

Summaries of the proposed cost of service.

PNM 530 Schedules A Series

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PNM Schedule A-1

Summary of the overall cost of service and the claimed revenue deficiency.

Public Service Company of New Mexico
Schedule A-1
Summary of the Overall Cost-of-Service and Claimed Revenue Deficiency
Base Period Ending 6/30/2014
Test Period Ending 12/31/2016

Line No.	Description	A Total Company Base Period	B Total Company Base Period Adjustments	C Total Company Adjusted Base	D Adjustments from Base to Test Period	E Total Company Test Period	Reference	F PNM Retail Adjusted Base Period	G PNM Retail Test Period	Reference
1	Total Rate Base	2,364,643,110	(60,695,080)	2,303,948,030	563,070,047	2,867,018,077	PNM Exhibit HEM-2 COS TEST, Line 204	1,879,953,359	2,387,760,427	PNM Exhibit HEM-2 COS TEST, Line 204
2	Return on Rate Base	193,427,806	(4,964,858)	188,462,949	49,212,850	237,675,799	PNM Exhibit HEM-2 COS TEST, Line 582	153,780,185	197,945,339	PNM Exhibit HEM-2 COS TEST, Line 582
3	Allowable Federal Income Tax	58,698,430	(1,695,540)	57,002,890	23,352,823	80,355,713	PNM Exhibit HEM-2 COS TEST, Line 636	46,739,219	67,415,333	PNM Exhibit HEM-2 COS TEST, Line 636
4	Allowable State Income Tax	12,026,276	(338,898)	11,687,378	2,206,874	13,894,252	PNM Exhibit HEM-2 COS TEST, Line 651	10,520,255	12,815,776	PNM Exhibit HEM-2 COS TEST, Line 651
	Operations & Maintenance Expenses									
5	Base Fuel, Net of Off-System Sales	216,662,756	19,993,779	236,656,535	(37,998,059)	198,658,476	PNM Exhibit HEM-2 COS TEST, Line 230	243,585,143	218,259,746	PNM Exhibit HEM-2 COS TEST, Line 230
6	O&M, Excluding Base Fuel, Net of Off-System Sales	461,654,969	(29,527,782)	432,127,187	(29,838,793)	402,288,395	PNM Exhibit HEM-2 COS TEST, Line 422	361,245,025	322,783,215	PNM Exhibit HEM-2 COS TEST, Line 422
7	Operations & Maintenance Expenses	678,317,725	(9,534,003)	668,783,722	(67,836,852)	600,946,871	line 5+ line 6	604,830,168	541,042,961	line 5+ line 6
8	Depreciation & Amortization Expenses	96,482,489	8,680,143	105,162,632	50,329,375	155,492,007	PNM Exhibit HEM-2 COS TEST, Line 472	85,386,516	127,608,488	PNM Exhibit HEM-2 COS TEST, Line 472
9	Taxes Other Than Income	32,309,740	3,028,311	35,338,051	7,961,000	43,299,051	PNM Exhibit HEM-2 COS TEST, Line 546	29,204,945	35,250,173	PNM Exhibit HEM-2 COS TEST, Line 546
10	Other Allowable Expenses	11,230,737	-	11,230,737	6,609,548	17,840,284	PNM Exhibit HEM-2 COS TEST, Line 574	6,704,541	13,617,041	PNM Exhibit HEM-2 COS TEST, Line 574
11	Revenue Credits	(17,545,192)	(112,042)	(17,657,234)	(689,231)	(18,346,465)	PNM Exhibit HEM-2 COS TEST, Line 684	(16,450,741)	(17,354,032)	PNM Exhibit HEM-2 COS TEST, Line 684
12	Revenue Tax	4,985,652	405,279	5,390,930	361,831	5,752,762	PNM Exhibit HEM-2 COS TEST, Line 689	4,682,508	4,975,579	PNM Exhibit HEM-2 COS TEST, Line 689
	Revenue Requirements									
13	Base Fuel Revenue requirements	216,662,756	19,993,779	236,656,535	(37,998,059)	198,658,476	line 5	243,585,143	218,259,746	line 5
14	Non-Base Fuel revenue requirements	853,270,907	(24,525,386)	828,745,520	109,506,277	938,251,797	sum of line 2,3,4,6,8,9,10,11,12	681,812,453	765,056,912	sum of line 2,3,4,6,8,9,10,11,12
15	Total Revenue Requirement	1,069,933,662	(4,531,607)	1,065,402,055	71,508,218	1,136,910,273	line 13+ line 14	925,397,596	983,316,658	line 13+ line 14
16	Existing Revenues	N/A	N/A	N/A	N/A	N/A		898,917,738	875,875,261	
17	Revenue Deficiency (line 15 less line 16)	N/A	N/A	N/A	N/A	N/A		26,479,858	107,441,397	
18	Percentage of Increase	N/A	N/A	N/A	N/A	N/A		2.95%	12.27%	line 17 / line 16

