1,851	1,190
130	Liberalized Depreciation - Distribution	Distribution	(128,261)	(135,800)	(163,416)	(190,272)	(172,048)	(177,036)
131	Liberalized Depreciation - Renewable	Renewable distribution	241,424	211,017	181,965	151,469	121,096	91,721
132	Liberalized Depreciation - Other	General	143,369	114,526	128,661	86,476	65,625	42,430
133	Liberalized Depreciation - Corp Alloc	Corporate Allocation						
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	108,156	76,927	49,712	37,165	20,660	(28,216)
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(36,995)	98,670	58,895	52,261	41,572	12,415
136	Liberalized Depreciation - Generation	PV3 generation post 2018						
137								
138		Total ADIT change after proration	(828,948)	(1,146,201)	(1,077,107)	(1,018,358)	(923,562)	(880,298)
139								
140								
141		Corp Alloc ADIT change before proration	452,423	453,001	407,739	408,862	409,651	396,780
142	Liberalized Depreciation - Corp Alloc	Corp Alloc ADIT change after proration	304,921	266,836	206,662	172,506	138,047	101,097
143								
144								
145								
146								
147								
148								
149								
150		<u>FED ADIT after proration</u>						
151	Liberalized Depreciation - Generation	Generation	(743,674)	(866,126)	(739,018)	(642,323)	(538,828)	(435,186)
152	Liberalized Depreciation - Renewable	Renewable generation - pre 2015	46,128	40,315	34,690	28,877	23,064	17,439
153	Liberalized Depreciation - Generation	Renewable generation	44,966	39,300	33,816	28,150	22,483	16,999
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	35,764	9,618	5,826	5,145	3,859	(2,490)
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(6,497)	(18,502)	(29,228)	(27,962)	(22,508)	(17,019)
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(3,556)	(9,422)	(14,476)	(13,676)	(10,973)	(8,295)
157	Liberalized Depreciation - Transmission	Transmission	(367,138)	(491,857)	(434,876)	(369,169)	(334,972)	(275,670)

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6			2018	2018	2018	2018	2018	2018
7		PNM	Apr	May	Jun	Jul	Aug	Sep
158	Liberalized Depreciation - HLM	HLM transmission	233	204	175	146	117	88
159	Liberalized Depreciation - PV 3	PV3 transmission	3,951	2,932	2,407	2,003	1,584	1,019
160	Liberalized Depreciation - Distribution	Distribution	(109,763)	(116,214)	(139,847)	(162,830)	(147,234)	(151,503)
161	Liberalized Depreciation - Renewables	Renewable distribution	206,604	180,583	155,721	129,623	103,631	78,493
162	Liberalized Depreciation - Other	General	122,691	98,009	110,105	74,004	56,160	36,311
163	Liberalized Depreciation - Corp Alloc	Corporate Allocation	-	-	-	-	-	-
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	92,557	65,832	42,542	31,805	17,680	(24,146)
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(31,659)	84,440	50,401	44,724	35,576	10,624
166	Liberalized Depreciation - Generation	PV3 generation post 2018						
167								
168		Total ADIT change after proration	(709,392)	(980,889)	(921,761)	(871,484)	(790,361)	(753,336)
169								
170								
171								
172	Liberalized Depreciation - Corp Alloc	Corp Alloc FED ADIT change after proration	260,943	228,351	176,856	147,626	118,137	86,517
173								
174								
175								
176								
177								
178								
179								
180		STATE ADIT after proration						
181	Liberalized Depreciation - Generation	Generation	(125,333)	(145,970)	(124,549)	(108,252)	(90,810)	(73,343)
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	7,774	6,794	5,846	4,867	3,887	2,939
183	Liberalized Depreciation - Generation	Renewable generation	7,578	6,623	5,699	4,744	3,789	2,865
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	6,027	1,621	982	867	650	(420)
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(1,095)	(3,118)	(4,926)	(4,713)	(3,793)	(2,868)
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(599)	(1,588)	(2,440)	(2,305)	(1,849)	(1,398)
187	Liberalized Depreciation - Transmission	Transmission	(61,875)	(82,894)	(73,291)	(62,217)	(56,454)	(46,459)
188	Liberalized Depreciation - HLM	HLM transmission	39	34	30	25	20	15
189	Liberalized Depreciation - PV 3	PV3 transmission	666	494	406	337	267	172
190	Liberalized Depreciation - Distribution	Distribution	(18,499)	(19,586)	(23,569)	(27,442)	(24,814)	(25,533)
191	Liberalized Depreciation - Renewables	Renewable distribution	34,820	30,434	26,244	21,846	17,465	13,229
192	Liberalized Depreciation - Other	General	20,677	16,518	18,556	12,472	9,465	6,120
193	Liberalized Depreciation - Corp Alloc	Corporate Allocation	-	-	-	-	-	-
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	15,599	11,095	7,170	5,360	2,980	(4,069)
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(5,336)	14,231	8,494	7,537	5,996	1,791
196	Liberalized Depreciation - Generation	PV3 generation post 2018						
197								
198		Total ADIT change after proration	(119,556)	(165,312)	(155,347)	(146,873)	(133,202)	(126,962)
199								
200								
201								
202	Liberalized Depreciation - Corp Alloc	Corp Alloc STATE ADIT change after proration	43,977	38,485	29,806	24,880	19,910	14,581
203								
204								
205								
206		check	-	-	-	-	-	-

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5	Hyperlink to Lead Sheet							
6			2018	2018	2018	2018		
7		PNM	Oct	Nov	Dec	Total		Linkage 2016
8		Book Depreciation Expense						
9		Generation	3,740,991	3,745,258	3,763,942	44,430,805		22,976,067
10		Renewable generation - pre 2015	482,522	482,522	482,522	5,790,259		3,031,479
11		Renewable generation - 2015	209,335	209,335	209,335	2,512,015		1,255,885
12		PV3 generation	434,315	434,780	434,431	5,176,958		2,356,829
13		132 mW Generation						
14		65 mW Generation	29,340	29,366	29,571	336,847		-
15		Transmission	2,051,189	2,056,608	2,059,794	23,988,188		9,014,204
16		HLM transmission	53,714	53,714	53,714	644,572		285,231
17		PV3 transmission	19,711	19,711	19,712	247,474		108,761
18		Distribution	2,473,495	2,483,697	2,475,711	29,393,378		18,365,910
19		Renewable distribution	934,261	935,370	949,702	11,172,445		187,778
20		General	744,180	745,150	746,256	8,906,329		4,272,454
21		Corporate Allocation				-		-
22		Nuc Fuel 1&2	991,746	1,090,774	1,510,049	16,819,196		9,979,684
23		Nuc Fuel 3	749,059	728,059	749,059	8,201,520		5,250,948
24								-
25		Total Book	12,913,858	13,014,344	13,483,797	157,619,987		77,085,229
26		Add: EIP acquisition amort (ORB)	48,831	48,831	48,831	585,972		292,986
27		Add: PV acquisition amort (ORB)	30,426	30,426	30,426	365,112		182,556
28		Add: PV acquisition amort 1st Chi (ORB)	69,338	69,338	69,338	832,053		416,027
29		Add: PV 2 lease acquisition amort (OA) NOT RECOVERABLE	-	-	-	-		-
30		Less: corp allocation	-	-	-	-		-
31		total Book before corp alloc	13,062,453	13,162,939	13,632,392	159,403,124		77,976,798
32		check total	(0)	-	-	-		
33								
34		Tax Depreciation Expense on Additions						
35		Generation	5,146,618	7,182,066	10,223,296	49,853,738		27,750,845
36		Renewable generation - 2015	7,465	7,465	7,465	89,576		406,137
37		PV3 generation	278,262	230,467	1,041,654	2,755,075		5,124,726
38		132 mW Generation	206,187	255,349	255,349	1,688,774		1,158,123
39		65 mW Generation	129,862	154,070	154,070	1,171,575		-
40		Transmission	4,381,761	4,653,869	10,186,890	42,885,538		41,371,900
41		HLM transmission	-	-	-	-		-
42		PV3 transmission	8,297	8,406	27,971	78,872		119,638
43		Distribution	2,693,766	3,265,477	9,451,113	24,473,579		25,584,644
44		Renewable distribution	-	-	-	-		-
45		General	341,961	491,438	727,540	3,140,961		3,672,137
46		Corporate Allocation				-		-
47		Nuc Fuel 1&2	2,309,369	2,354,114	2,705,086	15,444,680		10,467,765
48		Nuc Fuel 3	529,555	893,365	899,031	5,288,351		3,330,048
49								-
50		Total Tax on Additions	16,033,103	19,496,086	35,679,465	146,870,720		118,985,964
51		check total	(0)	(0)	(0)	0		
52		Tax Depreciation Expense on Existing plant						
53		Generation	4,256,464	4,256,464	4,256,464	51,077,571		34,983,931
54		Renewable generation - pre 2015	275,435	275,435	275,435	3,305,224		2,929,213
55		PV3 generation	209,080	209,080	209,080	2,508,956		1,396,798
56		132 mW Generation	-	-	-	-		-
57		65 mW Generation	-	-	-	-		-

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6			2018	2018	2018	2018		
7		PNM	Oct	Nov	Dec	Total		Linkage 2016
58		Transmission	1,313,927	1,313,927	1,313,927	15,767,121		9,635,077
59		HLM transmission	52,667	52,667	52,667	632,007		349,540
60		PV3 transmission	-	-	-	-		-
61		Distribution	2,209,033	2,209,033	2,209,033	26,508,391		16,811,471
62		Renewable distribution	-	-	-	-		-
63		General	13,088	13,088	13,088	157,054		81,335
64		Corporate Allocation	-	-	-	-		-
65		Nuc Fuel 1&2	208,916	208,916	208,916	2,506,995		2,908,631
66		Nuc Fuel 3	85,626	85,626	85,626	1,027,514		1,695,336
67			-	-	-	-		-
68								-
69		Total Tax on Existing	8,624,236	8,624,236	8,624,236	103,490,833		70,791,330
70		check total				-		-
71								
72		Temporary Difference						
73		Generation	(5,562,328)	(7,593,509)	(10,616,054)	(55,303,340)		(39,160,127)
74		Renewable generation - pre 2015	207,086	207,086	207,086	2,485,035		102,266
75		Renewable generation - 2015	201,870	201,870	201,870	2,422,439		849,748
76		PV3 generation	(53,026)	(4,767)	(816,303)	(87,073)		(4,164,696)
77		132 mW Generation	(206,187)	(255,349)	(255,349)	(1,688,774)		(1,158,123)
78		65 mW Generation	(100,522)	(124,704)	(124,499)	(834,728)		-
79		Transmission	(3,595,668)	(3,862,356)	(9,392,192)	(34,078,498)		(41,699,788)
80		HLM transmission	1,047	1,047	1,047	12,565		(64,309)
81		PV3 transmission	11,414	11,306	(8,259)	168,602		(10,877)
82		Distribution	(2,429,303)	(2,990,812)	(9,184,434)	(21,588,592)		(24,030,204)
83		Renewable distribution	934,261	935,370	949,702	11,172,445		187,778
84		General	389,131	240,624	5,628	5,608,314		518,982
85		Corporate Allocation				-		-
86		Nuc Fuel 1&2	(1,526,539)	(1,472,256)	(1,403,953)	(1,132,479)		(3,396,711)
87		Nuc Fuel 3	133,878	(250,932)	(235,599)	1,885,655		225,564
88								-
89								-
90		Total Temporary Difference	(11,594,886)	(14,957,383)	(30,671,309)	(90,958,428)		(111,800,496)
91		check total	-	-	-	-		-
92								
93		Fed Rate	33.05%	33.05%	33.05%			
94		State Rate	5.57%	5.57%	5.57%			37.14%
95		ADIT before proration	38.62%	38.62%	38.62%			234.12%
96		Generation	(2,148,171)	(2,932,613)	(4,099,920)	(21,358,150)		(15,280,282)
97		Renewable generation - pre 2015	79,977	79,977	79,977	959,721		39,904
98		Renewable generation - 2015	77,962	77,962	77,962	935,546		331,572
99		PV3 generation	(20,479)	(1,841)	(315,256)	(33,628)		(1,625,064)
100		132 mW Generation	(79,629)	(98,616)	(98,616)	(652,205)		(451,900)
101		65 mW Generation	(38,822)	(48,161)	(48,081)	(322,372)		-
102		Transmission	(1,388,647)	(1,491,642)	(3,627,264)	(13,161,116)		(16,271,257)
103		HLM transmission (with Trans)	404	404	404	4,853		(25,093)
104		PV3 transmission (with PV3 gen)	4,408	4,366	(3,190)	65,114		(4,244)
105		Distribution	(938,197)	(1,155,052)	(3,547,029)	(8,337,514)		(9,376,586)
106		Renewable distribution (with renew)	360,812	361,240	366,775	4,314,798		73,271
107		General	150,282	92,929	2,174	2,165,931		202,507

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6			2018	2018	2018	2018		
7		PNM	Oct	Nov	Dec	Total		Linkage 2016
108		Corporate Allocation	-	-	-	-		-
109		Nuc Fuel 1&2	(589,549)	(568,585)	(542,207)	(437,364)		(1,325,397)
110		Nuc Fuel 3	51,704	(96,910)	(90,988)	728,240		88,015
111			-	-	-	-		-
112			-	-	-	-		-
113		Total ADIT change before proration	(4,477,945)	(5,776,541)	(11,845,260)	(35,128,145)		(43,624,554)
114		check						
115			10/31/2018	11/30/2018	12/31/2018			
116		Numerator Days	62	32	1			
117		Denominator Days	365	365	365			
118			16.99%	8.77%	0.27%			
119								
120		TOTAL ADIT after proration						
121	Liberalized Depreciation - Generation	Generation	(364,895)	(257,106)	(11,233)	(6,797,196)		(15,280,282)
122	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	13,585	7,012	219	444,583		39,904
123	Liberalized Depreciation - Generation	Renewable generation	13,243	6,835	214	433,384		331,572
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(3,479)	(161)	(864)	225,046		(1,625,064)
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(13,526)	(8,646)	(270)	(186,541)		(451,900)
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(6,594)	(4,222)	(132)	(94,042)		-
127	Liberalized Depreciation - Transmission	Transmission	(235,880)	(130,774)	(9,938)	(3,483,544)		(16,271,257)
128	Liberalized Depreciation - HLM	HLM transmission	69	35	1	2,248		(25,093)
129	Liberalized Depreciation - PV 3	PV3 transmission	749	383	(9)	38,848		(4,244)
130	Liberalized Depreciation - Distribution	Distribution	(159,365)	(101,265)	(9,718)	(1,481,488)		(9,376,586)
131	Liberalized Depreciation - Renewables	Renewable distribution	61,289	31,670	1,005	1,991,481		73,271
132	Liberalized Depreciation - Other	General	25,527	8,147	6	1,198,266		202,507
133	Liberalized Depreciation - Corp Allocation	Corporate Allocation				-		-
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(100,143)	(49,849)	(1,485)	820,947		(1,325,397)
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	8,783	(8,496)	(249)	512,969		88,015
136	Liberalized Depreciation - Generation	PV3 generation post 2018				-		-
137						-		-
138		Total ADIT change after proration	(760,637)	(506,437)	(32,453)	(6,375,039)		(43,624,554)
139								
140								-
141		Corp Alloc ADIT change before proration	390,079	374,669	(812,245)	3,858,670		(951,165)
142	Liberalized Depreciation - Corp Allocation	Corp Alloc ADIT change after proration	66,260	32,848	(2,225)	2,442,217		(951,165)
143								
144								
145								
146								
147								
148								
149								
150		FED ADIT after proration						
151	Liberalized Depreciation - Generation	Generation	(312,268)	(220,025)	(9,613)	(5,816,865)		(12,856,270)
152	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	11,626	6,000	188	380,463		33,574
153	Liberalized Depreciation - Generation	Renewable generation	11,333	5,849	183	370,879		278,972
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(2,977)	(138)	(739)	192,588		(1,367,270)
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(11,575)	(7,399)	(231)	(159,637)		(380,212)
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(5,643)	(3,613)	(113)	(80,479)		-
157	Liberalized Depreciation - Transmission	Transmission	(201,860)	(111,913)	(8,504)	(2,981,127)		(13,690,040)

