

Allocation Factors.

# PNM 530 Schedules M Series

Schedule M-1: Allocation factors used to assign items of plant and expenses to the various rate classes.

Schedule M-2: Classification factors used to assign items of plant and expenses to demand, energy, and customer.

Schedule M-3: Demand and energy loss factors.

# PNM Schedule M-1

Allocation factors used to assign items of plant and expenses to the various rate classes.

## Schedule M-1

## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

<u>Allocator Name</u>	<u>Description of Allocator</u>
<u>Production Demand Related</u>	
4CP_3S1W	Production 3 Coincident Peak Summer, 1 Coincident Peak Winter
<u>Transmission Demand Related</u>	
Trans_12CP	Transmission Average 12 Coincident Peak
<u>Distribution Demand Related</u>	
NCP	Max Non-Coincident Peak Demand
NCP_Sub	Max Non-Coincident Peak Demand at Substation Level
NCP_Pri	Max Non-Coincident Peak Demand at Primary Level
NCP_Sec	Max Non-Coincident Peak Demand at Secondary Level
AVGDEMAND	Average Demand
<u>Energy Related</u>	
Energy1	kWh at Generation (used to allocate Fuel items)
Energy2	kWh at Generation Excluding Transmission Customers
Energy3	kWh at Meter (used to allocate fuel related Other Operating Revenue Items)
<u>Customer Related</u>	
Annual_Customers	Annual Customer (Bills)
Wtd_Meters	Weighted Meter Cost (Number of Meters * Capital Cost of Meter by rate class)
Wtd_Services	Weighted Service Cost (Number of Services * Capital Cost of Service)
CUST371	Installations on Customer Premises Direct Assignment
CUST373	Street Lighting and Signal Systems Direct Assignment
Customer_Deposits	Customer Deposit Percentages
CUST902	Meter Reading Expenses
CUST903	Customer Records and Collection Expenses
EXP904	Uncollectible Expense
CUSTEXP	Weighted Customer/Energy Allocation Factor
DFERC	Direct Assignment FERC
<u>Internally Developed</u>	
Net_Plant	Total Net Plant

Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes  
Base Period Ending 6/30/2014  
Test Period Ending 12/31/2016

Allocator Name	Description of Allocator
Net_Prod_Plant	Net Production Plant
Net_Trans_Plant	Net Transmission Plant
Net_Dist_Plant	Net Distribution Plant
Net_Dist_Subs	Net Distribution Substations Plant
Net_TD_Plant	Net Transmission and Distribution Plant
Net_GI_Plant	Net General and Intangible Plant
Net_Dist_Sec	Secondary Net Distribution Plant
Net_Dist_Pri_Sec	Primary & Secondary Net Distribution Plant
PLT370	Account 370 - Meters
PLT371	Account 371 - Installations on Customer Premises
PLT373	Account 373 - Street Lighting and Signal Systems
PLT36970	Accounts 369 & 370 - Services and Meters
PLT37173	Accounts 371 & 373 - Lighting
OX581	Expense Account 581-Load Dispatching
OX582	Expense Account 582-Station Equipment
OX583	Expense Account 583-Overhead Line Expenses
OX584	Expense Account 584-Underground Line Expenses
OX585	Expense Account 585-Street Lighting and Signal Systems Expenses
OX586	Expense Account 586-Meter Expenses
OX587	Expense Account 587-Customer Installations Expenses
OX588	Expense Account 588-Miscellaneous Distribution Expenses
OX589	Expense Account 589-Rents
EXP58189	Expense Accounts 581-589
MX591	Expense Account 591-Maintenance of Structures
MX592	Expense Account 592-Maintenance of Station Equipment

Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes  
 Base Period Ending 6/30/2014  
 Test Period Ending 12/31/2016

Allocator Name	Description of Allocator
MX593	Expense Account 593-Maintenance of Overhead Lines
MX594	Expense Account 594-Maintenance of Underground Lines
MX595	Expense Account 595-Maintenance of Line Transformers
MX596	Expense Account 596-Maintenance of Street Lighting & Signal Systems
MX597	Expense Account 597-Maintenance of Meters
MX598	Expense Account 598-Maintenance of Miscellaneous Distribution Plant
EXP59198	Expense Accounts 591-598
OPRODEXP	Total O&M Other Production Expense
TRANEXP	Total O&M Transmission Expense
DISTEXP	Total O&M Distribution Expense
CAEXP	Total O&M Customer Accounting Expense
CSIEXP	Total O&M Customer Service & Information Expense
SALESEXP	Total O&M Sales Expense
OMXFPP	Total O&M less Fuel & Purchased Power Expense
GI_Cust_NP	Net Customer General & Intangible Plant
GI_Prod_NP	Net General & Intangible Production Plant
GI_Trans_NP	Net General & Intangible Transmission Plant
GI_DistCust_NP	Net General & Intangible Distribution/Customer Plant
Prod_Labor	Production Wages and Salaries
Trans_Labor	Transmission Wages and Salaries
Dist_Labor	Distribution Wages and Salaries
Cust_Acct_Labor	Customer Accounting Wages and Salaries
Cust_Svc_Labor	Customer Service and Information Wages and Salaries
Sales_Labor	Sales Wages and Salaries
DistCust_Labor	Distribution and Customer Wages and Salaries