Notes:

Please refer to PNM Exhibit HEM-2 COS BASE ADJ for explanation of base period adjustments.

Please refer to PNM Exhibit HEM-3 workpapers for linkage from Adjusted Base to Test Period.

Please refer to PNM Exhibit HEM-2 for allocation of Total Company to PNM Retail Share for the adjusted base period and test period.

PNM Schedule A-2

Summary of the revenue increase or decrease at the proposed rates by rate classes.

Public Service Company of New Mexico
Schedule A-2
Summary of the Revenue Increase at the Proposed Rates by Rate Class
Test Period Ending 12/31/2016

Line No.	A Tariff Class	B C D Base Revenue Under Existing Rates		
		Non Fuel	Fuel	Total
PNM Consolidated				
1	1 - Residential	\$ 299,492,887	\$ 68,540,800	\$ 368,033,687
2	2 - Small Power	\$ 90,534,590	\$ 19,384,734	\$ 109,919,325
3	3 - General Power	\$ 139,788,699	\$ 41,233,515	\$ 181,022,214
4	4 - Large Power	\$ 65,514,807	\$ 23,944,266	\$ 89,459,072
5	5 - Large Service for Customers >=8,000kW	\$ 4,335,819	\$ 1,786,418	\$ 6,122,237
6	10 - Irrigation	\$ 1,749,608	\$ 551,021	\$ 2,300,628
7	11 - Wtr/Swg Pumping	\$ 8,144,654	\$ 3,540,734	\$ 11,685,388
8	15 - Universities 115 kV	\$ 3,451,423	\$ 1,409,443	\$ 4,860,866
9	30 - Manufacturing (30 MW)	\$ 18,385,399	\$ 10,077,915	\$ 28,463,314
10	33 - Large Service for Station Power	\$ 152,345	\$ 67,325	\$ 219,669
11	34 - Large Power Service >=3,000kW	\$ 9,909,708	\$ 4,928,213	\$ 14,837,921
12	6 - Private Lighting	\$ 2,632,879	\$ 345,138	\$ 2,978,017
13	20 - Streetlighting	\$ 6,499,237	\$ 1,067,766	\$ 7,567,003
14	Tariff Class Totals	\$ 650,592,054	\$ 176,877,288	\$ 827,469,342

Line No.	Tariff Class	Base Revenue Under Proposed Rates		
		Non Fuel	Fuel	Total
PNM Consolidated				
15	1 - Residential	\$ 365,230,777	\$ 84,752,926	\$ 449,983,703
16	2 - Small Power	\$ 106,563,891	\$ 23,969,854	\$ 130,533,745
17	3 - General Power	\$ 157,201,078	\$ 50,986,581	\$ 208,187,659
18	4 - Large Power	\$ 77,609,205	\$ 29,341,119	\$ 106,950,324
19	5 - Large Service for Customers >=8,000kW	\$ 4,917,853	\$ 2,195,195	\$ 7,113,048
20	10 - Irrigation	\$ 2,166,411	\$ 681,355	\$ 2,847,766
21	11 - Wtr/Swg Pumping	\$ 8,936,452	\$ 4,338,788	\$ 13,275,240
22	15 - Universities 115 kV	\$ 3,713,210	\$ 1,731,153	\$ 5,444,364
23	30 - Manufacturing (30 MW)	\$ 18,385,399	\$ 12,379,342	\$ 30,764,741
24	33 - Large Service for Station Power	\$ 152,345	\$ 82,692	\$ 235,037
25	34 - Large Power Service >=3,000kW	\$ 10,201,485	\$ 6,053,637	\$ 16,255,122
26	6 - Private Lighting	\$ 2,632,879	\$ 426,775	\$ 3,059,654
27	20 - Streetlighting	\$ 7,345,928	\$ 1,320,328	\$ 8,666,255
28	Tariff Class Totals	\$ 765,056,912	\$ 218,259,746	\$ 983,316,658