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5	Hyperlink to Lead Sheet							
6			2018	2018	2018	2018		
7		PNM	Oct	Nov	Dec	Total		Linkage 2016
158	Liberalized Depreciation - HLM	HLM transmission	59	30	1	1,924		(21,113)
159	Liberalized Depreciation - PV 3	PV3 transmission	641	328	(7)	33,245		(3,571)
160	Liberalized Depreciation - Distribution	Distribution	(136,380)	(86,660)	(8,316)	(1,267,819)		(7,889,116)
161	Liberalized Depreciation - Renewables	Renewable distribution	52,449	27,103	860	1,704,258		61,648
162	Liberalized Depreciation - Other	General	21,846	6,972	5	1,025,445		170,382
163	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-		-
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(85,699)	(42,659)	(1,271)	702,545		(1,115,140)
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	7,516	(7,271)	(213)	438,986		74,053
166	Liberalized Depreciation - Generation	PV3 generation post 2018				-		-
167						-		-
168		Total ADIT change after proration	(650,934)	(433,395)	(27,772)	(5,455,594)		(36,704,103)
169						(8,999,118)		-
170								-
171								
172	Liberalized Depreciation - Corp Allocation	Corp Alloc FED ADIT change after proration	56,704	28,110	(1,904)	2,089,986		(800,276)
173								
174								
175								
176								
177								
178								
179								
180		STATE ADIT after proration						
181	Liberalized Depreciation - Generation	Generation	(52,627)	(37,081)	(1,620)	(980,331)		(2,424,012)
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	1,959	1,011	32	64,120		6,330
183	Liberalized Depreciation - Generation	Renewable generation	1,910	986	31	62,505		52,599
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(502)	(23)	(125)	32,457		(257,795)
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(1,951)	(1,247)	(39)	(26,904)		(71,688)
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(951)	(609)	(19)	(13,563)		-
187	Liberalized Depreciation - Transmission	Transmission	(34,020)	(18,861)	(1,433)	(502,417)		(2,581,217)
188	Liberalized Depreciation - HLM	HLM transmission	10	5	0	324		(3,981)
189	Liberalized Depreciation - PV 3	PV3 transmission	108	55	(1)	5,603		(673)
190	Liberalized Depreciation - Distribution	Distribution	(22,985)	(14,605)	(1,402)	(213,669)		(1,487,470)
191	Liberalized Depreciation - Renewables	Renewable distribution	8,839	4,568	145	287,223		11,623
192	Liberalized Depreciation - Other	General	3,682	1,175	1	172,821		32,125
193	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-	-	-	-		-
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(14,443)	(7,189)	(214)	118,402		(210,256)
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	1,267	(1,225)	(36)	73,983		13,962
196	Liberalized Depreciation - Generation	PV3 generation post 2018				-		-
197						-		-
198		Total ADIT change after proration	(109,704)	(73,041)	(4,681)	(919,445)		(6,920,451)
199						(8,999,118)		-
200								-
201								
202	Liberalized Depreciation - Corp Allocation	Corp Alloc STATE ADIT change after proration	9,556	4,737	(321)	352,231		(150,890)
203								
204								
205								
206		check	-	-	-	-		-

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6							
7		PNM	Linkage 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
8		Book Depreciation Expense					
9		Generation	49,202,442	10,924,758	11,057,143	11,198,712	11,250,191
10		Renewable generation - pre 2015	5,790,259	1,447,565	1,447,565	1,447,565	1,447,565
11		Renewable generation - 2015	2,512,015	628,004	628,004	628,004	628,004
12		PV3 generation	5,042,599	1,284,296	1,289,688	1,299,447	1,303,526
13		132 mW Generation					
14		65 mW Generation	-	79,606	81,304	87,661	88,277
15		Transmission	21,426,138	5,704,724	6,001,554	6,114,320	6,167,590
16		HLM transmission	644,572	161,143	161,143	161,143	161,143
17		PV3 transmission	233,942	70,592	58,744	59,004	59,134
18		Distribution	38,594,334	7,270,052	7,311,816	7,378,607	7,432,904
19		Renewable distribution	390,120	2,776,229	2,784,725	2,792,159	2,819,332
20		General	8,826,048	2,214,132	2,236,936	2,219,675	2,235,586
21		Corporate Allocation	-	-	-	-	-
22		Nuc Fuel 1&2	15,833,711	4,379,209	4,405,209	4,442,209	3,592,569
23		Nuc Fuel 3	7,654,304	1,887,326	1,861,840	2,226,177	2,226,177
24			-	-	-	-	-
25		Total Book	156,150,485	38,827,637	39,325,669	40,054,682	39,411,999
26		Add: EIP acquisition amort (ORB)	585,972	146,493	146,493	146,493	146,493
27		Add: PV acquisition amort (ORB)	365,112	91,278	91,278	91,278	91,278
28		Add: PV acquisition amort 1st Chi (ORB)	832,053	208,013	208,013	208,013	208,013
29		Add: PV 2 lease acquis amort (OA) NOT RECOVERABLE	-	-	-	-	-
30		Less: corp allocation	-	-	-	-	-
31		total Book before corp alloc	157,933,622	39,273,421	39,771,453	40,500,466	39,857,784
32		check total					
33							
34		Tax Depreciation Expense on Additions					
35		Generation	48,451,954	3,174,555	10,786,380	13,340,822	22,551,981
36		Renewable generation - 2015	149,294	22,394	22,394	22,394	22,394
37		PV3 generation	2,625,560	156,758	417,705	630,230	1,550,383
38		132 mW Generation	2,398,881	68,481	298,687	604,722	716,885
39		65 mW Generation	6,554,900	118,723	232,078	382,772	438,001
40		Transmission	47,710,121	3,438,240	8,977,064	11,247,715	19,222,519
41		HLM transmission	-	-	-	-	-
42		PV3 transmission	77,010	4,298	11,576	18,324	44,674
43		Distribution	31,930,986	1,413,623	2,609,281	5,040,319	15,410,356
44		Renewable distribution	-	-	-	-	-
45		General	3,373,763	379,623	486,138	714,260	1,560,940
46		Corporate Allocation	-	-	-	-	-
47		Nuc Fuel 1&2	13,908,200	1,589,924	2,770,817	3,715,370	7,368,569
48		Nuc Fuel 3	6,389,868	750,955	1,012,473	1,202,972	2,321,951
49			-	-	-	-	-
50		Total Tax on Additions	163,570,536	11,117,574	27,624,592	36,919,900	71,208,654
51		check total					
52		Tax Depreciation Expense on Existing plant					
53		Generation	58,462,011	12,769,393	12,769,393	12,769,393	12,769,393
54		Renewable generation - pre 2015	4,437,712	826,306	826,306	826,306	826,306
55		PV3 generation	2,606,616	627,239	627,239	627,239	627,239
56		132 mW Generation					
57		65 mW Generation	-	-	-	-	-

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7		PNM	Linkage 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
58		Transmission	17,177,494	3,941,780	3,941,780	3,941,780	3,941,780
59		HLM transmission	642,668	158,002	158,002	158,002	158,002
60		PV3 transmission	-	-	-	-	-
61		Distribution	29,630,065	6,627,098	6,627,098	6,627,098	6,627,098
62		Renewable distribution	-	-	-	-	-
63		General	163,299	39,264	39,264	39,264	39,264
64		Corporate Allocation	-	-	-	-	-
65		Nuc Fuel 1&2	3,710,584	626,749	626,749	626,749	626,749
66		Nuc Fuel 3	2,238,070	256,879	256,879	256,879	256,879
67			-	-	-	-	-
68			-	-	-	-	-
69		Total Tax on Existing	119,068,519	25,872,708	25,872,708	25,872,708	25,872,708
70		check total					
71							
72		Temporary Difference					
73		Generation	(56,514,357)	(4,719,899)	(12,199,339)	(14,612,211)	(23,771,891)
74		Renewable generation - pre 2015	1,352,547	621,259	621,259	621,259	621,259
75		Renewable generation - 2015	2,362,721	605,610	605,610	605,610	605,610
76		PV3 generation	(189,577)	500,300	244,744	41,979	(874,096)
77		132 mW Generation	(2,398,881)	(68,481)	(298,687)	(604,722)	(716,885)
78		65 mW Generation	(6,554,900)	(39,117)	(150,775)	(295,112)	(349,725)
79		Transmission	(42,875,505)	(1,528,803)	(6,770,797)	(8,928,682)	(16,850,216)
80		HLM transmission	1,904	3,141	3,141	3,141	3,141
81		PV3 transmission	156,933	66,294	47,168	40,680	14,460
82		Distribution	(22,966,717)	(770,668)	(1,924,563)	(4,288,810)	(14,604,550)
83		Renewable distribution	390,120	2,776,229	2,784,725	2,792,159	2,819,332
84		General	5,288,986	1,795,246	1,711,534	1,466,151	635,383
85		Corporate Allocation	-	-	-	-	-
86		Nuc Fuel 1&2	(1,785,074)	2,162,536	1,007,643	100,090	(4,402,749)
87		Nuc Fuel 3	(973,634)	879,493	592,488	766,326	(352,652)
88			-	-	-	-	-
89			-	-	-	-	-
90		Total Temporary Difference	(124,705,433)	2,283,139	(13,725,847)	(22,292,142)	(57,223,578)
91		check total	-	(0)	-	-	-
92							
93		Fed Rate					
94		State Rate	0.00%	16.71%	16.71%	16.71%	16.71%
95		ADIT before proration	0.00%	115.86%	115.86%	115.86%	115.86%
96		Generation	(21,921,919)	(1,822,825)	(4,711,385)	(5,643,236)	(9,180,704)
97		Renewable generation - pre 2015	524,653	239,930	239,930	239,930	239,930
98		Renewable generation - 2015	916,500	233,886	233,886	233,886	233,886
99		PV3 generation	(73,537)	193,216	94,520	16,212	(337,576)
100		132 mW Generation	(930,526)	(26,447)	(115,353)	(233,543)	(276,861)
101		65 mW Generation	(2,542,646)	(15,107)	(58,229)	(113,972)	(135,064)
102		Transmission	(16,631,408)	(590,424)	(2,614,882)	(3,448,257)	(6,507,553)
103		HLM transmission (with Trans)	739	1,213	1,213	1,213	1,213
104		PV3 transmission (with PV3 gen)	60,874	25,603	18,216	15,711	5,585
105		Distribution	(8,908,789)	(297,632)	(743,266)	(1,656,339)	(5,640,277)
106		Renewable distribution (with renew)	151,327	1,072,180	1,075,461	1,078,332	1,088,826
107		General	2,051,598	693,324	660,995	566,228	245,385

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7		PNM	Linkage 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
108		Corporate Allocation	-	-	-	-	-
109		Nuc Fuel 1&2	(692,430)	835,171	389,152	38,655	(1,700,341)
110		Nuc Fuel 3	(377,672)	339,660	228,819	295,955	(136,194)
111			-	-	-	-	-
112			-	-	-	-	-
113		Total ADIT change before proration	(48,373,237)	881,748	(5,300,922)	(8,609,225)	(22,099,746)
114		check					
115							
116		Numerator Days					
117		Denominator Days					
118							
119							
120		<u>TOTAL ADIT after proration</u>					
121	Liberalized Depreciation - Generation	Generation	(21,921,919)	(1,530,551)	(2,744,670)	(1,888,741)	(633,233)
122	Liberalized Depreciation - Renewable	Renewable generation - pre 2015	524,653	201,147	141,548	81,072	20,816
123	Liberalized Depreciation - Generation	Renewable generation	916,500	196,080	137,982	79,030	20,292
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(73,537)	162,099	59,839	7,612	(4,504)
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(930,526)	(21,870)	(63,366)	(78,863)	(22,442)
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(2,542,646)	(12,516)	(32,080)	(38,497)	(10,948)
127	Liberalized Depreciation - Transmission	Transmission	(16,631,408)	(450,082)	(1,511,930)	(1,144,940)	(376,592)
128	Liberalized Depreciation - HLM	HLM transmission	739	1,017	716	410	105
129	Liberalized Depreciation - PV 3	PV3 transmission	60,874	21,488	10,856	5,381	1,123
130	Liberalized Depreciation - Distribution	Distribution	(8,908,789)	(244,306)	(427,478)	(539,356)	(270,348)
131	Liberalized Depreciation - Renewable	Renewable distribution	151,327	898,825	634,406	364,286	93,964
132	Liberalized Depreciation - Other	General	2,051,598	583,499	386,556	194,531	33,681
133	Liberalized Depreciation - Corp Alloca	Corporate Allocation	-	-	-	-	-
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(692,430)	708,020	234,794	29,609	(151,477)
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(377,672)	286,113	120,571	106,248	37
136	Liberalized Depreciation - Generation	PV3 generation post 2018	-	-	-	-	-
137			-	-	-	-	-
138		Total ADIT change after proration	(48,373,237)	798,962	(3,052,256)	(2,822,218)	(1,299,526)
139							
140			-	-	-	-	-
141		Corp Alloc ADIT change before proration	(3,310,420)	1,377,712	1,313,162	1,215,292	(47,497)
142	Liberalized Depreciation - Corp Alloca	Corp Alloc ADIT change after proration	(3,310,420)	1,155,266	778,419	411,650	96,882
143							
144							
145							
146							
147							
148							
149							
150		<u>FED ADIT after proration</u>					
151	Liberalized Depreciation - Generation	Generation	(18,621,481)	(1,309,806)	(2,348,818)	(1,616,336)	(541,905)
152	Liberalized Depreciation - Renewable	Renewable generation - pre 2015	445,664	172,136	121,133	69,380	17,814
153	Liberalized Depreciation - Generation	Renewable generation	778,517	167,800	118,082	67,632	17,365
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(62,466)	138,720	51,208	6,514	(3,854)
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(790,431)	(18,716)	(54,227)	(67,489)	(19,205)
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(2,159,839)	(10,711)	(27,453)	(32,945)	(9,369)
157	Liberalized Depreciation - Transmission	Transmission	(14,127,479)	(385,169)	(1,293,871)	(979,810)	(322,277)

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7		PNM	Linkage 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
158	Liberalized Depreciation - HLM	HLM transmission	627	870	612	351	90
159	Liberalized Depreciation - PV 3	PV3 transmission	51,709	18,389	9,290	4,605	961
160	Liberalized Depreciation - Distribution	Distribution	(7,567,533)	(209,071)	(365,824)	(461,567)	(231,357)
161	Liberalized Depreciation - Renewables	Renewable distribution	128,544	769,191	542,908	311,747	80,412
162	Liberalized Depreciation - Other	General	1,742,721	499,343	330,805	166,475	28,823
163	Liberalized Depreciation - Corp Alloca	Corporate Allocation	-	-	-	-	-
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(588,182)	605,905	200,931	25,339	(129,630)
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(320,812)	244,848	103,182	90,924	32
166	Liberalized Depreciation - Generation	PV3 generation post 2018	-	-	-	-	-
167			-	-	-	-	-
168		Total ADIT change after proration	(41,090,440)	683,731	(2,612,042)	(2,415,181)	(1,112,101)
169			-	-	-	-	-
170			-	-	-	-	-
171							
172	Liberalized Depreciation - Corp Alloca	Corp Alloc FED ADIT change after proration	(2,812,022)	988,647	666,151	352,280	82,909
173							
174							
175							
176							
177							
178							
179							
180		STATE ADIT after proration					
181	Liberalized Depreciation - Generation	Generation	(3,300,438)	(220,745)	(395,852)	(272,405)	(91,329)
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	78,989	29,011	20,415	11,693	3,002
183	Liberalized Depreciation - Generation	Renewable generation	137,983	28,280	19,901	11,398	2,927
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	(11,071)	23,379	8,630	1,098	(650)
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(140,095)	(3,154)	(9,139)	(11,374)	(3,237)
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(382,806)	(1,805)	(4,627)	(5,552)	(1,579)
187	Liberalized Depreciation - Transmissio	Transmission	(2,503,929)	(64,913)	(218,059)	(165,130)	(54,314)
188	Liberalized Depreciation - HLM	HLM transmission	111	147	103	59	15
189	Liberalized Depreciation - PV 3	PV3 transmission	9,165	3,099	1,566	776	162
190	Liberalized Depreciation - Distribution	Distribution	(1,341,256)	(35,235)	(61,653)	(77,789)	(38,991)
191	Liberalized Depreciation - Renewables	Renewable distribution	22,783	129,634	91,498	52,539	13,552
192	Liberalized Depreciation - Other	General	308,877	84,156	55,751	28,056	4,858
193	Liberalized Depreciation - Corp Alloca	Corporate Allocation	-	-	-	-	-
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	(104,248)	102,115	33,863	4,270	(21,847)
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	(56,860)	41,265	17,389	15,324	5
196	Liberalized Depreciation - Generation	PV3 generation post 2018	-	-	-	-	-
197			-	-	-	-	-
198		Total ADIT change after proration	(7,282,797)	115,231	(440,214)	(407,037)	(187,425)
199			-	-	-	-	-
200			-	-	-	-	-
201							
202	Liberalized Depreciation - Corp Alloca	Corp Alloc STATE ADIT change after proration	(498,398)	166,619	112,268	59,371	13,973
203							
204							
205							
206		check	-	-	-	-	-