## Schedule M-1

## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

<u>Allocator Name</u>	<u>Description of Allocator</u>
DistCust_Labor_X20	Distribution and Customer Wages and Salaries excluding Schedule 20
SALWAGESX	Total O&M Wages and Salaries Expense Excluding A&G
Total_Labor	Total O&M Wages and Salaries Expense
IBNR	IBNR
Prop_Tax	Property Tax
Reg_Exp	Regulatory Expense
Prepayments	Prepayments
Step_Up	Step-up Transformer & Aux
MDC1	ADIT Allocation: Asset Retirement Obligation
<u>Revenue Related</u>	
SALESREV	Total Sales Revenues
NFREVEN	Non-Fuel Revenue
FUELREV	Base Fuel Revenue

## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

Line No.	O&M Wages and Salaries Expense	Allocation	A Total PNM Jurisdiction	B Schedule 1 Residential	C Schedule 2 Small Power	D Schedule 3 General Power	E Schedule 4 Large Power	F Schedule 5 Industrial Power	G Schedule 10 Irrigation
BASE YEAR									
1	Production	OPRODEXP	48,119,891	22,384,124	6,699,598	9,513,214	5,488,190	352,277	150,981
2	Transmission	TRANEXP	2,791,752	1,295,412	344,506	558,233	329,366	23,034	7,416
3	Distribution								
4	Operation								
5	580-Supervision and Engineering	EXP58189	1,751,278	908,662	458,249	244,578	76,961	1,012	10,138
6	581-Load Dispatching	OX581	(2,417)	(1,254)	(632)	(338)	(106)	(1)	(14)
7	582-Station Equipment	OX582	80,152	37,590	11,479	14,703	8,386	789	497
8	583-Overhead Line Expenses	OX583	2,095,435	1,109,377	338,789	433,919	143,391	0	14,679
9	584-Underground Line Expenses	OX584	702,263	371,796	113,542	145,423	48,056	0	4,919
10	585-Street Lighting and Signal Systems Expenses	OX585	68,273	0	0	0	0	0	0
11	586-Meter Expenses	OX586	2,355,441	1,223,413	839,478	196,282	45,946	589	11,429
12	587-Customer Installations Expenses	CUST371	0	0	0	0	0	0	0
13	588-Miscellaneous Distribution Expenses	OX588	3,996,052	2,150,722	634,528	709,815	266,271	7,496	24,457
14	589-Rents	OX589	0	0	0	0	0	0	0
15	Total Operation Expense		11,046,477	5,800,306	2,395,432	1,744,382	588,905	9,884	66,105
16	Maintenance								
17	590-Maintenance of Supervision and Engineering	EXP59198	235,684	105,080	34,216	39,059	14,727	432	1,347
18	591-Maintenance of Structures	MX591	1,528	822	243	271	102	3	9
19	592-Maintenance of Station Equipment	MX592	986,469	462,635	141,283	180,954	103,209	9,707	6,121
20	593-Maintenance of Overhead Lines	MX593	697,181	369,105	112,720	144,371	47,708	0	4,884
21	594-Maintenance of Underground Lines	MX594	718,172	380,219	116,114	148,718	49,145	0	5,031
22	595-Maintenance of Line Transformers	MX595	(104)	(56)	(17)	(18)	(7)	(0)	(1)
23	596-Maintenance of Street Lighting & Signal Systems	MX596	542,097	0	0	0	0	0	0
24	597-Maintenance of Meters	MX597	376,618	195,615	134,227	31,384	7,347	94	1,827
25	598-Maintenance of Miscellaneous Distribution Plant	MX598	0	0	0	0	0	0	0
26	Total Maintenance Expense		3,557,645	1,513,421	538,785	544,739	222,231	10,236	19,219
27	Total Distribution		14,604,122	7,313,726	2,934,218	2,289,121	811,136	20,120	85,324
28	Total Production, Transmission & Distribution		65,515,765	30,993,262	9,978,322	12,360,568	6,628,692	395,431	243,721
29	Customer Accounting	CAEXP	7,964,665	7,072,447	805,912	69,416	5,409	174	5,156
30	Customer Service & Information	CSIEXP	759,932	598,913	78,669	39,811	21,387	1,561	866
31	Sales	SALESEXP	3,556,413	2,802,861	368,164	186,313	100,091	7,306	4,052
32	Total CA, CS&I and Sales		12,281,010	10,474,221	1,252,745	295,540	126,887	9,041	10,073
33	Total Wages & Salaries Excluding A&G		77,796,775	41,467,484	11,231,066	12,656,109	6,755,579	404,472	253,794
34	Administrative & General	SALWAGESX	22,840,699	12,174,622	3,297,378	3,715,763	1,983,400	118,751	74,512
35	Total O&M Wages and Salaries Expense		100,637,474	53,642,105	14,528,445	16,371,871	8,738,979	523,223	328,306
36	Total Wages & Salaries Allocation Factor		99.75%	53.17%	14.40%	16.23%	8.66%	0.52%	0.33%