Public Service Company of New Mexico

Schedule A-2

Summary of the Revenue Increase at the Proposed Rates by Rate Class

Test Period Ending 12/31/2016

Line No.	A Tariff Class	B		C		D	
		Fuel and Purchased Power Revenue Under Existing Rates					
		FPPCAC		Total			
PNM Consolidated							
29	1 - Residential	\$	18,757,731	\$	18,757,731		
30	2 - Small Power	\$	5,305,068	\$	5,305,068		
31	3 - General Power	\$	11,284,478	\$	11,284,478		
32	4 - Large Power	\$	6,552,369	\$	6,552,369		
33	5 - Large Service for Customers >=8,000kW	\$	488,910	\$	488,910		
34	10 - Irrigation	\$	150,799	\$	150,799		
35	11 - Wtr/Swg Pumping	\$	968,925	\$	968,925		
36	15 - Universities 115 kV	\$	385,675	\$	385,675		
37	30 - Manufacturing (30 MW)	\$	2,758,117	\$	2,758,117		
38	33 - Large Service for Station Power	\$	18,423	\$	18,423		
39	34 - Large Power Service >=3,000kW	\$	1,348,750	\$	1,348,750		
40	6 - Private Lighting	\$	94,455	\$	94,455		
41	20 - Streetlighting	\$	292,218	\$	292,218		
42	Tariff Class Totals	\$	48,405,919	\$	48,405,919		

Line No.	Tariff Class	B		C		D	
		Fuel and Purchased Power Revenue Under Proposed Rates					
		FPPCAC		Total			
PNM Consolidated							
43	1 - Residential	\$	-	\$	-		
44	2 - Small Power	\$	-	\$	-		
45	3 - General Power	\$	-	\$	-		
46	4 - Large Power	\$	-	\$	-		
47	5 - Large Service for Customers >=8,000kW	\$	-	\$	-		
48	10 - Irrigation	\$	-	\$	-		
49	11 - Wtr/Swg Pumping	\$	-	\$	-		
50	15 - Universities 115 kV	\$	-	\$	-		
51	30 - Manufacturing (30 MW)	\$	-	\$	-		
52	33 - Large Service for Station Power	\$	-	\$	-		
53	34 - Large Power Service >=3,000kW	\$	-	\$	-		
54	6 - Private Lighting	\$	-	\$	-		
55	20 - Streetlighting	\$	-	\$	-		
56	Tariff Class Totals	\$	-	\$	-		

Public Service Company of New Mexico
Schedule A-2
Summary of the Revenue Increase at the Proposed Rates by Rate Class
Test Period Ending 12/31/2016