	A	B	AW	AX	AY	AZ
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-12 Linkage & Test Period Depreciation ADIT					
5	Hyperlink to Lead Sheet					
6						
7		PNM	Total 2018	Proration	Test Period	
8		Book Depreciation Expense				
9		Generation	44,430,805		44,430,805	
10		Renewable generation - pre 2015	5,790,259		5,790,259	
11		Renewable generation - 2015	2,512,015		2,512,015	
12		PV3 generation	5,176,958		5,176,958	
13		132 mW Generation				
14		65 mW Generation	336,847		336,847	
15		Transmission	23,988,188		23,988,188	
16		HLM transmission	644,572		644,572	
17		PV3 transmission	247,474		247,474	
18		Distribution	29,393,378		29,393,378	
19		Renewable distribution	11,172,445		11,172,445	
20		General	8,906,329		8,906,329	
21		Corporate Allocation	-		-	
22		Nuc Fuel 1&2	16,819,196		16,819,196	
23		Nuc Fuel 3	8,201,520		8,201,520	
24			-		-	
25		Total Book	157,619,987	-	157,619,987	
26		Add: EIP acquisition amort (ORB)	585,972		585,972	
27		Add: PV acquisition amort (ORB)	365,112		365,112	
28		Add: PV acquisition amort 1st Chi (ORB)	832,053		832,053	
29		Add: PV 2 lease acquis amort (OA) NOT RECOVERABLE	-		-	
30		Less: corp allocation	-		-	
31		total Book before corp alloc	159,403,124	-	159,403,124	
32		check total				
33						
34		Tax Depreciation Expense on Additions				
35		Generation	49,853,738		49,853,738	
36		Renewable generation - 2015	89,576		89,576	
37		PV3 generation	2,755,075		2,755,075	
38		132 mW Generation	1,688,774		1,688,774	
39		65 mW Generation	1,171,575		1,171,575	
40		Transmission	42,885,538		42,885,538	
41		HLM transmission	-		-	
42		PV3 transmission	78,872		78,872	
43		Distribution	24,473,579		24,473,579	
44		Renewable distribution	-		-	
45		General	3,140,961		3,140,961	
46		Corporate Allocation	-		-	
47		Nuc Fuel 1&2	15,444,680		15,444,680	
48		Nuc Fuel 3	5,288,351		5,288,351	
49			-		-	
50		Total Tax on Additions	146,870,720	-	146,870,720	
51		check total				
52		Tax Depreciation Expense on Existing plant				
53		Generation	51,077,571		51,077,571	
54		Renewable generation - pre 2015	3,305,224		3,305,224	
55		PV3 generation	2,508,956		2,508,956	
56		132 mW Generation				
57		65 mW Generation	-		-	

	A	B	AW	AX	AY	AZ
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5	Hyperlink to Lead Sheet					
6						
7		PNM	Total 2018	Proration	Test Period	
58		Transmission	15,767,121		15,767,121	
59		HLM transmission	632,007		632,007	
60		PV3 transmission	-		-	
61		Distribution	26,508,391		26,508,391	
62		Renewable distribution	-		-	
63		General	157,054		157,054	
64		Corporate Allocation	-		-	
65		Nuc Fuel 1&2	2,506,995		2,506,995	
66		Nuc Fuel 3	1,027,514		1,027,514	
67			-		-	
68			-		-	
69		Total Tax on Existing	103,490,833	-	103,490,833	
70		check total				
71						
72		Temporary Difference				
73		Generation	(55,303,340)		(55,303,340)	
74		Renewable generation - pre 2015	2,485,035		2,485,035	
75		Renewable generation - 2015	2,422,439		2,422,439	
76		PV3 generation	(87,073)		(87,073)	
77		132 mW Generation	(1,688,774)		(1,688,774)	
78		65 mW Generation	(834,728)		(834,728)	
79		Transmission	(34,078,498)		(34,078,498)	
80		HLM transmission	12,565		12,565	
81		PV3 transmission	168,602		168,602	
82		Distribution	(21,588,592)		(21,588,592)	
83		Renewable distribution	11,172,445		11,172,445	
84		General	5,608,314		5,608,314	
85		Corporate Allocation	-		-	
86		Nuc Fuel 1&2	(1,132,479)		(1,132,479)	
87		Nuc Fuel 3	1,885,655		1,885,655	
88			-		-	
89			-		-	
90		Total Temporary Difference	(90,958,428)	-	(90,958,428)	
91		check total	(0)		(0)	
92						
93		Fed Rate				
94		State Rate	66.84%		66.84%	
95		ADIT before proration	463.44%		463.44%	
96		Generation	(21,358,150)	14,560,953	(6,797,196)	-
97		Renewable generation - pre 2015	959,721	(515,138)	444,583	-
98		Renewable generation - 2015	935,546	(502,162)	433,384	-
99		PV3 generation	(33,628)	258,673	225,046	-
100		132 mW Generation	(652,205)	465,663	(186,541)	-
101		65 mW Generation	(322,372)	228,330	(94,042)	-
102		Transmission	(13,161,116)	9,677,572	(3,483,544)	-
103		HLM transmission (with Trans)	4,853	(2,605)	2,248	-
104		PV3 transmission (with PV3 gen)	65,114	(26,266)	38,848	-
105		Distribution	(8,337,514)	6,856,026	(1,481,488)	-
106		Renewable distribution (with renew)	4,314,798	(2,323,317)	1,991,481	-
107		General	2,165,931	(967,665)	1,198,266	-

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6						
7		PNM	Total 2018	Proration	Test Period	
108		Corporate Allocation	-	-	-	-
109		Nuc Fuel 1&2	(437,364)	1,258,310	820,947	-
110		Nuc Fuel 3	728,240	(215,271)	512,969	-
111			-	-	-	-
112			-	-	-	-
113		Total ADIT change before proration	(35,128,145)	28,753,106	(6,375,039)	-81.85%
114		check				
115						
116		Numerator Days				
117		Denominator Days				
118						
119						
120		<u>TOTAL ADIT after proration</u>				
121	Liberalized Depreciation - Generation	Generation	(6,797,196)		(6,797,196)	
122	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	444,583		444,583	
123	Liberalized Depreciation - Generation	Renewable generation	433,384		433,384	
124	Liberalized Depreciation - PV 3	PV3 generation pre 2018	225,046		225,046	
125	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(186,541)		(186,541)	
126	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(94,042)		(94,042)	
127	Liberalized Depreciation - Transmission	Transmission	(3,483,544)		(3,483,544)	
128	Liberalized Depreciation - HLM	HLM transmission	2,248		2,248	
129	Liberalized Depreciation - PV 3	PV3 transmission	38,848		38,848	
130	Liberalized Depreciation - Distribution	Distribution	(1,481,488)		(1,481,488)	
131	Liberalized Depreciation - Renewables	Renewable distribution	1,991,481		1,991,481	
132	Liberalized Depreciation - Other	General	1,198,266		1,198,266	
133	Liberalized Depreciation - Corp Alloc	Corporate Allocation	-		-	
134	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	820,947		820,947	
135	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	512,969		512,969	
136	Liberalized Depreciation - Generation	PV3 generation post 2018	-		-	
137			-		-	
138		Total ADIT change after proration	(6,375,039)	-	(6,375,039)	
139						
140						
141		Corp Alloc ADIT change before proration	3,858,670	(1,416,453)	2,442,217	
142	Liberalized Depreciation - Corp Alloc	Corp Alloc ADIT change after proration	2,442,217		2,442,217	
143						
144						
145						
146						
147						
148						
149						
150		<u>FED ADIT after proration</u>				
151	Liberalized Depreciation - Generation	Generation	(5,816,865)		(5,816,865)	
152	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	380,463		380,463	
153	Liberalized Depreciation - Generation	Renewable generation	370,879		370,879	
154	Liberalized Depreciation - PV 3	PV3 generation pre 2018	192,588		192,588	
155	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(159,637)		(159,637)	
156	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(80,479)		(80,479)	
157	Liberalized Depreciation - Transmission	Transmission	(2,981,127)		(2,981,127)	

	A	B	AW	AX	AY	AZ
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5	Hyperlink to Lead Sheet					
6						
7		PNM	Total 2018	Proration	Test Period	
158	Liberalized Depreciation - HLM	HLM transmission	1,924		1,924	
159	Liberalized Depreciation - PV 3	PV3 transmission	33,245		33,245	
160	Liberalized Depreciation - Distribution	Distribution	(1,267,819)		(1,267,819)	
161	Liberalized Depreciation - Renewables	Renewable distribution	1,704,258		1,704,258	
162	Liberalized Depreciation - Other	General	1,025,445		1,025,445	
163	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-		-	
164	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	702,545		702,545	
165	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	438,986		438,986	
166	Liberalized Depreciation - Generation	PV3 generation post 2018	-		-	
167			-		-	
168		Total ADIT change after proration	(5,455,594)	-	(5,455,594)	
169			-		-	
170			-		-	
171						
172	Liberalized Depreciation - Corp Allocation	Corp Alloc FED ADIT change after proration	2,089,986		2,089,986	
173						
174						
175						
176						
177						
178						
179						
180		<u>STATE ADIT after proration</u>				
181	Liberalized Depreciation - Generation	Generation	(980,331)		(980,331)	
182	Liberalized Depreciation - Renewables	Renewable generation - pre 2015	64,120		64,120	
183	Liberalized Depreciation - Generation	Renewable generation	62,505		62,505	
184	Liberalized Depreciation - PV 3	PV3 generation pre 2018	32,457		32,457	
185	Liberalized Depreciation - SJ4 132 mW	132 mW Generation	(26,904)		(26,904)	
186	Liberalized Depreciation - SJ4 65 mW	65 mW Generation	(13,563)		(13,563)	
187	Liberalized Depreciation - Transmission	Transmission	(502,417)		(502,417)	
188	Liberalized Depreciation - HLM	HLM transmission	324		324	
189	Liberalized Depreciation - PV 3	PV3 transmission	5,603		5,603	
190	Liberalized Depreciation - Distribution	Distribution	(213,669)		(213,669)	
191	Liberalized Depreciation - Renewables	Renewable distribution	287,223		287,223	
192	Liberalized Depreciation - Other	General	172,821		172,821	
193	Liberalized Depreciation - Corp Allocation	Corporate Allocation	-		-	
194	Nuclear Fuel Amortization PV 1&2	Nuc Fuel 1&2	118,402		118,402	
195	Nuclear Fuel Amortization PV 3	Nuc Fuel 3	73,983		73,983	
196	Liberalized Depreciation - Generation	PV3 generation post 2018	-		-	
197			-		-	
198		Total ADIT change after proration	(919,445)	-	(919,445)	
199			-		-	
200			-		-	
201						
202	Liberalized Depreciation - Corp Allocation	Corp Alloc STATE ADIT change after proration	352,231		352,231	
203						
204						
205						
206		check	-	-	-	

Public Service Company of New Mexico

NMPRC Case No. 16-00276-UT

PNM Exhibit MFH-2

ADIT-13 Linkage & Test Period Depreciation Flow-Through Reversals

[Hyperlink to Lead Sheet](#)

Prorated ADIT Adjustment

		2016	2017	2018	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018
pre-acrs	282005	(65,471)	(22,053)	(22,053)	(651)	(597)	(537)	(478)	(418)	(360)	(299)	(239)	(181)	(121)	(62)	(2)
SJ4	282013	342,346	342,346	342,346	10,112	9,267	8,331	7,426	6,490	5,584	4,649	3,713	2,807	1,872	966	30
acrs	282003	2,579,416	2,111,543	2,282,056	67,408	61,774	55,536	49,499	43,262	37,225	30,987	24,750	18,713	12,475	6,439	201
SO2	281000	572,352	335,533	335,533	9,911	9,083	8,165	7,278	6,361	5,473	4,556	3,639	2,751	1,834	947	30
Total		3,428,643	2,767,369	2,937,882	86,780	79,526	71,496	63,725	55,694	47,923	39,893	31,862	24,091	16,061	8,289	259
Fed tax rate		32.83%	32.95%	33.05%												
State tax rate		6.19%	5.84%	5.57%												
Total tax rate		39.02%	38.79%	38.62%												
Total ADIT		1,337,856	1,073,462	1,134,610	94,551	94,551	94,551	94,551	94,551	94,551	94,551	94,551	94,551	94,551	94,551	94,551
					335	307	276	246	215	185	154	123	93	62	32	1
					365	365	365	365	365	365	365	365	365	365	365	365
					91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Prorated Change				525,599	86,780	79,526	71,496	63,725	55,694	47,923	39,893	31,862	24,091	16,061	8,289	259
Prorated Effect				(609,011)												
 Fed ADIT		1,125,623	911,848	970,970	80,914	80,914	80,914	80,914	80,914	80,914	80,914	80,914	80,914	80,914	80,914	80,914
					335	307	276	246	215	185	154	123	93	62	32	1
					365	365	365	365	365	365	365	365	365	365	365	365
					91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Prorated Change				449,794	74,264	68,057	61,184	54,534	47,662	41,011	34,139	27,267	20,616	13,744	7,094	222
Prorated Effect				(521,176)												
 State ADIT		212,233	161,614	163,640	13,637	13,637	13,637	13,637	13,637	13,637	13,637	13,637	13,637	13,637	13,637	13,637
					335	307	276	246	215	185	154	123	93	62	32	1
					365	365	365	365	365	365	365	365	365	365	365	365
					91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Prorated Change				75,805	12,516	11,470	10,312	9,191	8,033	6,912	5,754	4,595	3,475	2,316	1,196	37
Prorated Effect				(87,835)												