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## Schedule M-1

## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

Line No.	O&M Wages and Salaries Expense	Allocation	H Schedule 11 Water & Sewage	I Schedule 15 Industrial Power	J Schedule 30 Industrial Power	K Schedule 33 Large, Station Power	L Schedule 34 Very Large High LF	M Schedule 6 Private Area Lighting	N Schedule 20 Streetlighting
BASE YEAR									
1	Production	OPRODEXP	535,123	477,280	1,889,013	11,344	494,876	29,701	94,169
2	Transmission	TRANEXP	29,996	26,972	121,922	1,094	33,541	4,856	15,402
3	Distribution								
4	Operation								
5	580-Supervision and Engineering	EXP58189	27,409	306	4,021	76	1,295	4,311	14,260
6	581-Load Dispatching	OX581	(38)	(0)	(6)	(0)	(2)	(6)	(20)
7	582-Station Equipment	OX582	2,057	0	2,973	0	996	164	517
8	583-Overhead Line Expenses	OX583	35,178	0	0	0	0	4,841	15,262
9	584-Underground Line Expenses	OX584	11,789	0	0	0	0	1,622	5,115
10	585-Street Lighting and Signal Systems Expenses	OX585	0	0	0	0	0	16,561	51,712
11	586-Meter Expenses	OX586	33,184	785	2,749	196	785	0	604
12	587-Customer Installations Expenses	CUST371	0	0	0	0	0	0	0
13	588-Miscellaneous Distribution Expenses	OX588	67,169	66	28,304	17	9,473	10,147	87,587
14	589-Rents	OX589	0	0	0	0	0	0	0
15	Total Operation Expense		176,748	1,157	38,042	289	12,548	37,641	175,038
16	Maintenance								
17	590-Maintenance of Supervision and Engineering	EXP59198	3,728	4	1,632	1	546	8,394	26,516
18	591-Maintenance of Structures	MX591	26	0	11	0	4	4	33
19	592-Maintenance of Station Equipment	MX592	25,320	0	36,594	0	12,263	2,019	6,364
20	593-Maintenance of Overhead Lines	MX593	11,704	0	0	0	0	1,611	5,078
21	594-Maintenance of Underground Lines	MX594	12,056	0	0	0	0	1,659	5,231
22	595-Maintenance of Line Transformers	MX595	(2)	(0)	(1)	(0)	(0)	(0)	(2)
23	596-Maintenance of Street Lighting & Signal Systems	MX596	0	0	0	0	0	131,497	410,599
24	597-Maintenance of Meters	MX597	5,306	126	440	31	126	0	97
25	598-Maintenance of Miscellaneous Distribution Plant	MX598	0	0	0	0	0	0	0
26	Total Maintenance Expense		58,138	130	38,676	32	12,938	145,184	453,916
27	Total Distribution		234,886	1,287	76,718	322	25,486	182,825	628,954
28	Total Production, Transmission & Distribution		800,006	505,539	2,087,654	12,760	553,902	217,382	738,526
29	Customer Accounting	CAEXP	2,768	170	859	41	308	27	1,979
30	Customer Service & Information	CSIEXP	3,522	1,689	9,197	113	2,853	292	1,057
31	Sales	SALESEXP	16,483	7,905	43,042	527	13,354	1,368	4,949
32	Total CA, CS&I and Sales		22,772	9,764	53,098	681	16,515	1,687	7,985
33	Total Wages & Salaries Excluding A&G		822,778	515,303	2,140,752	13,441	570,417	219,069	746,511
34	Administrative & General	SALWAGESX	241,563	151,290	628,513	3,946	167,471	64,317	219,171
35	Total O&M Wages and Salaries Expense		1,064,341	666,593	2,769,265	17,387	737,888	283,386	965,682
36	Total Wages & Salaries Allocation Factor		1.05%	0.66%	2.74%	0.02%	0.73%	0.28%	0.96%