Line No.	A Tariff Class	B C D Total Revenue Under Existing Rates		
		Non Fuel	Fuel	Total
PNM Consolidated				
57	1 - Residential	\$ 299,492,887	\$ 87,298,531	\$ 386,791,418
58	2 - Small Power	\$ 90,534,590	\$ 24,689,803	\$ 115,224,393
59	3 - General Power	\$ 139,788,699	\$ 52,517,994	\$ 192,306,692
60	4 - Large Power	\$ 65,514,807	\$ 30,496,635	\$ 96,011,442
61	5 - Large Service for Customers >=8,000kW	\$ 4,335,819	\$ 2,275,328	\$ 6,611,147
62	10 - Irrigation	\$ 1,749,608	\$ 701,820	\$ 2,451,428
63	11 - Wtr/Swg Pumping	\$ 8,144,654	\$ 4,509,659	\$ 12,654,313
64	15 - Universities 115 kV	\$ 3,451,423	\$ 1,795,118	\$ 5,246,541
65	30 - Manufacturing (30 MW)	\$ 18,385,399	\$ 12,836,032	\$ 31,221,431
66	33 - Large Service for Station Power	\$ 152,345	\$ 85,747	\$ 238,092
67	34 - Large Power Service >=3,000kW	\$ 9,909,708	\$ 6,276,963	\$ 16,186,671
68	6 - Private Lighting	\$ 2,632,879	\$ 439,593	\$ 3,072,472
69	20 - Streetlighting	\$ 6,499,237	\$ 1,359,984	\$ 7,859,221
70	Tariff Class Totals	\$ 650,592,054	\$ 225,283,207	\$ 875,875,261

Line No.	Tariff Class	Total Revenue Under Proposed Rates		
		Non Fuel	Fuel	Total
PNM Consolidated				
71	1 - Residential	\$ 365,230,777	\$ 84,752,926	\$ 449,983,703
72	2 - Small Power	\$ 106,563,891	\$ 23,969,854	\$ 130,533,745
73	3 - General Power	\$ 157,201,078	\$ 50,986,581	\$ 208,187,659
74	4 - Large Power	\$ 77,609,205	\$ 29,341,119	\$ 106,950,324
75	5 - Large Service for Customers >=8,000kW	\$ 4,917,853	\$ 2,195,195	\$ 7,113,048
76	10 - Irrigation	\$ 2,166,411	\$ 681,355	\$ 2,847,766
77	11 - Wtr/Swg Pumping	\$ 8,936,452	\$ 4,338,788	\$ 13,275,240
78	15 - Universities 115 kV	\$ 3,713,210	\$ 1,731,153	\$ 5,444,364
79	30 - Manufacturing (30 MW)	\$ 18,385,399	\$ 12,379,342	\$ 30,764,741
80	33 - Large Service for Station Power	\$ 152,345	\$ 82,692	\$ 235,037
81	34 - Large Power Service >=3,000kW	\$ 10,201,485	\$ 6,053,637	\$ 16,255,122
82	6 - Private Lighting	\$ 2,632,879	\$ 426,775	\$ 3,059,654
83	20 - Streetlighting	\$ 7,345,928	\$ 1,320,328	\$ 8,666,255
84	Tariff Class Totals	\$ 765,056,912	\$ 218,259,746	\$ 983,316,658

Public Service Company of New Mexico

Schedule A-2

Summary of the Revenue Increase at the Proposed Rates by Rate Class

Test Period Ending 12/31/2016

Line No.	A Tariff Class	B Non Fuel	C Total Revenue Deficiency		D Total
			Fuel		
PNM Consolidated					
85	1 - Residential	\$ 65,737,890	\$ (2,545,604)	\$	63,192,285
86	2 - Small Power	\$ 16,029,301	\$ (719,949)	\$	15,309,352
87	3 - General Power	\$ 17,412,379	\$ (1,531,412)	\$	15,880,967
88	4 - Large Power	\$ 12,094,398	\$ (1,155,516)	\$	10,938,882
89	5 - Large Service for Customers >=8,000kW	\$ 582,034	\$ (80,133)	\$	501,901
90	10 - Irrigation	\$ 416,803	\$ (20,465)	\$	396,338
91	11 - Wtr/Swg Pumping	\$ 791,798	\$ (170,871)	\$	620,927
92	15 - Universities 115 kV	\$ 261,787	\$ (63,964)	\$	197,823
93	30 - Manufacturing (30 MW)	\$ -	\$ (456,690)	\$	(456,690)
94	33 - Large Service for Station Power	\$ -	\$ (3,055)	\$	(3,055)
95	34 - Large Power Service >=3,000kW	\$ 291,778	\$ (223,326)	\$	68,451
96	6 - Private Lighting	\$ -	\$ (12,818)	\$	(12,818)
97	20 - Streetlighting	\$ 846,690	\$ (39,657)	\$	807,034
98	Tariff Class Totals	\$ 114,464,858	\$ (7,023,461)	\$	107,441,397