	A	B	C	D	E	F	G	H	I	J
1	Public Service Company of New Mexico									
2	NMPRC Case No. 16-00276-UT									
3	PNM Exhibit MFH-2									
4	ADIT-14 Linkage & Test Period ARAM Excess Deferred Tax Reversal									
5	Hyperlink to Lead Sheet									
6	Year	Production	Transmission & Distribution	General Plant	Total					
7										
8	1987			43,697	43,697					
9	1988			162,023	162,023					
10	1989			164,632	164,632					
11	1990			249,441	249,441					
12	1991			134,339	134,339					
13	1992			94,270	94,270					
14	1993			80,131	80,131					
15	1994			68,801	68,801					
16	1995			62,261	62,261					
17	1996	79,282		65,341	144,623					
18	1997	866,506	119,908	71,604	1,058,018					
19	1998	1,543,914	277,396	60,304	1,881,614					
20	1999	1,855,070	369,514	69,987	2,294,571					
21	2000	1,890,767	498,152	62,241	2,451,160					
22	2001-2005	5,256,310	4,054,958	379,573	9,690,841					
23	2006-2010	2,536,394	1,953,297	231,067	4,720,758					
24	2011-2015	2,331,107	1,029,421	203,957	3,564,485					
25	2016-2020	1,124,450	207,964	257,325	1,589,739					
26	2021-2025	198,947	(6,278)	123,073	315,742					
27	2026-2030	4,033	(6,278)	157,738	155,493					
28	2031-2035	807	(1,256)	-	(449)					
29										
30	Total	17,687,587	8,496,798	2,741,805	28,926,190					
31										
32	Payroll	11,228	1,868	11,350	24,446	thru 2019				
33	Payroll	2,823	470	2,853	6,146	thru 2028				
34										
35										
36										
37	New ARAM amort extending		82.68%	of gen thru 2053 for SJ life extension						
38										
39	Year	Prod	T&D	General	Total ARAM	w/ P/R	SJ U23 W/D	Total		
40										
41	2016 (3 Qtr)	168,668	31,195	38,599	238,461	256,795		256,795		
42										
43	Bal 9/30/16	1,159,570	162,957	499,537	1,822,064	1,956,827	(410,723)	1,546,104		
44										
45										
46	2016 (1 Qtr)	15,041	10,398	12,866	38,306	44,417		44,417		
47	2017	60,165	41,593	51,465	153,223	177,669		177,669		
48	2018	60,165	41,593	51,465	153,223	177,669	(25,257)	152,412		
49	2019	60,165	41,593	51,465	153,223	177,669	(25,257)	152,412		
50	2020	60,165	41,593	51,465	153,223	159,369	(22,837)	136,532		
51	2021	33,091	(1,256)	24,615	56,450	62,595	(12,926)	49,670		

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1	Public Service Company of New Mexico									
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4	ADIT-14 Linkage & Test Period ARAM Excess Deferred Tax Reversal									
5	Hyperlink to Lead Sheet									
52	2022	33,091	(1,256)	24,615	56,450	62,595	(12,926)	49,670		
53	2023	33,091	(1,256)	24,615	56,450	62,595	(12,926)	49,670		
54	2024	33,091	(1,256)	24,615	56,450	62,595	(12,926)	49,670		
55	2025	33,091	(1,256)	24,615	56,450	62,595	(12,926)	49,670		
56	2026	26,458	(1,256)	31,548	56,750	62,896	(10,498)	52,398		
57	2027	26,458	(1,256)	31,548	56,750	62,896	(10,498)	52,398		
58	2028	26,458	(1,256)	31,548	56,750	62,896	(10,498)	52,398		
59	2029	26,458	(1,256)	31,548	56,750	56,750	(9,685)	47,065		
60	2030	26,458	(1,256)	31,548	56,750	56,750	(9,685)	47,065		
61	2031	26,375	(251)	-	26,124	26,124	(9,655)	16,469		
62	2032	26,375	(251)	-	26,124	26,124	(9,655)	16,469		
63	2033	26,375	(251)	-	26,124	26,124	(9,655)	16,469		
64	2034	26,375	(251)	-	26,124	26,124	(9,655)	16,469		
65	2035	26,375	(251)	-	26,124	26,124	(9,655)	16,469		
66	2036	26,347			26,347	26,347	(9,645)	16,702		
67	2037	26,347			26,347	26,347	(9,645)	16,702		
68	2038	26,347			26,347	26,347	(9,645)	16,702		
69	2039	26,347			26,347	26,347	(9,645)	16,702		
70	2040	26,347			26,347	26,347	(9,645)	16,702		
71	2041	26,347			26,347	26,347	(9,645)	16,702		
72	2042	26,347			26,347	26,347	(9,645)	16,702		
73	2043	26,347			26,347	26,347	(9,645)	16,702		
74	2044	26,347			26,347	26,347	(9,645)	16,702		
75	2045	26,347			26,347	26,347	(9,645)	16,702		
76	2046	26,347			26,347	26,347	(9,645)	16,702		
77	2047	26,347			26,347	26,347	(9,645)	16,702		
78	2048	26,347			26,347	26,347	(9,645)	16,702		
79	2049	26,347			26,347	26,347	(9,645)	16,702		
80	2050	26,347			26,347	26,347	(9,645)	16,702		
81	2051	26,347			26,347	26,347	(9,645)	16,702		
82	2052	26,347			26,347	26,347	(9,645)	16,702		
83	2053	26,347			26,347	26,347	(9,645)	16,702		
84										
85	Total	1,159,570	162,957	499,537	1,822,064	1,956,827	(410,722)	1,546,104		
86		-	-	-	-	-	1	1		
87										
88										
89	Test Period adjustment		Total	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	7/31/2018
90	Before Proration		152,412	12,701	12,701	12,701	12,701	12,701	12,701	12,701
91				335	307	276	246	215	185	154
92				365	365	365	365	365	365	365
93				91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%
94	Prorated Change		70,604	11,657	10,683	9,604	8,560	7,481	6,438	5,359
95	Prorated Effect		(81,809)							

	A	K	L	M	N	O	P	Q	R	S	T
1	Public Service Co										
2	NMPRC Case No.										
3	PNM Exhibit MFH										
4	ADIT-14 Linkage										
5	Hyperlink to Lease										
6	Year										
7											
8	1987										
9	1988										
10	1989										
11	1990										
12	1991										
13	1992										
14	1993										
15	1994										
16	1995										
17	1996										
18	1997										
19	1998										
20	1999										
21	2000										
22	2001-2005										
23	2006-2010										
24	2011-2015										
25	2016-2020										
26	2021-2025										
27	2026-2030										
28	2031-2035										
29											
30	Total										
31											
32	Payroll										
33	Payroll										
34											
35											
36											
37	New ARAM amor										
38											
39	Year										
40											
41	2016 (3 Qtr)										
42											
43	Bal 9/30/16										
44		2015 unextended	2015 Extended	2016-20 unextended	2016-20 Extended	2021-25 unextended	2021-25 Extended	2026-30 unextended	2026-30 Extended	2031-35 unextended	2031-35 Extended
45											
46	2016 (1 Qtr)			9,738	5,304						
47	2017			38,951	21,215						
48	2018			38,951	21,215						
49	2019			38,951	21,215						
50	2020			38,951	21,215						
51	2021				21,215	6,892	4,985				

	A	K	L	M	N	O	P	Q	R	S	T
1	Public Service Co										
2	NMPRC Case No.										
3	PNM Exhibit MFH										
4	ADIT-14 Linkage										
5	Hyperlink to Lease										
52	2022				21,215	6,892	4,985				
53	2023				21,215	6,892	4,985				
54	2024				21,215	6,892	4,985				
55	2025				21,215	6,892	4,985				
56	2026				21,215		4,985	140	119		
57	2027				21,215		4,985	140	119		
58	2028				21,215		4,985	140	119		
59	2029				21,215		4,985	140	119		
60	2030				21,215		4,985	140	119		
61	2031				21,215		4,985		119	28	29
62	2032				21,215		4,985		119	28	29
63	2033				21,215		4,985		119	28	29
64	2034				21,215		4,985		119	28	29
65	2035				21,215		4,985		119	28	29
66	2036				21,215		4,985		119		29
67	2037				21,215		4,985		119		29
68	2038				21,215		4,985		119		29
69	2039				21,215		4,985		119		29
70	2040				21,215		4,985		119		29
71	2041				21,215		4,985		119		29
72	2042				21,215		4,985		119		29
73	2043				21,215		4,985		119		29
74	2044				21,215		4,985		119		29
75	2045				21,215		4,985		119		29
76	2046				21,215		4,985		119		29
77	2047				21,215		4,985		119		29
78	2048				21,215		4,985		119		29
79	2049				21,215		4,985		119		29
80	2050				21,215		4,985		119		29
81	2051				21,215		4,985		119		29
82	2052				21,215		4,985		119		29
83	2053				21,215		4,985		119		29
84											
85	Total	-	-	165,542	790,241	34,458	164,489	699	3,334	140	667
86					(0)		-		-		-
87											
88											
89	Test Period adjust	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018					
90	Before Proration	12,701	12,701	12,701	12,701	12,701					
91		123	93	62	32	1					
92		365	365	365	365	365					
93		33.70%	25.48%	16.99%	8.77%	0.27%					
94	Prorated Change	4,280	3,236	2,157	1,114	35					
95	Prorated Effect										

	A	B	C	D	E	F	G	H	I	J	K	L
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-15 Linkage & Test Period AFUDC & Book Capitalized Interest											
5	Hyperlink to Lead Sheet											
6												
7							FY18	FY18	FY18	FY18	FY18	FY18
8				2016 Linkage	2017 Linkage	Total Linkage	Jan	Feb	Mar	Apr	May	Jun
9	CORP_AND_OTHER = Corporate and Other	INCOME_\$	426~CT - Ca	(389,601)	(373,039)	(762,640)	(1,529)	(3,244)	(10,643)	(20,141)	(25,155)	(27,789)
10	PNM_ELECTRIC - PNM Electric	INCOME_\$	929~CT - Af	(111,726)	(484,784)	(596,510)	(12,089)	(15,098)	(20,066)	(24,109)	(27,534)	(32,456)
11	PNM_ELECTRIC - PNM Electric	INCOME_\$	928~CT - Af	(103,157)	(369,581)	(472,738)	(13,411)	(16,748)	(22,260)	(26,745)	(30,545)	(36,005)
12	PNM_ELECTRIC - PNM Electric	INCOME_\$	426~CT - Ca	(33,322)	(99,540)	(132,862)	(7,824)	(7,517)	(8,870)	(9,850)	(10,504)	(10,349)
13	PNM_TRANSMISSION - PNM Transmission	INCOME_\$	929~CT - Af	(518,340)	(2,186,627)	(2,704,967)	(125,087)	(138,566)	(150,782)	(80,279)	(87,681)	(58,899)
14	PNM_TRANSMISSION - PNM Transmission	INCOME_\$	928~CT - Af	(478,613)	(1,667,018)	(2,145,631)	(138,763)	(153,716)	(167,267)	(89,056)	(97,268)	(65,339)
15	PNM_TRANSMISSION - PNM Transmission	INCOME_\$	426~CT - Ca	(32,501)	(77,200)	(109,700)	(1,071)	(118)	(408)	(541)	(136)	(539)
16	PNM_BULK_POWER - PNM Bulk Power	INCOME_\$	929~CT - Af	(1,483,097)	(7,061,214)	(8,544,310)	(352,381)	(373,187)	(398,433)	(412,312)	(332,207)	(290,866)
17	PNM_BULK_POWER - PNM Bulk Power	INCOME_\$	928~CT - Af	(1,369,425)	(5,383,261)	(6,752,686)	(390,908)	(413,989)	(441,995)	(457,391)	(368,529)	(322,667)
18	PNM_BULK_POWER - PNM Bulk Power	INCOME_\$	426~CT - Ca	(80,888)	(212,765)	(293,653)	-	(13)	(29)	(70)	(146)	(191)
19												
20												
21	CORP_AND_OTHER = Corporate and Other	BALANCE_\$	426~CT - Ca	722,756	472,314	1,195,071	1,529	3,244	10,643	20,141	25,155	27,789
22	CORP_AND_OTHER = Corporate and Other	BALANCE_\$	426-Capital	(333,156)	(99,275)	(432,431)	-	-	-	-	-	-
23	PNM_ELECTRIC - PNM Electric	BALANCE_\$	929~CT - Af	167,396	504,907	672,303	12,089	15,098	20,066	24,109	27,534	32,456
24	PNM_ELECTRIC - PNM Electric	BALANCE_\$	928~CT - Af	154,572	384,935	539,507	13,411	16,748	22,260	26,745	30,545	36,005
25	PNM_ELECTRIC - PNM Electric	BALANCE_\$	426~CT - Ca	34,639	99,540	134,180	7,824	7,517	8,870	9,850	10,504	10,349
26	PNM_ELECTRIC - PNM Electric	BALANCE_\$	426-Capital	(1,318)	-	(1,318)	-	-	-	-	-	-
27	PNM_ELECTRIC - PNM Electric	BALANCE_\$	928-AFUDC	(51,415)	(15,354)	(66,769)	-	-	-	-	-	-
28	PNM_ELECTRIC - PNM Electric	BALANCE_\$	929-AFUDC	(55,670)	(20,123)	(75,793)	-	-	-	-	-	-
29	PNM_TRANSMISSION - PNM Transmission	BALANCE_\$	929~CT - Af	622,233	2,246,949	2,869,182	125,087	138,566	150,782	80,279	87,681	58,899
30	PNM_TRANSMISSION - PNM Transmission	BALANCE_\$	928~CT - Af	574,565	1,713,044	2,287,609	138,763	153,716	167,267	89,056	97,268	65,339
31	PNM_TRANSMISSION - PNM Transmission	BALANCE_\$	426~CT - Ca	39,811	78,471	118,282	1,071	118	408	541	136	539
32	PNM_TRANSMISSION - PNM Transmission	BALANCE_\$	426-Capital	(7,311)	(1,271)	(8,582)	-	-	-	-	-	-
33	PNM_TRANSMISSION - PNM Transmission	BALANCE_\$	928-AFUDC	(95,952)	(46,026)	(141,978)	-	-	-	-	-	-
34	PNM_TRANSMISSION - PNM Transmission	BALANCE_\$	929-AFUDC	(103,893)	(60,321)	(164,214)	-	-	-	-	-	-
35	PNM_BULK_POWER - PNM Bulk Power	BALANCE_\$	929~CT - Af	1,805,524	7,243,699	9,049,222	352,381	373,187	398,433	412,312	332,207	290,866
36	PNM_BULK_POWER - PNM Bulk Power	BALANCE_\$	928~CT - Af	1,667,208	5,522,499	7,189,706	390,908	413,989	441,995	457,391	368,529	322,667
37	PNM_BULK_POWER - PNM Bulk Power	BALANCE_\$	426~CT - Ca	126,797	230,799	357,596	-	13	29	70	146	191
38	PNM_BULK_POWER - PNM Bulk Power	BALANCE_\$	426-Capital	(45,909)	(18,034)	(63,943)	-	-	-	-	-	-
39	PNM_BULK_POWER - PNM Bulk Power	BALANCE_\$	928-AFUDC	(297,782)	(139,238)	(437,020)	-	-	-	-	-	-
40	PNM_BULK_POWER - PNM Bulk Power	BALANCE_\$	929-AFUDC	(322,427)	(182,485)	(504,912)	-	-	-	-	-	-
41												
42	Total AFUDC Equity			(2,113,162)	(9,732,625)	(11,845,788)	(489,558)	(526,851)	(569,281)	(516,700)	(447,423)	(382,222)
43	Total AFUDC Debt			(1,951,196)	(7,419,860)	(9,371,055)	(543,082)	(584,453)	(631,522)	(573,192)	(496,341)	(424,011)
44	Total Book Capitalized Interest			(536,311)	(762,545)	(1,298,855)	(10,425)	(10,892)	(19,950)	(30,602)	(35,942)	(38,868)
45												
46	Fed tax rate			32.83%	32.95%		33.05%	33.05%	33.05%	33.05%	33.05%	33.05%
47	State tax rate			6.19%	5.84%		5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
48	Total tax rate			39.02%	38.79%		38.62%	38.62%	38.62%	38.62%	38.62%	38.62%
49												
50							335	307	276	246	215	185
51							365	365	365	365	365	365
52							91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
53												
54	Total AFUDC Equity			(824,556)	(3,775,285)	(4,599,841)	(173,527)	(171,138)	(166,247)	(134,491)	(101,783)	(74,818)
55	Total AFUDC Debt			(761,356)	(2,878,164)	(3,639,520)	(192,500)	(189,849)	(184,424)	(149,195)	(112,911)	(82,998)
56	Total Book Capitalized Interest			(209,269)	(295,791)	(505,060)	(3,695)	(3,538)	(5,826)	(7,965)	(8,176)	(7,608)
57												