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## Schedule M-1

## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

Line No.	O&M Wages and Salaries Expense	Allocation	A Total PNM Jurisdiction	B Schedule 1 Residential	C Schedule 2 Small Power	D Schedule 3 General Power	E Schedule 4 Large Power	F Schedule 5 Industrial Power	G Schedule 10 Irrigation
TEST YEAR									
1	Production	OPRODEXP	48,128,983	21,588,241	6,650,515	9,963,313	5,802,272	405,987	150,683
2	Transmission	TRANEXP	2,934,416	1,359,817	352,523	598,194	342,846	24,651	7,680
3	Distribution								
4	Operation								
5	580-Supervision and Engineering	EXP58189	1,751,278	886,010	457,958	258,715	87,829	1,125	9,154
6	581-Load Dispatching	OX581	(2,417)	(1,223)	(632)	(357)	(121)	(2)	(13)
7	582-Station Equipment	OX582	80,152	35,077	11,511	15,625	9,869	881	406
8	583-Overhead Line Expenses	OX583	2,095,435	1,051,549	345,085	468,400	168,224	0	12,170
9	584-Underground Line Expenses	OX584	702,263	352,415	115,652	156,979	56,379	0	4,079
10	585-Street Lighting and Signal Systems Expenses	OX585	68,273	0	0	0	0	0	0
11	586-Meter Expenses	OX586	2,355,441	1,223,413	839,478	196,282	45,946	589	11,429
12	587-Customer Installations Expenses	CUST371	0	0	0	0	0	0	0
13	588-Miscellaneous Distribution Expenses	OX588	3,996,052	2,060,873	641,708	756,590	308,066	8,013	20,250
14	589-Rents	OX589	0	0	0	0	0	0	0
15	Total Operation Expense		11,046,477	5,608,114	2,410,760	1,852,234	676,192	10,607	57,475
16	Maintenance								
17	590-Maintenance of Supervision and Engineering	EXP59198	235,684	99,733	34,688	41,891	17,235	483	1,122
18	591-Maintenance of Structures	MX591	1,528	788	245	289	118	3	8
19	592-Maintenance of Station Equipment	MX592	986,469	431,709	141,673	192,300	121,466	10,846	4,996
20	593-Maintenance of Overhead Lines	MX593	697,181	349,865	114,815	155,843	55,971	0	4,049
21	594-Maintenance of Underground Lines	MX594	718,172	360,399	118,271	160,536	57,656	0	4,171
22	595-Maintenance of Line Transformers	MX595	(104)	(54)	(17)	(20)	(8)	(0)	(1)
23	596-Maintenance of Street Lighting & Signal Systems	MX596	542,097	0	0	0	0	0	0
24	597-Maintenance of Meters	MX597	376,618	195,615	134,227	31,384	7,347	94	1,827
25	598-Maintenance of Miscellaneous Distribution Plant	MX598	0	0	0	0	0	0	0
26	Total Maintenance Expense		3,557,645	1,438,056	543,902	582,224	259,783	11,427	16,173
27	Total Distribution		14,604,122	7,046,169	2,954,662	2,434,457	935,975	22,034	73,648
28	Total Production, Transmission & Distribution		65,667,521	29,994,228	9,957,700	12,995,965	7,081,094	452,672	232,011
29	Customer Accounting	CAEXP	7,964,665	7,061,524	816,597	70,052	5,255	177	4,912
30	Customer Service & Information	CSIEXP	759,932	598,213	78,915	40,397	20,941	1,575	844
31	Sales	SALESEXP	3,622,578	2,851,670	376,187	192,572	99,828	7,507	4,023
32	Total CA, CS&I and Sales		12,347,176	10,511,407	1,271,700	303,022	126,024	9,258	9,779
33	Total Wages & Salaries Excluding A&G		78,014,696	40,505,635	11,229,400	13,298,987	7,207,118	461,930	241,790
34	Administrative & General	SALWAGESX	22,873,618	11,876,101	3,292,418	3,899,214	2,113,100	135,436	70,892
35	Total O&M Wages and Salaries Expense		100,888,315	52,381,736	14,521,818	17,198,201	9,320,218	597,366	312,682
36	Total Wages & Salaries Allocation Factor		100.00%	51.92%	14.39%	17.05%	9.24%	0.59%	0.31%

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## Schedule M-1

## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

Line No.	O&M Wages and Salaries Expense	Allocation	H Schedule 11 Water & Sewage	I Schedule 15 Industrial Power	J Schedule 30 Industrial Power	K Schedule 33 Large, Station Power	L Schedule 34 Very Large High LF	M Schedule 6 Private Area Lighting	N Schedule 20 Streetlighting
TEST YEAR									
1	Production	OPRODEXP	519,561	314,984	1,819,730	6,816	766,042	34,248	106,591
2	Transmission	TRANEXP	29,320	21,768	122,735	620	53,087	5,120	16,054
3	Distribution								
4	Operation								
5	580-Supervision and Engineering	EXP58189	25,497	302	3,828	75	1,959	4,459	14,366
6	581-Load Dispatching	OX581	(35)	(0)	(5)	(0)	(3)	(6)	(20)
7	582-Station Equipment	OX582	1,793	0	2,717	0	1,624	158	490
8	583-Overhead Line Expenses	OX583	30,557	0	0	0	0	4,751	14,699
9	584-Underground Line Expenses	OX584	10,241	0	0	0	0	1,592	4,926
10	585-Street Lighting and Signal Systems Expenses	OX585	0	0	0	0	0	16,678	51,596
11	586-Meter Expenses	OX586	33,184	785	2,749	196	785	0	604
12	587-Customer Installations Expenses	CUST371	0	0	0	0	0	0	0
13	588-Miscellaneous Distribution Expenses	OX588	58,110	68	24,782	17	14,744	19,588	83,245
14	589-Rents	OX589	0	0	0	0	0	0	0
15	Total Operation Expense		159,346	1,155	34,070	289	19,110	47,220	169,907
16	Maintenance								
17	590-Maintenance of Supervision and Engineering	EXP59198	3,263	4	1,495	1	890	8,491	26,388
18	591-Maintenance of Structures	MX591	22	0	9	0	6	7	32
19	592-Maintenance of Station Equipment	MX592	22,064	0	33,436	0	19,993	1,951	6,035
20	593-Maintenance of Overhead Lines	MX593	10,167	0	0	0	0	1,581	4,891
21	594-Maintenance of Underground Lines	MX594	10,473	0	0	0	0	1,628	5,038
22	595-Maintenance of Line Transformers	MX595	(2)	(0)	(1)	(0)	(0)	(1)	(2)
23	596-Maintenance of Street Lighting & Signal Systems	MX596	0	0	0	0	0	132,421	409,676
24	597-Maintenance of Meters	MX597	5,306	126	440	31	126	0	97
25	598-Maintenance of Miscellaneous Distribution Plant	MX598	0	0	0	0	0	0	0
26	Total Maintenance Expense		51,293	130	35,380	32	21,013	146,079	452,153
27	Total Distribution		210,638	1,285	69,450	321	40,123	193,299	622,061
28	Total Production, Transmission & Distribution		759,518	338,037	2,011,915	7,758	859,252	232,667	744,706
29	Customer Accounting	CAEXP	2,704	131	836	21	463	27	1,965
30	Customer Service & Information	CSIEXP	3,244	1,244	8,825	61	4,320	295	1,058
31	Sales	SALESEXP	15,464	5,931	42,067	289	20,591	1,408	5,042
32	Total CA, CS&I and Sales		21,412	7,306	51,728	370	25,374	1,731	8,064
33	Total Wages & Salaries Excluding A&G		780,930	345,343	2,063,643	8,128	884,625	234,398	752,770
34	Administrative & General	SALWAGESX	228,966	101,253	605,052	2,383	259,369	68,725	220,709
35	Total O&M Wages and Salaries Expense		1,009,896	446,596	2,668,696	10,511	1,143,994	303,122	973,479
36	Total Wages & Salaries Allocation Factor		1.00%	0.44%	2.65%	0.01%	1.13%	0.30%	0.96%