Line No.	Tariff Class	C Total Revenue Deficiency (%)		Total
		Non Fuel	Fuel	
PNM Consolidated				
99	1 - Residential	21.95%	-2.92%	16.34%
100	2 - Small Power	17.71%	-2.92%	13.29%
101	3 - General Power	12.46%	-2.92%	8.26%
102	4 - Large Power	18.46%	-3.79%	11.39%
103	5 - Large Service for Customers >=8,000kW	13.42%	-3.52%	7.59%
104	10 - Irrigation	23.82%	-2.92%	16.17%
105	11 - Wtr/Swg Pumping	9.72%	-3.79%	4.91%
106	15 - Universities 115 kV	7.58%	-3.56%	3.77%
107	30 - Manufacturing (30 MW)	0.00%	-3.56%	-1.46%
108	33 - Large Service for Station Power	0.00%	-3.56%	-1.28%
109	34 - Large Power Service >=3,000kW	2.94%	-3.56%	0.42%
110	6 - Private Lighting	0.00%	-2.92%	-0.42%
111	20 - Streetlighting	13.03%	-2.92%	10.27%
112	Tariff Class Totals	17.59%	-3.12%	12.27%

Note: For more information please refer to Schedule O-1

PNM Schedule A-3

Summary of the cost of service adjustments by functional classification.

Public Service Company of New Mexico
Schedule A-3
Summary of the Cost-of-Service Adjustments by Functional Classification
Base Period Ending 6/30/2014
Test Period Ending 12/31/2016