	A	B	C	D	E	F	G	H	I	J	K	L
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-15 Linkage & Test Period AFUDC & Book Capitalized Interest											
5	Hyperlink to Lead Sheet											
58	Fed AFUDC Equity			(693,751)	(3,206,900)	(3,900,651)	(148,500)	(146,455)	(142,270)	(115,094)	(87,103)	(64,027)
59	Fed AFUDC Debt			(640,577)	(2,444,844)	(3,085,421)	(164,736)	(162,468)	(157,825)	(127,677)	(96,627)	(71,028)
60	Fed Book Capitalized Interest			(176,071)	(251,258)	(427,329)	(3,162)	(3,028)	(4,986)	(6,816)	(6,997)	(6,511)
61												
62	State AFUDC Equity			(130,805)	(568,385)	(699,190)	(25,027)	(24,682)	(23,977)	(19,397)	(14,680)	(10,791)
63	State AFUDC Debt			(120,779)	(433,320)	(554,099)	(27,763)	(27,381)	(26,599)	(21,518)	(16,285)	(11,970)
64	State Book Capitalized Interest			(33,198)	(44,533)	(77,730)	(533)	(510)	(840)	(1,149)	(1,179)	(1,097)
65				-	-	-	-	-	-	-	-	-

	A	M	N	O	P	Q	R	S
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-15 Linkage & Test Period AFUDC & Bo							
5	Hyperlink to Lead Sheet							
6								
7		FY18	FY18	FY18	FY18	FY18	FY18	FY18
8		Jul	Aug	Sep	Oct	Nov	Dec	Test Year Total
9	CORP_AND_OTHER = Corporate and Other	(22,588)	(25,279)	(28,038)	(31,389)	(33,408)	(37,797)	(267,001)
10	PNM_ELECTRIC - PNM Electric	(32,341)	(33,617)	(38,042)	(39,087)	(41,930)	(43,927)	(360,298)
11	PNM_ELECTRIC - PNM Electric	(35,877)	(37,292)	(42,201)	(43,360)	(46,514)	(48,730)	(399,690)
12	PNM_ELECTRIC - PNM Electric	(11,556)	(4,663)	(4,922)	(4,015)	(4,101)	(4,454)	(88,625)
13	PNM_TRANSMISSION - PNM Transmission	(62,673)	(71,497)	(71,541)	(74,412)	(76,888)	(82,401)	(1,080,707)
14	PNM_TRANSMISSION - PNM Transmission	(69,525)	(79,314)	(79,363)	(82,547)	(85,295)	(91,410)	(1,198,864)
15	PNM_TRANSMISSION - PNM Transmission	(971)	(238)	(552)	(967)	(258)	(596)	(6,397)
16	PNM_BULK_POWER - PNM Bulk Power	(288,602)	(291,171)	(299,236)	(292,063)	(294,437)	(277,434)	(3,902,330)
17	PNM_BULK_POWER - PNM Bulk Power	(320,155)	(323,006)	(331,952)	(323,995)	(326,628)	(307,766)	(4,328,982)
18	PNM_BULK_POWER - PNM Bulk Power	(246)	(272)	-	-	-	-	(967)
19								
20								
21	CORP_AND_OTHER = Corporate and Other	22,588	25,279	28,038	31,389	33,408	37,797	267,001
22	CORP_AND_OTHER = Corporate and Other	-	-	-	-	-	-	-
23	PNM_ELECTRIC - PNM Electric	32,341	33,617	38,042	39,087	41,930	43,927	360,298
24	PNM_ELECTRIC - PNM Electric	35,877	37,292	42,201	43,360	46,514	48,730	399,690
25	PNM_ELECTRIC - PNM Electric	11,556	4,663	4,922	4,015	4,101	4,454	88,625
26	PNM_ELECTRIC - PNM Electric	-	-	-	-	-	-	-
27	PNM_ELECTRIC - PNM Electric	-	-	-	-	-	-	-
28	PNM_ELECTRIC - PNM Electric	-	-	-	-	-	-	-
29	PNM_TRANSMISSION - PNM Transmission	62,673	71,497	71,541	74,412	76,888	82,401	1,080,707
30	PNM_TRANSMISSION - PNM Transmission	69,525	79,314	79,363	82,547	85,295	91,410	1,198,864
31	PNM_TRANSMISSION - PNM Transmission	971	238	552	967	258	596	6,397
32	PNM_TRANSMISSION - PNM Transmission	-	-	-	-	-	-	-
33	PNM_TRANSMISSION - PNM Transmission	-	-	-	-	-	-	-
34	PNM_TRANSMISSION - PNM Transmission	-	-	-	-	-	-	-
35	PNM_BULK_POWER - PNM Bulk Power	288,602	291,171	299,236	292,063	294,437	277,434	3,902,330
36	PNM_BULK_POWER - PNM Bulk Power	320,155	323,006	331,952	323,995	326,628	307,766	4,328,982
37	PNM_BULK_POWER - PNM Bulk Power	246	272	-	-	-	-	967
38	PNM_BULK_POWER - PNM Bulk Power	-	-	-	-	-	-	-
39	PNM_BULK_POWER - PNM Bulk Power	-	-	-	-	-	-	-
40	PNM_BULK_POWER - PNM Bulk Power	-	-	-	-	-	-	-
41								
42	Total AFUDC Equity	(383,616)	(396,286)	(408,820)	(405,562)	(413,255)	(403,762)	(5,343,335)
43	Total AFUDC Debt	(425,558)	(439,613)	(453,517)	(449,903)	(458,438)	(447,906)	(5,927,535)
44	Total Book Capitalized Interest	(35,362)	(30,452)	(33,513)	(36,371)	(37,766)	(42,847)	(362,989)
45								
46	Fed tax rate	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%
47	State tax rate	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
48	Total tax rate	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%
49								
50		154	123	93	62	32	1	
51		365	365	365	365	365	365	
52		42.19%	33.70%	25.48%	16.99%	8.77%	0.27%	
53								
54	Total AFUDC Equity	(62,508)	(51,574)	(40,229)	(26,605)	(13,992)	(427)	(1,017,341)
55	Total AFUDC Debt	(69,342)	(57,213)	(44,627)	(29,514)	(15,522)	(474)	(1,128,569)
56	Total Book Capitalized Interest	(5,762)	(3,963)	(3,298)	(2,386)	(1,279)	(45)	(53,542)
57								

	A	M	N	O	P	Q	R	S
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-15 Linkage & Test Period AFUDC & Bo							
5	Hyperlink to Lead Sheet							
58	Fed AFUDC Equity	(53,493)	(44,136)	(34,427)	(22,768)	(11,974)	(366)	(870,614)
59	Fed AFUDC Debt	(59,341)	(48,961)	(38,190)	(25,257)	(13,283)	(406)	(965,800)
60	Fed Book Capitalized Interest	(4,931)	(3,392)	(2,822)	(2,042)	(1,094)	(39)	(45,820)
61								
62	State AFUDC Equity	(9,015)	(7,438)	(5,802)	(3,837)	(2,018)	(62)	(146,727)
63	State AFUDC Debt	(10,001)	(8,252)	(6,436)	(4,257)	(2,239)	(68)	(162,769)
64	State Book Capitalized Interest	(831)	(572)	(476)	(344)	(184)	(7)	(7,722)
65		-	-	-	-	-	-	-

	A	B	C	D	E	F	G	H	I	J
1	Public Service Company of New Mexico									
2	NMPRC Case No. 16-00276-UT									
3	PNM Exhibit MFH-2									
4	ADIT-16 Palo Verde Licensing Amortization									
5	Hyperlink to Lead Sheet									
6										
7										
8							FIT	SIT		
9	PV LICENSING AMORT.	PV1	PV2	PV3		Total	BALANCE	BALANCE	PV 1&2	PV 3
10										
11	1991	260,169	142,088	53,528		455,785	144,026	32,178	155,511	20,694
12	1992	260,169	142,088	53,528		455,785	144,026	32,178	155,511	20,694
13	1992AR	(392)	(392)	(392)		(1,176)	(372)	(83)	(303)	(152)
14	1993	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
15	90 & 91 IRS EXAM FOR 1990	260,169	142,088	53,528		455,785	144,026	32,178	155,511	20,694
16	1994	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
17	1995	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
18	1996	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
19	1997	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
20	1998	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
21	1999	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
22	2000	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
23	2001	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
24	2002	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
25	2003	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
26	2004	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
27	2005	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
28	2006	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
29	2007	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
30	2008	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
31	2009	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
32	2010	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
33	2011	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
34	2012	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
35	2013	259,777	141,696	53,136		454,609	147,880	32,095	158,939	21,036
36	2014	259,777	141,696	53,136		454,609	148,293	30,913	158,261	20,946
37	2015		133,156	53,136		186,292	60,997	12,016	52,187	20,825
38	2016			53,136		53,136	17,446	3,289	-	20,736
39	2017			53,136		53,136	17,512	3,103	-	20,615
40	2018			53,136		53,136	17,562	2,960	-	20,521
41										
42										
43										
44	TOTAL PV LICENSING AMORT	6,495,209	3,676,340	1,541,728	0	11,713,277	3,798,992	822,737	4,014,400	607,329

	A	B	C	D	E	F	G	H	I	J	K	L
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-17 High Lonesome Mesa Reclass											
5	Hyperlink to Lead Sheet											
6	utility_account	asset_location	Year	depr_group	book_cost	allocated_reserve	net_book_value	Tax Method	Tax Life		2013	2014
7	23530 - Station Equip	Belen Switch	2001	002 3530 Station	324,172	106,103	218,068	30%	15		290,678	13,388
8	23550 - Poles & Fixtures	Belen-Willard	2001	002 3550 Poles &	20,407	7,412	12,995	30%	15		18,299	843
9	23550 - Poles & Fixtures	Belen-Willard	2001	002 3550 Poles &	4,437	1,612	2,826	30%	15		3,979	183
10	23500 - Land	Belen Switch	2001	002 3500 Land	1,672	-	1,672	30%	ND		-	-
11	23550 - Poles & Fixtures	Belen-Willard	2001	002 3550 Poles &	39,421	14,318	25,103	30%	15		35,348	1,628
12	23550 - Poles & Fixtures	Belen-Willard	2001	002 3550 Poles &	10,769	3,911	6,857	30%	15		9,656	445
13	23530 - Station Equip	Belen Switch	2003	002 3530 Station	54,040	15,480	38,561	50%	15		46,861	1,594
14	23550 - Poles & Fixtures	Belen-Willard	2008	002 3550 Poles &	8,259	1,536	6,722	50%	15		5,943	244
15	23560 - Overhead Conductors & Devic	Belen-Willard	2008	002 3560 OH Cor	470	88	382	50%	15		338	14
16	23560 - Overhead Conductors & Devic	Belen-Willard	2009	002 3560 OH Cor	71,747	11,538	60,209	50%	15		49,391	2,235
17	23550 - Poles & Fixtures	Belen-Willard	2009	002 3550 Poles &	0	-	0	50%	15		0	0
18	23550 - Poles & Fixtures	Belen-Willard	2009	002 3550 Poles &	63,336	10,221	53,114	50%	15		43,600	1,973
19	23560 - Overhead Conductors & Devic	Belen-Willard	2009	002 3560 OH Cor	(0)	-	(0)	50%	15		(0)	(0)
20	23550 - Poles & Fixtures	Belen-Willard	2009	002 3550 Poles &	186,470	30,093	156,378	50%	15		128,366	5,809
21	23550 - Poles & Fixtures	Belen-Willard	2009	002 3550 Poles &	104,390	16,847	87,544	50%	15		71,862	3,252
22	23550 - Poles & Fixtures	Belen-Willard	2009	002 3550 Poles &	143,588	23,172	120,416	50%	15		98,846	4,473
23	23550 - Poles & Fixtures	Belen-Willard	2009	002 3550 Poles &	140,700	22,706	117,994	50%	15		96,858	4,383
24	23550 - Poles & Fixtures	Belen-Willard	2009	002 3550 Poles &	68,906	11,120	57,786	50%	15		47,435	2,146
25	23550 - Poles & Fixtures	Belen-Willard	2010	002 3550 Poles &	727,397	99,686	627,712	50%	15		475,536	25,204
26	23550 - Poles & Fixtures	Belen-Willard	2010	002 3550 Poles &	849,543	116,425	733,118	50%	15		555,389	29,437
27	23560 - Overhead Conductors & Devic	Belen-Willard	2010	002 3560 OH Cor	1,439,222	195,154	1,244,068	50%	15		940,891	49,869
28	23501 - Co. 2 Land Right Of Way	Belen-Willard	2010	002 3501 Land Ri	1,222,830	196,681	1,026,148	50%	ND		-	-
29	23560 - Overhead Conductors & Devic	Belen-Willard	2010	002 3560 OH Cor	146,324	19,841	126,483	50%	15		95,659	5,070
30	23501 - Co. 2 Land Right Of Way	Belen-Willard	2010	002 3501 Land Ri	202,786	32,616	170,170	50%	ND		-	-
31	23501 - Co. 2 Land Right Of Way	Belen-Willard	2010	002 3501 Land Ri	649,772	104,510	545,261	50%	ND		-	-
32	23501 - Co. 2 Land Right Of Way	Belen-Willard	2010	002 3501 Land Ri	426,279	68,563	357,715	50%	ND		-	-
33	23560 - Overhead Conductors & Devic	Belen-Willard	2010	002 3560 OH Cor	1,769,265	239,907	1,529,359	50%	15		1,156,657	61,305
34	23550 - Poles & Fixtures	Belen-Willard	2010	002 3550 Poles &	4,606,958	631,357	3,975,601	50%	15		3,011,799	159,631
35	23550 - Poles & Fixtures	Belen-Willard	2010	002 3550 Poles &	367,086	50,307	316,779	50%	15		239,982	12,720
36	23560 - Overhead Conductors & Devic	Belen-Willard	2010	002 3560 OH Cor	85,259	11,561	73,698	50%	15		55,738	2,954
37	23550 - Poles & Fixtures	Belen-Willard	2010	002 3550 Poles &	3,991,933	547,071	3,444,862	50%	15		2,609,726	138,320
38	23560 - Overhead Conductors & Devic	Belen-Willard	2010	002 3560 OH Cor	51,924	7,041	44,884	50%	15		33,946	1,799
39	23550 - Poles & Fixtures	Belen-Willard	2010	002 3550 Poles &	231,088	31,669	199,419	50%	15		151,074	8,007
40	23560 - Overhead Conductors & Devic	Belen-Willard	2010	002 3560 OH Cor	295,444	40,061	255,383	50%	15		193,147	10,237
41	23550 - Poles & Fixtures	Belen-Willard	2010	002 3550 Poles &	6,244	856	5,389	50%	15		4,082	216
42	23560 - Overhead Conductors & Devic	Belen-Willard	2010	002 3560 OH Cor	176,193	23,891	152,301	50%	15		115,186	6,105
43	23530 - Station Equip	HLM - Belen	2012	002 3530 Station	1,143,618	105,227	1,038,391	50%	15		654,721	48,890
44	23520 - Structures & Improvement	Belen Switch	2012	002 3520 Structu	254,711	23,291	231,420	50%	15		145,822	10,889
45	23540 - Towers & Fixtures	HLM - Belen	2012	002 3540 Towers	151,915	14,155	137,760	50%	15		86,971	6,494
46	23501 - Co. 2 Land Right Of Way	Belen-Willard	2012	002 3501 Land Ri	92,587	9,928	82,659	50%	ND		-	-
47	23530 - Station Equip	Belen Switch	2012	002 3530 Station	6,421	591	5,830	50%	15		3,676	274
48	23590 - Roads & Trails	Belen Switch	2012	002 3590 Roads &	294,945	21,093	273,852	50%	15		168,856	12,609
49	23500 - Land	Belen Switch	2012	002 3500 Land	184,117	-	184,117	50%	ND		-	-
50	23530 - Station Equip	Belen Switch	2012	002 3530 Station	3,415,152	314,237	3,100,915	50%	15		1,955,175	145,998
51	23550 - Poles & Fixtures	Belen-Willard	2014	002 3550 Poles &	18,653	815	17,838	50%	15		-	9,793