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## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

Line No.	Rate Class	BASE YEAR			TEST YEAR		
		A Annual Number of Customers	B Annual kWh @ Meter	C Weighted Customer/Energy Allocation Factor (80% / 20%)	D Annual Number of Customers	E Annual kWh @ Meter	F Weighted Customer/Energy Allocation Factor (80% / 20%)
1	Schedule 1 - Residential	5,495,445	3,208,643,660	78.72%	5,437,031	3,218,130,742	78.81%
2	Schedule 2 - Small Power	634,785	907,469,792	10.38%	618,814	943,751,379	10.35%
3	Schedule 3B/3C - General Power	52,002	1,930,290,534	5.32%	50,954	1,910,301,510	5.24%
4	Schedule 4B - Large Power	2,594	1,131,474,613	2.76%	2,671	1,161,232,389	2.81%
5	Schedule 5B - Mines 46/115 kV	24	86,000,000	0.21%	24	85,696,100	0.21%
6	Schedule 10 - Irrigation	3,792	25,795,279	0.11%	3,933	26,109,164	0.11%
7	Schedule 11B - Wtr/Swg Pumping	1,884	167,315,661	0.43%	1,894	183,284,575	0.46%
8	Schedule 15B - Universities 115 kV	12	67,984,267	0.16%	12	92,795,855	0.22%
9	Schedule 30B - Manuf. (30 MW)	12	482,610,203	1.16%	12	505,575,934	1.21%
10	Schedule 33B - Lg, Station Pwr	12	3,247,400	0.01%	24	6,060,188	0.01%
11	Schedule 34B - Very Lg. Hi LF	48	236,001,800	0.57%	36	156,676,000	0.38%
12	Schedule 6 - Private Lighting	0	16,157,184	0.04%	0	16,066,553	0.04%
13	Schedule 20 - Streetlighting	1,464	49,986,012	0.14%	1,458	50,167,719	0.14%
12	<b>Total</b>	<b>6,192,074</b>	<b>8,312,976,406</b>	<b>100.00%</b>	<b>6,116,863</b>	<b>8,355,848,109</b>	<b>100.00%</b>
	<b>Weighting</b>	<b>80%</b>	<b>20%</b>		<b>80%</b>	<b>20%</b>	

Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes  
 Base Period Ending 6/30/2014  
 Test Period Ending 12/31/2016

Line No.	Distribution Labor	A Base Labor	B PNM Electric - Payroll Charged to Clearing	C Total C = A + B	D PNM Jurisdiction D = C * D28
1	Operation				
2	580-Supervision and Engineering	1,480,707	270,571	1,751,278	1,751,278
3	581-Load Dispatching	(2,090)	(327)	(2,417)	(2,417)
4	582-Station Equipment	64,592	15,560	80,152	80,152
5	583-Overhead Line Expenses	1,903,668	191,768	2,095,435	2,095,435
6	584-Underground Line Expenses	624,105	78,158	702,263	702,263
7	585-Street Lighting and Signal Systems Expenses	58,608	9,665	68,273	68,273
8	586-Meter Expenses	2,049,490	305,951	2,355,441	2,355,441
9	587-Customer Installations Expenses	0	0	0	0
10	588-Miscellaneous Distribution Expenses	3,364,109	631,943	3,996,052	3,996,052
11	589-Rents	0	0	0	0
12	Total Operation Expense	9,543,188	1,503,289	11,046,477	11,046,477
13	Maintenance				
14	590-Maintenance of Supervision and Engineering	0	0	0	0
15	591-Maintenance of Structures	143,876	91,808	235,684	235,684
16	592-Maintenance of Station Equipment	1,199	329	1,528	1,528
17	593-Maintenance of Overhead Lines	847,116	139,353	986,469	986,469
18	594-Maintenance of Underground Lines	578,777	118,403	697,181	697,181
19	595-Maintenance of Line Transformers	636,065	82,107	718,172	718,172
20	596-Maintenance of Street Lighting & Signal Systems	(96)	(8)	(104)	(104)
21	597-Maintenance of Meters	469,479	72,617	542,097	542,097
22	598-Maintenance of Miscellaneous Distribution Plant	332,657	43,962	376,618	376,618
23	Total Maintenance Expense	3,009,074	548,571	3,557,645	3,557,645
24	TOTAL DISTRIBUTION LABOR	12,552,262	2,051,860	14,604,122	14,604,122