Line No.	Description	A	B	C	D	E	Reference	F	G	Reference
		PNM Base Period	Base Period Adjustments	PNM Adjusted Base	Adjustments from Base to Test Period	PNM Test Period		PNM Retail Adjusted Base Period	PNM Retail Test Period	
Operations and Maintenance Expense										
Production										
1	Base Fuel Expense	216,662,756	19,993,779	236,656,535	(37,998,059)	198,658,476	PNM Exhibit HEM-2 COS TEST, Line 230	243,585,143	218,259,746	PNM Exhibit HEM-2 COS TEST, Line 230
2	Total Fuel Expenses (line 1 plus line 2)	216,662,756	19,993,779	236,656,535	(37,998,059)	198,658,476		243,585,143	218,259,746	
3	Non-Base Fuel and Production Expense	238,651,632	15,947,583	254,599,216	(38,478,852)	216,120,364	PNM Exhibit HEM-2 COS TEST, Line 250 + Line 293	211,464,737	164,045,286	PNM Exhibit HEM-2 COS TEST, Line 250 + Line 293
4	Total Production (line 3 plus line 4)	455,314,388	35,941,362	491,255,750	(76,476,911)	414,778,840	line 2 + line 3	455,049,880	382,305,032	line 2 + line 3
5	Transmission	38,314,557	2,823,422	41,137,979	(556,657)	40,581,322	PNM Exhibit HEM-2 COS TEST, Line 322	28,405,202	29,138,388	PNM Exhibit HEM-2 COS TEST, Line 322
6	Distribution	24,159,747	(773,612)	23,386,136	749,866	24,136,002	PNM Exhibit HEM-2 COS TEST, Line 355	22,935,195	23,677,984	PNM Exhibit HEM-2 COS TEST, Line 355
7	Customer Related O&M	21,584,743	(449,331)	21,135,412	442,413	21,577,825	PNM Exhibit HEM-2 COS TEST, Line 375	20,324,513	20,846,698	PNM Exhibit HEM-2 COS TEST, Line 375
8	Administrative & General	138,944,290	(47,075,845)	91,868,445	8,004,438	99,872,882	PNM Exhibit HEM-2 COS TEST, Line 420	78,115,378	85,074,859	PNM Exhibit HEM-2 COS TEST, Line 420
9	Total Non-Fuel O&M Expense (sum line 4, line 6-11)	461,654,969	(29,527,782)	432,127,187	(29,838,793)	402,288,395	sum line 3, line 5-8	361,245,025	322,783,215	sum line 3, line 5-8
10	Total O&M Expense (line 12 plus line 3)	678,317,725	(9,534,003)	668,783,722	(67,836,852)	600,946,871	line 2 + line 9	604,830,168	541,042,961	line 2 + line 9
Depreciation and Amortization Expense										
11	Production	44,245,585	-	44,245,585	22,376,961	66,622,546	PNM Exhibit HEM-2 COS TEST, Line 432	33,622,652	51,787,089	PNM Exhibit HEM-2 COS TEST, Line 432
12	Transmission	12,895,140	-	12,895,140	7,946,841	20,841,980	PNM Exhibit HEM-2 COS TEST, Line 442	6,800,672	11,870,999	PNM Exhibit HEM-2 COS TEST, Line 442
13	Distribution	30,228,910	-	30,228,910	7,116,451	37,345,361	PNM Exhibit HEM-2 COS TEST, Line 456	29,896,583	36,781,168	PNM Exhibit HEM-2 COS TEST, Line 456
14	General & Intangible	9,112,854	8,680,143	17,792,998	12,889,123	30,682,120	PNM Exhibit HEM-2 COS TEST, Line 470	15,066,609	27,169,231	PNM Exhibit HEM-2 COS TEST, Line 470
15	Total Depreciation and Amortization Expense (sum line 14-17)	96,482,489	8,680,143	105,162,632	50,329,375	155,492,007	sum line 11-14	85,386,516	127,608,488	sum line 11-14
Taxes Other Than Income Taxes										
16	Property	23,826,713	658,977	24,485,690	7,442,413	31,928,103	PNM Exhibit HEM-2 COS TEST, Line 524	19,956,052	25,850,642	PNM Exhibit HEM-2 COS TEST, Line 524
17	Payroll	3,994,217	2,369,334	6,363,551	299,928	6,663,479	PNM Exhibit HEM-2 COS TEST, Line 530	5,842,374	5,934,433	PNM Exhibit HEM-2 COS TEST, Line 530
18	Miscellaneous	4,488,810	-	4,488,810	218,659	4,707,469	PNM Exhibit HEM-2 COS TEST, Line 544	3,406,519	3,465,098	PNM Exhibit HEM-2 COS TEST, Line 544
19	Total Taxes Other Than Income Taxes (sum lines 19-21)	32,309,740	3,028,311	35,338,051	7,961,000	43,299,051	sum lines 16-18	29,204,945	35,250,173	sum lines 16-18
20	Other Allowable Expenses	11,230,737	-	11,230,737	6,609,548	17,840,284	PNM Exhibit HEM-2 COS TEST, Line 574	6,704,541	13,617,041	PNM Exhibit HEM-2 COS TEST, Line 574
21	Allowable Federal Income Tax	58,698,430	(1,695,540)	57,002,890	23,352,823	80,355,713	PNM Exhibit HEM-2 COS TEST, Line 636	46,739,219	67,415,333	PNM Exhibit HEM-2 COS TEST, Line 636
22	Allowable State Income Tax	12,026,276	(338,898)	11,687,378	2,206,874	13,894,252	PNM Exhibit HEM-2 COS TEST, Line 651	10,520,255	12,815,776	PNM Exhibit HEM-2 COS TEST, Line 651
23	Return on Rate Base	193,427,806	(4,964,858)	188,462,949	49,212,850	237,675,799	PNM Exhibit HEM-2 COS TEST, Line 654	153,780,185	197,945,339	PNM Exhibit HEM-2 COS TEST, Line 654
24	Revenue Tax	4,985,652	405,279	5,390,930	361,831	5,752,762	PNM Exhibit HEM-2 COS TEST, Line 689	4,682,508	4,975,579	PNM Exhibit HEM-2 COS TEST, Line 689
Revenue Requirements										
25	Fuel revenue requirements (line 3)	216,662,756	19,993,779	236,656,535	(37,998,059)	198,658,476	line 2	243,585,143	218,259,746	line 2
26	Non-fuel revenue requirements (before Revenue Credits)	870,816,099	(24,413,344)	846,402,754	110,195,508	956,598,262	sum line 9,15,19-24	698,263,194	782,410,944	sum line 9,15,19-24
27	Revenue Credits	(17,545,192)	(112,042)	(17,657,234)	(689,231)	(18,346,465)	PNM Exhibit HEM-2 COS TEST, Line 684	(16,450,741)	(17,354,032)	PNM Exhibit HEM-2 COS TEST, Line 684
28	Total Revenue Requirement (sum line 28-30)	1,069,933,662	(4,531,607)	1,065,402,055	71,508,218	1,136,910,273	sum line 25-27	925,397,596	983,316,658	sum line 25-27