	A	B	C	D	E	F	G	H	I	J	K	L
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-17 High Lonesome Mesa Reclass											
5	Hyperlink to Lead Sheet											
6	utility_account	asset_location	Year	depr_group	book_cost	allocated_reserve	net_book_value	Tax Method	Tax Life		2013	2014
52	23550 - Poles & Fixtures	LZ-Belen - La	2015	002 3550 Poles &	357,486	7,706	349,780	50%	15		-	-
53	23530 - Station Equip	Belen Switch	2016	002 3530 Station	41,475	243	41,232	50%	15		-	-
54	23550 - Poles & Fixtures	Belen-Willard	2016	002 3550 Poles &	17,160	92	17,069	50%	15		-	-
55												
56					24,466,572	3,190,731	21,275,841				13,601,493	788,432
57											87.01%	5.04%
58	Base Period Accumulated Tax Depreciation										13,601,493	788,432
59	Base Period Accumulated Book Depreciation											
60	Temporary Difference											
61												
62	Linkage 2016											
63	Linkage 2017											
64	Test Period											
65												
66	Fed Rate										32.53%	32.62%
67	State Rate										7.06%	6.80%
68	Total Rate										39.59%	39.42%
69												
70	Base Period											
71	Fed ADIT										3,521,302	204,689
72	State ADIT										764,253	42,670
73	Total ADIT										4,285,556	247,358
74												
75	Linkage and Test											
76	Fed ADIT											
77	State ADIT											
78	Total ADIT											
79												
80												
81	Test Period Proration											
82	Month		1	2	3	4	5	6	7	8	9	10
83	Numerator Days		335	307	276	246	215	185	154	123	93	62
84	Denominator Days		365	365	365	365	365	365	365	365	365	365
85	Proration Percentage		91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%
86												
87	Fed ADIT		15,976	14,641	13,162	11,732	10,253	8,823	7,344	5,866	4,435	2,957
88	State ADIT		2,692	2,467	2,218	1,977	1,728	1,487	1,238	989	747	498
89	Total ADIT		18,669	17,108	15,381	13,709	11,981	10,309	8,582	6,854	5,183	3,455

	A	M	N	O	P	Q	R	S	T	U	V	W
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-17 High Lonesome Mesa Reclass											
5	Hyperlink to Lead Sheet											
6	utility_account	2015	2016	2017	2018	Total						
7	23530 - Station Equip	13,411	6,694	-	-					MACRS Rates		
8	23550 - Poles & Fixtures	844	421	-	-		year	3	5	7	15	
9	23550 - Poles & Fixtures	184	92	-	-		1	16.67%	20.00%	14.29%	5.00%	
10	23500 - Land	-	-	-	-		2	50.00%	52.00%	38.78%	14.50%	
11	23550 - Poles & Fixtures	1,631	814	-	-		3	83.33%	71.20%	56.27%	23.05%	
12	23550 - Poles & Fixtures	446	222	-	-		4	100.00%	82.72%	68.76%	30.75%	
13	23530 - Station Equip	1,597	1,594	1,597	797		5	100.00%	94.24%	77.69%	37.68%	
14	23550 - Poles & Fixtures	244	244	244	244		6	100.00%	100.00%	86.61%	43.91%	
15	23560 - Overhead Conductors & Devic	14	14	14	14		7	100.00%	100.00%	95.54%	49.81%	
16	23560 - Overhead Conductors & Devic	2,117	2,117	2,120	2,117		8	100.00%	100.00%	100.00%	55.71%	
17	23550 - Poles & Fixtures	0	0	0	0		9	100.00%	100.00%	100.00%	61.62%	
18	23550 - Poles & Fixtures	1,868	1,868	1,872	1,868		10	100.00%	100.00%	100.00%	67.52%	
19	23560 - Overhead Conductors & Devic	(0)	(0)	(0)	(0)		11	100.00%	100.00%	100.00%	73.43%	
20	23550 - Poles & Fixtures	5,501	5,501	5,510	5,501		12	100.00%	100.00%	100.00%	79.33%	
21	23550 - Poles & Fixtures	3,080	3,080	3,085	3,080		13	100.00%	100.00%	100.00%	85.24%	
22	23550 - Poles & Fixtures	4,236	4,236	4,243	4,236		14	100.00%	100.00%	100.00%	91.14%	
23	23550 - Poles & Fixtures	4,151	4,151	4,158	4,151		15	100.00%	100.00%	100.00%	97.05%	
24	23550 - Poles & Fixtures	2,033	2,033	2,036	2,033		16	100.00%	100.00%	100.00%	100.00%	
25	23550 - Poles & Fixtures	22,658	21,458	21,458	21,495		17	100.00%	100.00%	100.00%	100.00%	
26	23550 - Poles & Fixtures	26,463	25,062	25,062	25,104		18	100.00%	100.00%	100.00%	100.00%	
27	23560 - Overhead Conductors & Devic	44,832	42,457	42,457	42,529		19	100.00%	100.00%	100.00%	100.00%	
28	23501 - Co. 2 Land Right Of Way	-	-	-	-		20	100.00%	100.00%	100.00%	100.00%	
29	23560 - Overhead Conductors & Devic	4,558	4,317	4,317	4,324		21	100.00%	100.00%	100.00%	100.00%	
30	23501 - Co. 2 Land Right Of Way	-	-	-	-		22	100.00%	100.00%	100.00%	100.00%	
31	23501 - Co. 2 Land Right Of Way	-	-	-	-		23	100.00%	100.00%	100.00%	100.00%	
32	23501 - Co. 2 Land Right Of Way	-	-	-	-		24	100.00%	100.00%	100.00%	100.00%	
33	23560 - Overhead Conductors & Devic	55,113	52,193	52,193	52,282		25	100.00%	100.00%	100.00%	100.00%	
34	23550 - Poles & Fixtures	143,507	135,905	135,905	136,136		26	100.00%	100.00%	100.00%	100.00%	
35	23550 - Poles & Fixtures	11,435	10,829	10,829	10,847		27	100.00%	100.00%	100.00%	100.00%	
36	23560 - Overhead Conductors & Devic	2,656	2,515	2,515	2,519		28	100.00%	100.00%	100.00%	100.00%	
37	23550 - Poles & Fixtures	124,349	117,762	117,762	117,962		29	100.00%	100.00%	100.00%	100.00%	
38	23560 - Overhead Conductors & Devic	1,617	1,532	1,532	1,534		30	100.00%	100.00%	100.00%	100.00%	
39	23550 - Poles & Fixtures	7,198	6,817	6,817	6,829		31	100.00%	100.00%	100.00%	100.00%	
40	23560 - Overhead Conductors & Devic	9,203	8,716	8,716	8,730		32	100.00%	100.00%	100.00%	100.00%	
41	23550 - Poles & Fixtures	195	184	184	185		33	100.00%	100.00%	100.00%	100.00%	
42	23560 - Overhead Conductors & Devic	5,488	5,198	5,198	5,206		34	100.00%	100.00%	100.00%	100.00%	
43	23530 - Station Equip	44,029	39,626	35,624	33,737		35	100.00%	100.00%	100.00%	100.00%	
44	23520 - Structures & Improvement	9,806	8,826	7,934	7,514		36	100.00%	100.00%	100.00%	100.00%	
45	23540 - Towers & Fixtures	5,849	5,264	4,732	4,481		37	100.00%	100.00%	100.00%	100.00%	
46	23501 - Co. 2 Land Right Of Way	-	-	-	-		38	100.00%	100.00%	100.00%	100.00%	
47	23530 - Station Equip	247	222	200	189		39	100.00%	100.00%	100.00%	100.00%	
48	23590 - Roads & Trails	11,355	10,220	9,188	8,701		40	100.00%	100.00%	100.00%	100.00%	
49	23500 - Land	-	-	-	-							
50	23530 - Station Equip	131,483	118,335	106,382	100,747							
51	23550 - Poles & Fixtures	886	797	718	646							

	A	M	N	O	P	Q	R	S	T	U	V	W
1	Public Service Company of New Mexico											
2	NMPRC Case No. 16-00276-UT											
3	PNM Exhibit MFH-2											
4	ADIT-17 High Lonesome Mesa Reclass											
5	Hyperlink to Lead Sheet											
6	utility_account	2015	2016	2017	2018	Total						
52	23550 - Poles & Fixtures	187,680	16,981	15,283	13,763							
53	23530 - Station Equip	-	21,775	1,970	1,773							
54	23550 - Poles & Fixtures	-	9,009	815	734							
55												
56		891,963	699,080	642,668	632,007							
57		5.71%	2.24%									
58	Base Period Accumulated Tax Depreciation	891,963	349,540			15,631,427						
59	Base Period Accumulated Book Depreciation					(3,190,731)						
60	Temporary Difference					12,440,696						
61												
62	Linkage 2016		349,540			349,540						
63	Linkage 2017			642,668		642,668						
64	Test Period				632,007	632,007						
65												
66	Fed Rate	32.74%	32.83%	32.95%	33.05%							
67	State Rate	6.45%	6.19%	5.84%	5.57%							
68	Total Rate	39.19%	39.02%	38.79%	38.62%							
69												
70	Base Period											
71	Fed ADIT	232,437	91,340			4,049,768						
72	State ADIT	45,788	17,220			869,931						
73	Total ADIT	278,225	108,560			4,919,699						
74												
75	Linkage and Test											
76	Fed ADIT		114,766	211,733	208,881	535,381						
77	State ADIT		21,637	37,532	35,203	94,371						
78	Total ADIT		136,403	249,265	244,084	629,752						
79												
80												
81	Test Period Proration											
82	Month	11	12									
83	Numerator Days	32	1									
84	Denominator Days	365	365									
85	Proration Percentage	8.77%	0.27%									
86												
87	Fed ADIT	1,526	48									
88	State ADIT	257	8									
89	Total ADIT	1,783	56									

	A	B	C	D	E
1	Public Service Company of New Mexico				
2	NMPRC Case No. 16-00276-UT				
3	PNM Exhibit MFH-2				
4	ADIT-18 Palo Verde Lease Acquisition Adjustment				
5	Hyperlink to Lead Sheet				
6		As filed	Per Final Order	Allowed	Excluded
7					
8	Gross Plant Addition	216,909,589	200,891,381		
9	Accumulated Depreciation	(114,610,340)	(119,272,297)		
10	Net Plant Addition	102,299,249	81,619,084	81,619,084	
11					
12	Acquisition Adjustment	61,230,751	82,156,569		82,156,569
13	Transaction Costs		(245,653)		(245,653)
14	Total Tax Basis included in Rates	163,530,000	163,530,000	81,619,084	81,910,916
15					
16	Tax Depreciation				
17	2016	8,176,500	8,176,500	4,080,954	4,095,546
18	2017	15,535,350	15,535,350		
19	2018	13,981,815	13,981,815		
20					
21	Base Period Adjustment				
22	Tax Depr through 06/30/2016				2,047,773
23	Book Amort through 06/30/2016				(1,139,138)
24	Temporary Difference				908,635
25	Fed ADIT at 39.02%				298,305
26	State ADIT at 39.02%				56,245
27	No Linkage or Test Period adjustment required because PV2 64.1 mW acquisition				
28	adjustment is not included in projected depreciation used for those periods.				

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-19 Balanced Draft Technology Adjustment								
5	Hyperlink to Lead Sheet								
6			2015	2016	Total	Thru 6/30	Base ADIT reversal	2016 Link ADIT Reversal	2017 Link ADIT Reversal
7									
8	Clearings		53,536,669		53,536,669				
9	AFUDC Equity (immaterial, under \$100k)				-				
10	AFUDC Debt (immaterial)				-				
11	Tax Basis		53,536,669	-	53,536,669				
12									
13	132mW	24.37%	13,047,352		13,047,352				
14	Other	75.63%	40,489,317		40,489,317				
15									
16									
17	Book Depr								
18	2015				594,029	594,029	232,800		
19	2016								
20	2017								
21	2018								
22	Total		-	-	594,029	594,029			
23									
24	Fed tax rate		32.74%					32.83%	32.95%
25	State tax rate		6.45%					6.19%	5.84%
26	Total tax rate		39.19%					39.02%	38.79%
27									
28	Tax Depreciation (full years)								
29	2015		27,772,147		27,772,147	27,772,147	(10,883,904)		
30	2016		1,932,674	-	1,932,674	966,337	(377,065)	(377,065)	
31	2017		1,787,589	-	1,787,589				(693,406)
32	2018		1,653,748	-	1,653,748				
33	Total ADIT Adjustment		33,146,158	-	33,146,158	28,738,484	(11,028,169)	(377,065)	(693,406)
34									
35									
36									
37									
38									Prorated Change
39	2015						(8,898,116)		Proration Effect
40	2016						(317,248)	(317,248)	
41	2017								(589,011)
42	2018								
43	Fed ADIT Adjustment		-	-	-	-	(9,215,364)	(317,248)	(589,011)
44									
45									
46									

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-19 Balanced Draft Technology Adjustment								
5	Hyperlink to Lead Sheet								
6			2015	2016	Total	Thru 6/30	Base ADIT reversal	2016 Link ADIT Reversal	2017 Link ADIT Reversal
47									Prorated Change
48									Proration Effect
49	2015						(1,752,989)		
50	2016						(59,816)	(59,816)	
51	2017								(104,395)
52	2018								
53	State ADIT Adjustment		-	-	-	-	(1,812,805)	(59,816)	(104,395)
54									
55									
56									
57									Prorated Change
58									Proration Effect
59									
60	Check						-	-	-

	A	J	K	L	M	N	O	P	Q
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-19 Balanced Draft Technology Adjustment								
5	Hyperlink to Lead Sheet								
6		2018 Test ADIT Reversal	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	7/31/2018
7									
8	Clearings								
9	AFUDC Equity (immaterial, under \$100k)								
10	AFUDC Debt (immaterial)								
11	Tax Basis								
12									
13	132mW								
14	Other								
15									
16									
17	Book Depr								
18	2015								
19	2016								
20	2017								
21	2018								
22	Total								
23									
24	Fed tax rate	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%	33.05%
25	State tax rate	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
26	Total tax rate	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%	38.62%
27									
28	Tax Depreciation (full years)								
29	2015								
30	2016								
31	2017								
32	2018	(638,677)	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)
33	Total ADIT Adjustment	(638,677)	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)
34			335	307	276	246	215	185	154
35			365	365	365	365	365	365	365
36			91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%
37		(295,862)	(48,849)	(44,766)	(40,245)	(35,871)	(31,351)	(26,976)	(22,456)
38		342,815							
39	2015								
40	2016								
41	2017								
42	2018	(546,564)							
43	Fed ADIT Adjustment	(546,564)	(45,547)	(45,547)	(45,547)	(45,547)	(45,547)	(45,547)	(45,547)
44			335	307	276	246	215	185	154
45			365	365	365	365	365	365	365
46			91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%

	A	J	K	L	M	N	O	P	Q
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-19 Balanced Draft Technology Adjustment								
5	Hyperlink to Lead Sheet								
6		2018 Test ADIT Reversal	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	7/31/2018
47		(253,191)	(41,803)	(38,309)	(34,441)	(30,697)	(26,829)	(23,085)	(19,217)
48		293,372							
49	2015								
50	2016								
51	2017								
52	2018	(92,114)							
53	State ADIT Adjustment	(92,114)	(7,676)	(7,676)	(7,676)	(7,676)	(7,676)	(7,676)	(7,676)
54			335	307	276	246	215	185	154
55			365	365	365	365	365	365	365
56			91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%
57		(42,671)	(7,045)	(6,456)	(5,804)	(5,174)	(4,522)	(3,891)	(3,239)
58		49,443							
59									
60	Check	-	-	-	-	-	-	-	-

	A	R	S	T	U	V
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-19 Balanced Draft Technology Adjustment					
5	Hyperlink to Lead Sheet					
6		8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018
7						
8	Clearings					
9	AFUDC Equity (immaterial, under \$100k)					
10	AFUDC Debt (immaterial)					
11	Tax Basis					
12						
13	132mW					
14	Other					
15						
16						
17	Book Depr					
18	2015					
19	2016					
20	2017					
21	2018					
22	Total					
23						
24	Fed tax rate	33.05%	33.05%	33.05%	33.05%	33.05%
25	State tax rate	5.57%	5.57%	5.57%	5.57%	5.57%
26	Total tax rate	38.62%	38.62%	38.62%	38.62%	38.62%
27						
28	Tax Depreciation (full years)					
29	2015					
30	2016					
31	2017					
32	2018	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)
33	Total ADIT Adjustment	(53,223)	(53,223)	(53,223)	(53,223)	(53,223)
34		123	93	62	32	1
35		365	365	365	365	365
36		33.70%	25.48%	16.99%	8.77%	0.27%
37		(17,935)	(13,561)	(9,041)	(4,666)	(146)
38						
39	2015					
40	2016					
41	2017					
42	2018					
43	Fed ADIT Adjustment	(45,547)	(45,547)	(45,547)	(45,547)	(45,547)
44		123	93	62	32	1
45		365	365	365	365	365
46		33.70%	25.48%	16.99%	8.77%	0.27%