25  
 26  
 27  
 28  
 29

	PNM
Distribution Labor in K-1	14,604,122
Difference	0
Dist W&S Percentage	100.00%
Calculated Percentage	100.00%

## Schedule M-1

## Allocation Factors Used to Assign Items of Plant and Expenses to the Various Rate Classes

Base Period Ending 6/30/2014

Test Period Ending 12/31/2016

Line No.	Rate Class	A	B	C	D	E	F	G	H
		Total kWh at Generation	Energy B = A ÷ A14	Average of Gen CP's for Jun, Jul, Aug, and Dec	3-CP Summer, 1-CP Winter Class Allocator D = C ÷ C14	Average of Transmission CPs for All Months	Trans_12CP F = E ÷ E14	Max NCP	NCP H = G ÷ G14
BASE YEAR									
1	Schedule 1 - Residential	3,433,496,012	38.67%	758,207	46.52%	628,872	46.40%	860,590	46.20%
2	Schedule 2 - Small Power	1,006,909,556	11.34%	226,932	13.92%	167,244	12.34%	262,813	14.11%
3	Schedule 3B/3C - General Power	2,038,143,613	22.96%	322,237	19.77%	271,000	20.00%	336,609	18.07%
4	Schedule 4B - Large Power	1,224,224,175	13.79%	185,899	11.41%	159,894	11.80%	191,989	10.31%
5	Schedule 5B - Mines 46/115 kV	89,199,589	1.00%	11,933	0.73%	11,182	0.83%	18,056	0.97%
6	Schedule 10 - Irrigation	27,856,454	0.31%	5,114	0.31%	3,600	0.27%	11,387	0.61%
7	Schedule 11B - Wtr/Swg Pumping	193,226,963	2.18%	18,126	1.11%	14,562	1.07%	47,100	2.53%
8	Schedule 15B - Universities 115 kV	96,388,646	1.09%	16,167	0.99%	13,094	0.97%	22,046	1.18%
9	Schedule 30B - Manuf. (30 MW)	528,452,569	5.95%	63,986	3.93%	59,189	4.37%	68,072	3.65%
10	Schedule 33B - Lg, Station Pwr	6,294,821	0.07%	384	0.02%	531	0.04%	5,744	0.31%
11	Schedule 34B - Very Lg. Hi LF	163,765,379	1.84%	16,763	1.03%	16,283	1.20%	22,811	1.22%
12	Schedule 6 - Private Lighting	17,141,766	0.19%	1,006	0.06%	2,358	0.17%	3,756	0.20%
13	Schedule 20 - Streetlighting	53,525,067	0.60%	3,190	0.20%	7,477	0.55%	11,839	0.64%
14	Total	<b>8,878,624,611</b>	<b>100.00%</b>	<b>1,629,943</b>	<b>100.00%</b>	<b>1,355,286</b>	<b>100.00%</b>	<b>1,862,812</b>	<b>100.00%</b>
TEST YEAR									
1	Schedule 1 - Residential	3,467,818,223	38.83%	745,071	44.85%	625,825	46.34%	838,235	43.26%
2	Schedule 2 - Small Power	980,769,639	10.98%	229,528	13.82%	162,241	12.01%	275,082	14.20%
3	Schedule 3B/3C - General Power	2,086,207,569	23.36%	343,862	20.70%	275,306	20.39%	373,382	19.27%
4	Schedule 4B - Large Power	1,200,544,592	13.44%	200,253	12.06%	157,787	11.68%	235,846	12.17%
5	Schedule 5B - Mines 46/115 kV	89,820,354	1.01%	14,012	0.84%	11,345	0.84%	21,060	1.09%
6	Schedule 10 - Irrigation	27,878,863	0.31%	5,201	0.31%	3,535	0.26%	9,701	0.50%
7	Schedule 11B - Wtr/Swg Pumping	177,529,314	1.99%	17,932	1.08%	13,494	1.00%	42,840	2.21%
8	Schedule 15B - Universities 115 kV	70,833,246	0.79%	10,871	0.65%	10,018	0.74%	20,134	1.04%
9	Schedule 30B - Manuf. (30 MW)	506,523,020	5.67%	62,804	3.78%	56,486	4.18%	64,922	3.35%
10	Schedule 33B - Lg, Station Pwr	3,383,487	0.04%	235	0.01%	285	0.02%	2,000	0.10%
11	Schedule 34B - Very Lg. Hi LF	247,695,436	2.77%	26,438	1.59%	24,432	1.81%	38,819	2.00%
12	Schedule 6 - Private Lighting	17,462,262	0.20%	1,182	0.07%	2,356	0.17%	3,787	0.20%
13	Schedule 20 - Streetlighting	54,023,576	0.60%	3,679	0.22%	7,389	0.55%	11,717	0.60%
14	Total	<b>8,930,489,581</b>	<b>100.00%</b>	<b>1,661,067</b>	<b>100.00%</b>	<b>1,350,499</b>	<b>100.00%</b>	<b>1,937,526</b>	<b>100.00%</b>