Notes:
Please refer to PNM Exhibit HEM-2 COS BASE ADJ for explanation of base period adjustments.
Please refer to PNM Exhibit HEM-3 workpapers for linkage from Adjusted Base to Test Period.
Please refer to PNM Exhibit HEM-2 for allocation of Total Company to PNM Retail Share for the adjusted base period and test period.

PNM Schedule A-4

Summary of Rate Base.

Public Service Company of New Mexico
Schedule A-4
Summary of Rate Base
Base Period Ending 6/30/2014
Test Period Ending 12/31/2016

Line No.	Description	A	B	C	D	E	Reference	F	G	Reference
		PNM Base Period	Base Period Adjustments	PNM Adjusted Base	Adjustments from Base to Test Period	PNM Test Period		PNM Retail Adjusted Base Period	PNM Retail Test Period	
Net Plant In Service										
1	Production	1,424,441,709	(22,236,991)	1,402,204,718	417,773,972	1,819,978,690	PNM Exhibit HEM-2 COS TEST, Line 15	1,087,299,918	1,457,628,405	PNM Exhibit HEM-2 COS TEST, Line 15
2	Transmission	384,793,940	(25,542,165)	359,251,775	131,487,283	490,739,058	PNM Exhibit HEM-2 COS TEST, Line 30	200,407,698	291,976,001	PNM Exhibit HEM-2 COS TEST, Line 30
3	Distribution	716,862,045	(20,070,957)	696,791,087	77,421,702	774,212,790	PNM Exhibit HEM-2 COS TEST, Line 56	691,457,185	767,298,113	PNM Exhibit HEM-2 COS TEST, Line 56
4	General & Intangible	61,911,578	65,800,076	127,711,654	8,194,142	135,905,796	PNM Exhibit HEM-2 COS TEST, Line 72	109,170,414	117,949,646	PNM Exhibit HEM-2 COS TEST, Line 72
5	Total Net Plant In Service	<u>2,588,009,272</u>	<u>(2,050,037)</u>	<u>2,585,959,235</u>	<u>634,877,099</u>	<u>3,220,836,334</u>	sum lines 1-4	<u>2,088,335,215</u>	<u>2,634,852,166</u>	sum lines 1-4
6	Total Accum Def'd. Inc. Taxes	(607,682,799)	(15,637,243)	(623,320,043)	(178,871,102)	(802,191,144)	PNM Exhibit HEM-2 COS TEST, Line 120	(507,301,865)	(642,948,281)	PNM Exhibit HEM-2 COS TEST, Line 120
7	Regulatory Assets & Liabilities	7,602,888	1,064,239	8,667,127	(12,032,049)	(3,364,922)	PNM Exhibit HEM-2 COS TEST, Line 138	34,677,849	19,791,055	PNM Exhibit HEM-2 COS TEST, Line 138
8	Other Rate Base Items	196,871,690	(34,667,654)	162,204,037	75,730,843	237,934,880	PNM Exhibit HEM-2 COS TEST, Line 173	138,879,507	204,724,070	PNM Exhibit HEM-2 COS TEST, Line 173
Working Capital										
9	Fuel Stock	95,345,090	2,942,958	98,288,049	22,003,076	120,291,124	PNM Exhibit HEM-2 COS TEST, Line 181	67,689,129	91,325,188	PNM Exhibit HEM-2 COS TEST, Line 181
10	Materials & Supplies	40,117,312	(1,006,934)	39,110,378	-	39,110,378	PNM Exhibit HEM-2 COS TEST, Line 188	31,283,299	31,980,656	PNM Exhibit HEM-2 COS TEST, Line 188
11	Prepayments	44,379,657	(10,092,165)	34,287,491	20,019,106	54,306,598	PNM Exhibit HEM-2 COS TEST, Line 196	27,638,469	47,940,743	PNM Exhibit HEM-2 COS TEST, Line 196
12	Cash Working Capital	-	(1,248,244)	(1,248,244)	1,343,073	94,829	PNM Exhibit HEM-2 COS TEST, Line 198	(1,248,244)	94,829	PNM Exhibit HEM-2 COS TEST, Line 198
13	Total Working Capital	<u>179,842,059</u>	<u>(9,404,385)</u>	<u>170,437,674</u>	<u>43,365,255</u>	<u>213,802,929</u>	sum lines 9-12	<u>125,362,653</u>	<u>171,341,417</u>	sum lines 9-12
14	Total Rate Base	<u>2,364,643,110</u>	<u>(60,695,080)</u>	<u>2,303,948,030</u>	<u>563,070,047</u>	<u>2,867,018,077</u>	sum lines 5, 6, 7, 8, and 13	<u>1,879,953,359</u>	<u>2,387,760,427</u>	sum lines 5, 6, 7, 8, and 13