	A	R	S	T	U	V
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-19 Balanced Draft Technology Adjustment					
5	Hyperlink to Lead Sheet					
6		8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018
47		(15,349)	(11,605)	(7,737)	(3,993)	(125)
48						
49	2015					
50	2016					
51	2017					
52	2018					
53	State ADIT Adjustment	(7,676)	(7,676)	(7,676)	(7,676)	(7,676)
54		123	93	62	32	1
55		365	365	365	365	365
56		33.70%	25.48%	16.99%	8.77%	0.27%
57		(2,587)	(1,956)	(1,304)	(673)	(21)
58						
59						
60	Check	-	-	-	-	-

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-20 PV2 Leasehold Improvements Adjustment							
5	Hyperlink to Lead Sheet							
6	FERC	In Service	Original Cost	Tax Method	Tax Life	2013	2014	2015
7	3030	2005	71,217	0%	3	71,217	-	-
8	3030	2006	6,411	0%	3	6,411	-	-
9	3030	2007	13,980	0%	3	13,980	-	-
10	3030	2008	13,069	50%	3	13,069	-	-
11	3030	2009	137,189	50%	3	137,189	-	-
12	3030	2010	61,253	50%	3	61,253	-	-
13	3030	2011	425,157	100%	3	425,157	-	-
14	3030	2012	26,508	50%	3	19,881	4,418	2,209
15	3030	2013	124,227	50%	3	72,468	20,702	20,702
16	3030	2014	92,255	50%	3	-	53,817	15,374
17	3030	2015	17,511	50%	3	-	-	10,215
18	3200	1986	59	0	ND	-	-	-
19	3200	2004	5,780	0%	ND	-	-	-
20	3200	2009	51,655	0%	ND	-	-	-
21	3200	2016	(0)	0%	ND	-	-	-
22	3210	1986	50,023	0%	10	50,023	-	-
23	3210	1987	4,255	0%	15	4,255	-	-
24	3210	1988	10,577	0%	15	10,577	-	-
25	3210	1989	340,223	0%	15	340,223	-	-
26	3210	1990	216,695	0%	15	216,695	-	-
27	3210	1991	23,605	0%	15	23,605	-	-
28	3210	1992	33,948	0%	15	33,948	-	-
29	3210	1993	191,662	0%	15	191,662	-	-
30	3210	1994	63,620	0%	15	63,620	-	-
31	3210	1995	70,895	0%	15	70,895	-	-
32	3210	1996	278,778	0%	15	278,778	-	-
33	3210	1997	56,159	0%	15	56,159	-	-
34	3210	1998	21,282	0%	15	21,282	-	-
35	3210	1999	697,924	0%	15	677,335	20,589	-
36	3210	2000	158,955	0%	15	144,871	9,394	4,689
37	3210	2001	2,035	30%	15	1,825	84	84
38	3210	2002	4,696	30%	15	4,016	194	194
39	3210	2003	6,612	50%	15	5,733	195	195
40	3210	2004	47,504	50%	15	39,789	1,404	1,401
41	3210	2005	238,575	0%	15	147,010	14,076	14,100
42	3210	2006	768,155	0%	15	427,939	45,398	45,321
43	3210	2007	240,816	0%	15	119,950	14,208	14,232
44	3210	2008	797,462	50%	15	573,814	23,525	23,525
45	3210	2009	1,713,063	50%	15	1,179,273	53,362	50,535
46	3210	2010	485,273	50%	15	317,247	16,815	15,116
47	3210	2011	1,891,206	100%	15	1,891,206	-	-
48	3210	2012	534,666	50%	15	306,096	22,857	20,585
49	3210	2013	2,694,703	50%	15	1,414,719	127,998	115,199
50	3210	2014	677,939	50%	15	-	355,918	32,202
51	3210	2015	405,740	50%	15	-	-	213,014
52	3210	2016	189,802	50%	15	-	-	-
53	3220	1986	-	0%	15	-	-	-
54	3220	1987	7,888	0%	15	7,888	-	-
55	3220	1988	-	0%	15	-	-	-
56	3220	1989	35,585	0%	15	35,585	-	-
57	3220	1990	33,401	0%	15	33,401	-	-
58	3220	1991	33	0%	15	33	-	-
59	3220	1992	492,584	0%	15	492,584	-	-
60	3220	1993	318,427	0%	15	318,427	-	-
61	3220	1994	134,006	0%	15	134,006	-	-
62	3220	1995	48,133	0%	15	48,133	-	-
63	3220	1996	284,071	0%	15	284,071	-	-
64	3220	1997	292,973	0%	15	292,973	-	-
65	3220	1998	7,271	0%	15	7,271	-	-
66	3220	1999	11,243,703	0%	15	10,912,013	331,689	-
67	3220	2000	128,383	0%	15	117,008	7,587	3,787

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-20 PV2 Leasehold Improvements Adjustment							
5	Hyperlink to Lead Sheet							
6	FERC	In Service	Original Cost	Tax Method	Tax Life	2013	2014	2015
68	3220	2001	265,739	30%	15	238,283	10,975	10,994
69	3220	2002	22,161	30%	15	18,954	917	915
70	3220	2003	253,333	50%	15	219,677	7,473	7,486
71	3220	2004	134,939	50%	15	113,025	3,987	3,981
72	3220	2005	74,202	0%	15	45,723	4,378	4,385
73	3220	2006	426,135	0%	15	237,400	25,185	25,142
74	3220	2007	38,644	0%	15	19,249	2,280	2,284
75	3220	2008	157,523	50%	15	113,345	4,647	4,647
76	3220	2009	4,351,468	50%	15	2,995,550	135,548	128,368
77	3220	2010	127,582	50%	15	83,407	4,421	3,974
78	3220	2011	451,397	100%	15	451,397	-	-
79	3220	2012	221,134	50%	15	126,599	9,453	8,514
80	3220	2013	725,124	50%	15	380,690	34,443	30,999
81	3220	2014	1,668,698	50%	15	-	876,066	79,263
82	3220	2015	5,182,592	50%	15	-	-	2,720,861
83	3220	2016	46,829	50%	15	-	-	-
84	3230	1987	-	0%	15	-	-	-
85	3230	1988	-	0%	15	-	-	-
86	3230	1990	45,598	0%	15	45,598	-	-
87	3230	1992	-	0%	15	-	-	-
88	3230	1993	14,331	0%	15	14,331	-	-
89	3230	1994	6,389	0%	15	6,389	-	-
90	3230	1995	8,857	0%	15	8,857	-	-
91	3230	1996	29,352	0%	15	29,352	-	-
92	3230	1997	293,879	0%	15	293,879	-	-
93	3230	1998	-	0%	15	-	-	-
94	3230	1999	136,909	0%	15	132,870	4,039	-
95	3230	2000	5,316	0%	15	4,845	314	157
96	3230	2001	30,455	30%	15	27,309	1,258	1,260
97	3230	2002	111,613	30%	15	95,463	4,617	4,610
98	3230	2003	2,404,474	50%	15	2,085,040	70,932	71,052
99	3230	2004	2,194	50%	15	1,838	65	65
100	3230	2005	11,759	0%	15	7,246	694	695
101	3230	2006	81,041	0%	15	45,148	4,790	4,781
102	3230	2007	200,737	0%	15	99,987	11,843	11,864
103	3230	2008	549,985	50%	15	395,742	16,225	16,225
104	3230	2009	306,905	50%	15	211,273	9,560	9,054
105	3230	2010	438	50%	15	286	15	14
106	3230	2011	698,600	100%	15	698,600	-	-
107	3230	2012	102,726	50%	15	58,811	4,392	3,955
108	3230	2013	408,676	50%	15	214,555	19,412	17,471
109	3230	2014	910,100	50%	15	-	477,803	43,230
110	3230	2016	(0)	50%	15	-	-	-
111	3240	1986	-	0%	15	-	-	-
112	3240	1987	185	0%	15	185	-	-
113	3240	1988	-	0%	15	-	-	-
114	3240	1989	-	0%	15	-	-	-
115	3240	1990	42,792	0%	15	42,792	-	-
116	3240	1991	-	0%	15	-	-	-
117	3240	1992	158,856	0%	15	158,856	-	-
118	3240	1994	161,903	0%	15	161,903	-	-
119	3240	1995	3,093	0%	15	3,093	-	-
120	3240	1996	5,085	0%	15	5,085	-	-
121	3240	1997	14,060	0%	15	14,060	-	-
122	3240	1999	17,032	0%	15	16,530	502	-
123	3240	2001	22,974	30%	15	20,600	949	950
124	3240	2003	44,136	50%	15	38,273	1,302	1,304
125	3240	2005	-	0%	15	-	-	-
126	3240	2006	107	0%	15	60	6	6
127	3240	2007	49,233	0%	15	24,523	2,905	2,910
128	3240	2008	220,893	50%	15	158,944	6,516	6,516

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3	PNM Exhibit MFH-2							
4	ADIT-20 PV2 Leasehold Improvements Adjustment							
5	Hyperlink to Lead Sheet							
6	FERC	In Service	Original Cost	Tax Method	Tax Life	2013	2014	2015
129	3240	2009	171,423	50%	15	118,008	5,340	5,057
130	3240	2010	32,070	50%	15	20,966	1,111	999
131	3240	2011	11,779	100%	15	11,779	-	-
132	3240	2012	98,936	50%	15	56,641	4,230	3,809
133	3240	2013	74,853	50%	15	39,298	3,556	3,200
134	3240	2014	153,234	50%	15	-	80,448	7,279
135	3240	2016	(0)	50%	15	-	-	-
136	3250	1992	-	0%	15	-	-	-
137	3250	2009	1,942,605	50%	15	1,337,289	60,512	57,307
138	3250	2016	0	50%	15	-	-	-
139	3251	1986	15,372	0%	15	15,372	-	-
140	3251	1987	3,318	0%	15	3,318	-	-
141	3251	1988	154,108	0%	15	154,108	-	-
142	3251	1989	411,389	0%	15	411,389	-	-
143	3251	1990	498,906	0%	15	498,906	-	-
144	3251	1991	317,833	0%	15	317,833	-	-
145	3251	1992	216,236	0%	15	216,236	-	-
146	3251	1993	204,538	0%	15	204,538	-	-
147	3251	1994	124,950	0%	15	124,950	-	-
148	3251	1995	43,869	0%	15	43,869	-	-
149	3251	1996	36,828	0%	15	36,828	-	-
150	3251	1997	84,789	0%	15	84,789	-	-
151	3251	1998	21,145	0%	15	21,145	-	-
152	3251	1999	65,358	0%	15	63,430	1,928	-
153	3251	2000	-	0%	15	-	-	-
154	3251	2001	11,088	30%	15	9,943	458	459
155	3251	2002	50,014	30%	15	42,778	2,069	2,066
156	3251	2003	17,644	50%	15	15,300	520	521
157	3251	2004	-	50%	15	-	-	-
158	3251	2005	160,244	0%	15	98,743	9,454	9,470
159	3251	2006	22,690	0%	15	12,640	1,341	1,339
160	3251	2007	56,650	0%	15	28,217	3,342	3,348
161	3251	2008	55,770	50%	15	40,129	1,645	1,645
162	3251	2009	(1,792,386)	50%	15	(1,233,878)	(55,833)	(52,875)
163	3251	2010	288,658	50%	15	188,710	10,002	8,992
164	3251	2011	84,592	100%	15	84,592	-	-
165	3251	2012	706,520	50%	15	404,482	30,204	27,201
166	3251	2013	127,210	50%	15	66,785	6,042	5,438
167	3251	2014	2,248,102	50%	15	-	1,180,254	106,785
168	3251	2015	15,804	50%	15	-	-	8,297
169	3251	2016	15,624	50%	15	-	-	-
170	3260	1986	(463,841)	0%	15	(463,841)	-	-
171	3260	2003	161,781	50%	15	140,289	4,773	4,781
172	3920	2002	18,049	30%	5	18,049	-	-
173	3920	2003	1,631	50%	5	1,631	-	-
174	3920	2004	3,305	50%	5	3,305	-	-
175	3920	2005	(15,495)	0%	5	(15,495)	-	-
176	3920	2006	17,223	0%	5	17,223	-	-
177	3920	2007	14,749	0%	5	14,749	-	-
178	3920	2008	7,001	50%	5	7,001	-	-
179	3920	2009	24,265	50%	5	23,566	699	-
180	3920	2010	31,950	50%	5	29,190	1,840	920
181	3920	2011	8,173	100%	5	8,173	-	-
182	3920	2012	31,234	50%	5	23,738	2,998	1,799
183	3920	2014	1,547	50%	5	-	928	247
184	3920	2015	8,295	50%	5	-	-	4,977
185	3921	2012	26,315	50%	5	19,999	2,526	1,516
186	3922	2007	4,731	0%	5	4,731	-	-
187	3960	1986	4	0%	7	4	-	-
188	3960	1994	545	0%	7	545	-	-
189	3960	1995	25,463	0%	7	25,463	-	-

	A	B	C	D	E	F	G	H
1	Public Service Company of New Mexico							
2	NMPRC Case No. 16-00276-UT							
3	PNM Exhibit MFH-2							
4	ADIT-20 PV2 Leasehold Improvements Adjustment							
5	Hyperlink to Lead Sheet							
6	FERC	In Service	Original Cost	Tax Method	Tax Life	2013	2014	2015
190	3960	1996	9,276	0%	7	9,276	-	-
191	3960	1998	5,835	0%	7	5,835	-	-
192	3960	1999	2,294	0%	7	2,294	-	-
193	3960	2000	1,165	0%	7	1,165	-	-
194	3960	2001	-	30%	7	-	-	-
195	3960	2002	1,255	30%	7	1,255	-	-
196	3960	2003	397	50%	7	397	-	-
197	3960	2004	2,085	50%	7	2,085	-	-
198	3960	2005	6,295	0%	7	6,295	-	-
199	3960	2006	573	0%	7	573	-	-
200	3960	2009	7,937	50%	7	7,052	354	354
201	3960	2010	59,567	50%	7	50,263	2,660	2,657
202	3960	2011	2,215	100%	7	2,215	-	-
203	3970	1987	-	0%	7	-	-	-
204	3970	1992	-	0%	7	-	-	-
205	3970	2010	5,877	50%	7	4,959	262	262
206	3970	2011	102,542	100%	7	102,542	-	-
207	3970	2012	556	50%	7	386	49	35
208	3970	2013	11,562	50%	7	6,607	1,416	1,011
209	3970	2014	-	50%	7	-	-	-
210	Remove	2016	(252,256)			-	-	-
211	Grand Total		54,863,625			35,882,839	4,247,272	4,049,507
212						80.06%	9.48%	9.04%
213	Base Period Accumulated Tax Depreciation					35,882,839	4,247,272	4,049,507
214	Base Period Accumulated Book Depreciation							
215	Temporary Difference							
216								
217	Linkage 2016							
218	Linkage 2017							
219	Test Period							
220								
221	Fed Rate					32.53%	32.62%	32.74%
222	State Rate					7.06%	6.80%	6.45%
223	Total Rate					39.59%	39.42%	39.19%
224								
225	Base Period							
226	Fed ADIT					8,658,476	1,027,728	983,553
227	State ADIT					1,879,211	214,241	193,752
228	Total ADIT					10,537,687	1,241,969	1,177,305
229								
230	Linkage and Test							
231	Fed ADIT							
232	State ADIT							
233	Total ADIT							
234								
235								
236	Test Period Proration							
237	Month		1	2	3	4	5	6
238	Numeratory Days		335	307	276	246	215	185
239	Denominator Days		365	365	365	365	365	365
240	Proration Percentage		91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
241								
242	Fed ADIT		26,660	24,432	21,965	19,577	17,110	14,723
243	State ADIT		4,493	4,118	3,702	3,299	2,884	2,481
244	Total ADIT		31,153	28,549	25,667	22,877	19,994	17,204