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Public Service Company of New Mexico  
 Schedule M-1  
 Allocation Factors Used to Assign Items of P  
 Base Period Ending 6/30/2014  
 Test Period Ending 12/31/2016

		I	J	K	L	M	N
Line No.	Rate Class	Max NCP Substation Level	NCP_Sub J = I ÷ I14	Max NCP Primary Level	NCP_Pri L = K ÷ K14	Max NCP Secondary Level	NCP_Sec N = M ÷ M14
<u>BASE YEAR</u>							
1	Schedule 1 - Residential	860,590	46.90%	860,590	49.86%	860,590	57.87%
2	Schedule 2 - Small Power	262,813	14.32%	262,813	15.23%	262,813	17.67%
3	Schedule 3B/3C - General Power	336,609	18.34%	336,609	19.50%	336,609	22.64%
4	Schedule 4B - Large Power	191,989	10.46%	191,989	11.12%	0	0.00%
5	Schedule 5B - Mines 46/115 kV	18,056	0.98%	0	0.00%	0	0.00%
6	Schedule 10 - Irrigation	11,387	0.62%	11,387	0.66%	11,387	0.77%
7	Schedule 11B - Wtr/Swg Pumping	47,100	2.57%	47,100	2.73%	0	0.00%
8	Schedule 15B - Universities 115 kV	0	0.00%	0	0.00%	0	0.00%
9	Schedule 30B - Manuf. (30 MW)	68,072	3.71%	0	0.00%	0	0.00%
10	Schedule 33B - Lg, Station Pwr	0	0.00%	0	0.00%	0	0.00%
11	Schedule 34B - Very Lg. Hi LF	22,811	1.24%	0	0.00%	0	0.00%
12	Schedule 6 - Private Lighting	3,756	0.20%	3,756	0.22%	3,756	0.25%
13	Schedule 20 - Streetlighting	11,839	0.65%	11,839	0.69%	11,839	0.80%
14	<b>Total</b>	<b>1,835,021</b>	<b>100.00%</b>	<b>1,726,082</b>	<b>100.00%</b>	<b>1,486,993</b>	<b>100.00%</b>
<u>TEST YEAR</u>							
1	Schedule 1 - Residential	838,235	43.76%	838,235	46.81%	838,235	55.44%
2	Schedule 2 - Small Power	275,082	14.36%	275,082	15.36%	275,082	18.19%
3	Schedule 3B/3C - General Power	373,382	19.49%	373,382	20.85%	373,382	24.70%
4	Schedule 4B - Large Power	235,846	12.31%	235,846	13.17%	0	0.00%
5	Schedule 5B - Mines 46/115 kV	21,060	1.10%	0	0.00%	0	0.00%
6	Schedule 10 - Irrigation	9,701	0.51%	9,701	0.54%	9,701	0.64%
7	Schedule 11B - Wtr/Swg Pumping	42,840	2.24%	42,840	2.39%	0	0.00%
8	Schedule 15B - Universities 115 kV	0	0.00%	0	0.00%	0	0.00%
9	Schedule 30B - Manuf. (30 MW)	64,922	3.39%	0	0.00%	0	0.00%
10	Schedule 33B - Lg, Station Pwr	0	0.00%	0	0.00%	0	0.00%
11	Schedule 34B - Very Lg. Hi LF	38,819	2.03%	0	0.00%	0	0.00%
12	Schedule 6 - Private Lighting	3,787	0.20%	3,787	0.21%	3,787	0.25%
13	Schedule 20 - Streetlighting	11,717	0.61%	11,717	0.65%	11,717	0.78%
14	<b>Total</b>	<b>1,915,392</b>	<b>100.00%</b>	<b>1,790,591</b>	<b>100.00%</b>	<b>1,511,905</b>	<b>100.00%</b>

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# PNM Schedule M-2

Classification factors used to assign items of plant and expenses to demand, energy, and customer.

Public Service Company of New Mexico  
**Schedule M-2**  
**Classification Factors Used to Assign Items of Plant and Expenses to Demand, Energy and Customer**  
**Base Period Ending 6/30/2014**  
**Test Period Ending 12/31/2016**