Notes:
Please refer to PNM Exhibit HEM-2 COS BASE ADJ for explanation of base period adjustments.
Please refer to PNM Exhibit HEM-3 workpapers for linkage from Adjusted Base to Test Period.
Please refer to PNM Exhibit HEM-2 for allocation of Total Company to PNM Retail Share for the adjusted base period and test period.

PNM Schedule A-5

Summary of total capitalization and the weighted average cost of capital.

Public Service Company of New Mexico
Schedule A-5
Summary of Total Capitalization and the Weighted Average Cost of Capital
Base Period Ending 6/30/2014

Line No.	Capital Component	A Total Capitalization Base Period	B Percentage of Total Capitalization	C Capital Component Cost	D Weighted Average Cost	Reference
1	Long Term Debt	1,215,870	49.27%	6.35%	3.13%	Schedule G-1 Base, Line 1
2	Preferred Stock	11,529	0.47%	4.62%	0.02%	Schedule G-1 Base, Line 2
3	Common Equity	1,240,193	50.26%	10.00%	5.03%	Schedule G-1 Base, Line 3
4	Total	<u>2,467,592</u>	<u>100.00%</u>		<u>8.18%</u>	

Notes:

Tax rate of 39.51% for tax gross up calculation

	Tax Gross-Up
Debt	3.13%
Preferred	0.04%
Common	<u>8.31%</u>
Total	11.47%

Public Service Company of New Mexico
 Schedule A-5
 Summary of Total Capitalization and the Weighted Average Cost of Capital
 Test Period Ending 12/31/2016

Line No.	Capital Component	A Total Capitalization Base Period	B Adjustments (1)	C 13 Month Avg Capitalization Test Period	D Percentage of Total Capitalization	E Removal of 13th month avg adjustment	F December 2016 Capitalization Test Period	G Percentage of Total Capitalization	H Capital Component Cost	I Weighted Average Cost	Reference
1	Long Term Debt	1,215,870	205,769	1,421,639	49.67%	19,231	1,440,870	50.00%	6.12%	3.06%	Schedule G-1 Test, line 1
2	Preferred Stock	11,529		11,529	0.40%	-	11,529	0.40%	4.62%	0.02%	Schedule G-1 Test, line 2
3	Common Equity	1,240,193	188,699	1,428,892	49.93%	449	1,429,341	49.60%	10.50%	5.21%	Schedule G-1 Test, line 3
4	Total	<u>2,467,592</u>		<u>2,862,060</u>	<u>100.00%</u>		<u>2,881,740</u>	<u>100.00%</u>		<u>8.29%</u>	

Notes:
 Tax rate of 39.02% for tax gross up calculation
 (1) Please refer to rule 530 schedule G series

	Tax Gross-Up
Debt	3.06%
Preferred	0.03%
Common	8.54%
Total	<u>11.63%</u>