	A	I	J	K	L	M	N
1	Public Service Company of New Mexico						
2	NMPRC Case No. 16-00276-UT						
3	PNM Exhibit MFH-2						
4	ADIT-20 PV2 Leasehold Improvements Adjust						
5	Hyperlink to Lead Sheet						
6	FERC	2016	2017	2018	Total		
7	3030	-	-	-			
8	3030	-	-	-			
9	3030	-	-	-			
10	3030	-	-	-			
11	3030	-	-	-			
12	3030	-	-	-			
13	3030	-	-	-			
14	3030	-	-	-			
15	3030	10,354	-	-			
16	3030	15,374	7,689	-			
17	3030	2,918	2,918	1,460			
18	3200	-	-	-			
19	3200	-	-	-			
20	3200	-	-	-			
21	3200	-	-	-			
22	3210	-	-	-			
23	3210	-	-	-			
24	3210	-	-	-			
25	3210	-	-	-			
26	3210	-	-	-			
27	3210	-	-	-			
28	3210	-	-	-			
29	3210	-	-	-			
30	3210	-	-	-			
31	3210	-	-	-			
32	3210	-	-	-			
33	3210	-	-	-			
34	3210	-	-	-			
35	3210	-	-	-			
36	3210	-	-	-			
37	3210	42	-	-			
38	3210	194	97	-			
39	3210	195	195	98			
40	3210	1,404	1,401	1,404			
41	3210	14,076	14,100	14,076			
42	3210	45,398	45,321	45,398			
43	3210	14,208	14,232	14,208			
44	3210	23,565	23,525	23,565			
45	3210	50,535	50,621	50,535			
46	3210	14,316	14,316	14,340			
47	3210	-	-	-			
48	3210	18,526	16,655	15,773			
49	3210	103,746	93,371	83,940			
50	3210	28,982	26,101	23,491			
51	3210	19,273	17,345	15,621			
52	3210	99,646	9,016	8,114			
53	3220	-	-	-			
54	3220	-	-	-			
55	3220	-	-	-			
56	3220	-	-	-			
57	3220	-	-	-			
58	3220	-	-	-			
59	3220	-	-	-			
60	3220	-	-	-			
61	3220	-	-	-			
62	3220	-	-	-			
63	3220	-	-	-			
64	3220	-	-	-			
65	3220	-	-	-			
66	3220	-	-	-			
67	3220	-	-	-			

	A	I	J	K	L	M	N
1	Public Service Company of New Mexico						
2	NMPRC Case No. 16-00276-UT						
3	PNM Exhibit MFH-2						
4	ADIT-20 PV2 Leasehold Improvements Adjust						
5	Hyperlink to Lead Sheet						
6	FERC	2016	2017	2018	Total		
68	3220	5,488	-	-			
69	3220	917	458	-			
70	3220	7,473	7,486	3,737			
71	3220	3,987	3,981	3,987			
72	3220	4,378	4,385	4,378			
73	3220	25,185	25,142	25,185			
74	3220	2,280	2,284	2,280			
75	3220	4,655	4,647	4,655			
76	3220	128,368	128,586	128,368			
77	3220	3,764	3,764	3,770			
78	3220	-	-	-			
79	3220	7,662	6,888	6,523			
80	3220	27,917	25,126	22,588			
81	3220	71,337	64,245	57,820			
82	3220	246,173	221,556	199,530			
83	3220	24,585	2,224	2,002			
84	3230	-	-	-			
85	3230	-	-	-			
86	3230	-	-	-			
87	3230	-	-	-			
88	3230	-	-	-			
89	3230	-	-	-			
90	3230	-	-	-			
91	3230	-	-	-			
92	3230	-	-	-			
93	3230	-	-	-			
94	3230	-	-	-			
95	3230	-	-	-			
96	3230	629	-	-			
97	3230	4,617	2,305	-			
98	3230	70,932	71,052	35,466			
99	3230	65	65	65			
100	3230	694	695	694			
101	3230	4,790	4,781	4,790			
102	3230	11,843	11,864	11,843			
103	3230	16,252	16,225	16,252			
104	3230	9,054	9,069	9,054			
105	3230	13	13	13			
106	3230	-	-	-			
107	3230	3,559	3,200	3,030			
108	3230	15,734	14,161	12,730			
109	3230	38,907	35,039	31,535			
110	3230	(0)	(0)	(0)			
111	3240	-	-	-			
112	3240	-	-	-			
113	3240	-	-	-			
114	3240	-	-	-			
115	3240	-	-	-			
116	3240	-	-	-			
117	3240	-	-	-			
118	3240	-	-	-			
119	3240	-	-	-			
120	3240	-	-	-			
121	3240	-	-	-			
122	3240	-	-	-			
123	3240	474	-	-			
124	3240	1,302	1,304	651			
125	3240	-	-	-			
126	3240	6	6	6			
127	3240	2,905	2,910	2,905			
128	3240	6,527	6,516	6,527			

	A	I	J	K	L	M	N
1	Public Service Company of New Mexico						
2	NMPRC Case No. 16-00276-UT						
3	PNM Exhibit MFH-2						
4	ADIT-20 PV2 Leasehold Improvements Adjust						
5	Hyperlink to Lead Sheet						
6	FERC	2016	2017	2018	Total		
129	3240	5,057	5,066	5,057			
130	3240	946	946	948			
131	3240	-	-	-			
132	3240	3,428	3,082	2,919			
133	3240	2,882	2,594	2,332			
134	3240	6,551	5,900	5,310			
135	3240	(0)	(0)	(0)			
136	3250	-	-	-			
137	3250	57,307	57,404	57,307			
138	3250	0	0	0			
139	3251	-	-	-			
140	3251	-	-	-			
141	3251	-	-	-			
142	3251	-	-	-			
143	3251	-	-	-			
144	3251	-	-	-			
145	3251	-	-	-			
146	3251	-	-	-			
147	3251	-	-	-			
148	3251	-	-	-			
149	3251	-	-	-			
150	3251	-	-	-			
151	3251	-	-	-			
152	3251	-	-	-			
153	3251	-	-	-			
154	3251	229	-	-			
155	3251	2,069	1,033	-			
156	3251	520	521	260			
157	3251	-	-	-			
158	3251	9,454	9,470	9,454			
159	3251	1,341	1,339	1,341			
160	3251	3,342	3,348	3,342			
161	3251	1,648	1,645	1,648			
162	3251	(52,875)	(52,965)	(52,875)			
163	3251	8,515	8,515	8,530			
164	3251	-	-	-			
165	3251	24,481	22,008	20,842			
166	3251	4,898	4,408	3,963			
167	3251	96,106	86,552	77,897			
168	3251	751	676	608			
169	3251	8,203	742	668			
170	3260	-	-	-			
171	3260	4,773	4,781	2,386			
172	3920	-	-	-			
173	3920	-	-	-			
174	3920	-	-	-			
175	3920	-	-	-			
176	3920	-	-	-			
177	3920	-	-	-			
178	3920	-	-	-			
179	3920	-	-	-			
180	3920	-	-	-			
181	3920	-	-	-			
182	3920	1,799	900	-			
183	3920	148	89	89			
184	3920	1,327	796	478			
185	3921	1,516	758	-			
186	3922	-	-	-			
187	3960	-	-	-			
188	3960	-	-	-			
189	3960	-	-	-			

	A	I	J	K	L	M	N
1	Public Service Company of New Mexico						
2	NMPRC Case No. 16-00276-UT						
3	PNM Exhibit MFH-2						
4	ADIT-20 PV2 Leasehold Improvements Adjust						
5	Hyperlink to Lead Sheet						
6	FERC	2016	2017	2018	Total		
190	3960	-	-	-			
191	3960	-	-	-			
192	3960	-	-	-			
193	3960	-	-	-			
194	3960	-	-	-			
195	3960	-	-	-			
196	3960	-	-	-			
197	3960	-	-	-			
198	3960	-	-	-			
199	3960	-	-	-			
200	3960	177	-	-			
201	3960	2,660	1,328	-			
202	3960	-	-	-			
203	3970	-	-	-			
204	3970	-	-	-			
205	3970	262	131	-			
206	3970	-	-	-			
207	3970	25	25	25			
208	3970	722	516	516			
209	3970	-	-	-			
210	Remove	(132,434)	(11,982)	(10,784)			
211	Grand Total	1,281,054	1,176,504	1,054,665	47,691,841		
212		1.43%					
213	Base Period Accumulated Tax Depreciation	640,527			44,820,144		
214	Base Period Accumulated Book Depreciation				(11,572,780)		
215	Temporary Difference				33,247,364		
216							
217	Linkage 2016	640,527			640,527		
218	Linkage 2017		1,176,504		1,176,504		
219	Test Period			1,054,665	1,054,665		
220							
221	Fed Rate	32.83%	32.95%	33.05%			
222	State Rate	6.19%	5.84%	5.57%			
223	Total Rate	39.02%	38.79%	38.62%			
224							
225	Base Period						
226	Fed ADIT	156,005			10,825,762		
227	State ADIT	29,411			2,316,615		
228	Total ADIT	185,416			13,142,377		
229							
230	Linkage and Test						
231	Fed ADIT	210,307	387,611	348,572	946,491		
232	State ADIT	39,649	68,708	58,745	167,101		
233	Total ADIT	249,956	456,319	407,317	1,113,592		
234							
235							
236	Test Period Proration						
237	Month	7	8	9	10	11	12
238	Numerator Days	154	123	93	62	32	1
239	Denominator Days	365	365	365	365	365	365
240	Proration Percentage	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
241							
242	Fed ADIT	12,256	9,789	7,401	4,934	2,547	80
243	State ADIT	2,065	1,650	1,247	832	429	13
244	Total ADIT	14,321	11,438	8,649	5,766	2,976	93

	A	O	P	Q	R	S
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-20 PV2 Leasehold Improvements Adjust					
5	Hyperlink to Lead Sheet					
6	FERC					
7	3030	Accumulated MACRS Depreciation Tables				
8	3030	year	3	5	7	15
9	3030	1	16.67%	20.00%	14.29%	5.00%
10	3030	2	50.00%	52.00%	38.78%	14.50%
11	3030	3	83.33%	71.20%	56.27%	23.05%
12	3030	4	100.00%	82.72%	68.76%	30.75%
13	3030	5	100.00%	94.24%	77.69%	37.68%
14	3030	6	100.00%	100.00%	86.61%	43.91%
15	3030	7	100.00%	100.00%	95.54%	49.81%
16	3030	8	100.00%	100.00%	100.00%	55.71%
17	3030	9	100.00%	100.00%	100.00%	61.62%
18	3200	10	100.00%	100.00%	100.00%	67.52%
19	3200	11	100.00%	100.00%	100.00%	73.43%
20	3200	12	100.00%	100.00%	100.00%	79.33%
21	3200	13	100.00%	100.00%	100.00%	85.24%
22	3210	14	100.00%	100.00%	100.00%	91.14%
23	3210	15	100.00%	100.00%	100.00%	97.05%
24	3210	16	100.00%	100.00%	100.00%	100.00%
25	3210	17	100.00%	100.00%	100.00%	100.00%
26	3210	18	100.00%	100.00%	100.00%	100.00%
27	3210	19	100.00%	100.00%	100.00%	100.00%
28	3210	20	100.00%	100.00%	100.00%	100.00%
29	3210	21	100.00%	100.00%	100.00%	100.00%
30	3210	22	100.00%	100.00%	100.00%	100.00%
31	3210	23	100.00%	100.00%	100.00%	100.00%
32	3210	24	100.00%	100.00%	100.00%	100.00%
33	3210	25	100.00%	100.00%	100.00%	100.00%
34	3210	26	100.00%	100.00%	100.00%	100.00%
35	3210	27	100.00%	100.00%	100.00%	100.00%
36	3210	28	100.00%	100.00%	100.00%	100.00%
37	3210	29	100.00%	100.00%	100.00%	100.00%
38	3210	30	100.00%	100.00%	100.00%	100.00%
39	3210	31	100.00%	100.00%	100.00%	100.00%
40	3210	32	100.00%	100.00%	100.00%	100.00%
41	3210	33	100.00%	100.00%	100.00%	100.00%
42	3210	34	100.00%	100.00%	100.00%	100.00%
43	3210	35	100.00%	100.00%	100.00%	100.00%
44	3210	36	100.00%	100.00%	100.00%	100.00%
45	3210	37	100.00%	100.00%	100.00%	100.00%
46	3210	38	100.00%	100.00%	100.00%	100.00%
47	3210	39	100.00%	100.00%	100.00%	100.00%
48	3210	40	100.00%	100.00%	100.00%	100.00%
49	3210					
50	3210					
51	3210					
52	3210					
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	A	O	P	Q	R	S
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-20 PV2 Leasehold Improvements Adjust					
5	Hyperlink to Lead Sheet					
6	FERC					
68	3220					
69	3220					
70	3220					
71	3220					
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75	3220					
76	3220					
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128	3240					

	A	O	P	Q	R	S
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-2D PV2 Leasehold Improvements Adjust					
5	Hyperlink to Lead Sheet					
6	FERC					
129	3240					
130	3240					
131	3240					
132	3240					
133	3240					
134	3240					
135	3240					
136	3250					
137	3250					
138	3250					
139	3251					
140	3251					
141	3251					
142	3251					
143	3251					
144	3251					
145	3251					
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162	3251					
163	3251					
164	3251					
165	3251					
166	3251					
167	3251					
168	3251					
169	3251					
170	3260					
171	3260					
172	3920					
173	3920					
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181	3920					
182	3920					
183	3920					
184	3920					
185	3921					
186	3922					
187	3960					
188	3960					
189	3960					

	A	O	P	Q	R	S
1	Public Service Company of New Mexico					
2	NMPRC Case No. 16-00276-UT					
3	PNM Exhibit MFH-2					
4	ADIT-20 PV2 Leasehold Improvements Adjust					
5	Hyperlink to Lead Sheet					
6	FERC					
190	3960					
191	3960					
192	3960					
193	3960					
194	3960					
195	3960					
196	3960					
197	3960					
198	3960					
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201	3960					
202	3960					
203	3970					
204	3970					
205	3970					
206	3970					
207	3970					
208	3970					
209	3970					
210	Remove					
211	Grand Total					
212						
213	Base Period Accumulated Tax Depreciation					
214	Base Period Accumulated Book Depreciation					
215	Temporary Difference					
216						
217	Linkage 2016					
218	Linkage 2017					
219	Test Period					
220						
221	Fed Rate					
222	State Rate					
223	Total Rate					
224						
225	Base Period					
226	Fed ADIT					
227	State ADIT					
228	Total ADIT					
229						
230	Linkage and Test					
231	Fed ADIT					
232	State ADIT					
233	Total ADIT					
234						
235						
236	Test Period Proration					
237	Month					
238	Numerator Days					
239	Denominator Days					
240	Proration Percentage					
241						
242	Fed ADIT					
243	State ADIT					
244	Total ADIT					

	A	B	C	D	E	F	G	H	I
1	Public Service Company of New Mexico								
2	NMPRC Case No. 16-00276-UT								
3	PNM Exhibit MFH-2								
4	ADIT-21 SJ Units 2&3 Retirement Adjustment								
5	Hyperlink to Lead Sheet								
6									
7			2014	2015	2016	2017	Fed	State	Total
8	Tax Basis								
9	Unit 2		24,723,515	22,567,873	20,621,438	18,821,250			
10									
11	Unit 3		23,951,832	21,863,474	19,977,791	18,233,791			
12									
13									
14									
15	Abandonment Loss for tax (write off remaining tax basis)					(37,055,041)	(12,053,634)	(2,616,086)	(14,669,720)
16									
17	Transfer ADIT from Plant to Reg Asset						42,249,874	7,488,293	49,738,167
18	Transfer ADIT from Plant to Zero out W/O 190						41,790,757	8,232,431	50,023,188
19									
20	Total Adjustment to Plant ADIT at 12/31/17						71,986,996	13,104,638	85,091,635