Line No.	FERC Account	A Description	B Classification			C Allocator Name	D Rationale
			Demand	Energy	Customer		
<b>PLANT</b>							
1	310.0 - 347.0	Production Plant	X			4CP_3S1W	Capacity required to serve load
2	353.1	Transmission Station Equipment - Step-up Xfmr & Aux	X			Trans_12CP	Capacity related
3	350.0 - 359.0	Transmission System Plant	X			Trans_12CP	Capacity required to serve load
4	360.0 - 362.0	Distribution Substations Plant	X			NCP_Sub	Required to serve system load
5	360.1 - 374.0	Distribution Primary Plant	X			NCP_Pri	Required to serve system load
6	365.0 - 368.0	Distribution Secondary Plant	X			NCP_Sec	Required to serve system load
7	369.0 - 369.1	Distribution Services Plant			X	Wtd_Services	Required to serve customer
8	370	Distribution Meters Plant			X	Wtd_Meters	Required to serve customer
9	371	Installations on Customers' Premises			X	CUST371	Required to serve customer
10	373	Street Lighting and Signal Systems			X	CUST373	Required to serve customer
11	389.0 - 399.0	General Plant	X		X	Labor	Related to all operations
<b>RATE BASE ITEMS</b>							
12		<b>Accumulated Deferred Incomes Taxes</b>	X	X	X	See K-4	
<b>Regulatory Assets and Liabilities</b>							
13	182	Coal Mine Decommissioning - Surface	X			Net_Prod_Plant	Related to coal production plants
14	254	PV 1&2 Prudence Audit	X			Net_Prod_Plant	Related to PVNGS
15	254	PV 1&2 Combustion Engineering	X			Net_Prod_Plant	Related to PVNGS
16	254	Palo Verde DOE Spent Fuel Refund	X			Net_Prod_Plant	Related to PVNGS
17	182	Deferred Coal Costs		X		Energy1	Related to energy usage
18	182	Reg Asset LVGS Decommission	X		X	Net_Plant	Related to operation of utility
19	182	Reg Liab LVGS Decommission	X		X	Net_Plant	Related to operation of utility
20		PCB Refinancing Hedge	X		X	Net_Plant	Related to operation of utility
21		Alvarado Square Abandonment	X		X	Net_GI_Plant	Related to operation of utility
22	230	ARO Liability	X		X	MDC1	Related to operation of utility
23	182	TOU Regulatory Asset	X		X	Net_Plant	Related to operation of utility
<b>Other Rate Base Items</b>							
24	235	Customer Deposits			X	Customer_Deposits	Required to serve customer
25	230	Asset Retirement Obligations - Production Related	X			Net_Prod_Plant	Related to production plant
26	230	Asset Retirement Obligations - Distribution Related	X		X	Net_Dist_Plant	Related to distribution plant
27	228	Injuries and Damages	X		X	Total_Labor	Related to operation of utility
28		AMPP- Expense in Excess of Funding	X		X	Total_Labor	Related to operation of utility
29		Miscellaneous Rate Base Deductions	X		X	See K-4	Related to operation of utility
30	186	Transmission Rights of Way	X			Trans_12CP	Related to transmission operation of utility
31	186	Distribution Rights of Way	X		X	Net_Dist_Plant	Related to distribution operation of utility
32	114	Acquisition Adjustments	X			See K-4	Related to transmission operation of utility
33		Prepaid Pension Asset	X		X	Total_Labor	Related to operation of utility
34	189	Unamortized Loss on Reacquired Debt	X		X	Net_Plant	Related to operation of utility

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Public Service Company of New Mexico  
 Schedule M-2  
 Classification Factors Used to Assign Items of Plant and Expenses to Demand, Energy and Customer  
 Base Period Ending 6/30/2014  
 Test Period Ending 12/31/2016

Line No.	FERC Account	A Description	B Classification			C Allocator Name	D Rationale
			Demand	Energy	Customer		
35	186	Rate Case Expense			X	NFREV	Related to operation of utility
<b>WORKING CAPITAL</b>							
36	120.0 & 151.0	Fuel Stock		X		Energy1	Related to energy usage
37	154	Materials and Supplies - Production Related	X			Net_Prod_Plant	Related to production operation of utility
38	154	Materials and Supplies - Transmission Related	X			Net_Trans_Plant	Related to transmission operation of utility
39	154	Materials and Supplies - Distribution Related	X		X	Net_Dist_Plant	Related to distribution operation of utility
40	165	Prepayments - Production Related	X			Net_Prod_Plant	Related to production operation of utility
41	165	Prepayments - Transmission Related	X			Net_Trans_Plant	Related to transmission operation of utility
42	165	Prepayments - Distribution Related	X		X	Net_Dist_Plant	Related to distribution operation of utility
43		Cash Working Capital	X		X	OMXFPP	Related to all areas of utility
<b>PRODUCTION O&amp;M EXPENSES</b>							
44		Base Fuel Related		X		Energy1	Related to energy usage
45		Other Fuel Items		X		Energy1	Related to energy usage
46		Production Plant Expense	X			See K-4	Related to production operation of utility
<b>TRANSMISSION O&amp;M EXPENSES</b>							
47	560.0 - 574.0	Transmission Expense	X			Net_Trans_Plant	Related to transmission operation of utility
<b>DISTRIBUTION O&amp;M EXPENSES</b>							
Operation							
48	580	Operations Supervision & Engineering	X		X	EXP58189	Related to operations accounts
49	581	Load Dispatching		X		Energy2	Related to energy usage
50	582	Station Expense	X			Net_Dist_Sub	Related to distribution operation of utility
51	583	Overhead Line Expense	X			Net_Dist_Pri_Sec	Related to distribution operation of utility
52	584	Underground Line Expense	X			Net_Dist_Pri_Sec	Related to distribution operation of utility
53	585	Street Lighting and Signal System			X	PLT373	Required to serve customer
54	586	Meter Expense			X	PLT370	Required to serve customer
55	587	Customer Installation Expense			X	PLT371	Required to serve customer
56	588	Miscellaneous Distribution Expense	X		X	Net_Dist_Plant	Related to distribution operation of utility
57	589	Rents	X		X	Net_Dist_Plant	Related to distribution operation of utility
Maintenance							
58	590	Maintenance Supervision and Engineering	X		X	EXP59198	Related to maintenance accounts
59	591	Maintenance of Structures	X		X	Net_Dist_Plant	Related to distribution operation of utility
60	592	Maintenance of Station Equipment	X			Net_Dist_Sub	Required to serve distribution system
61	593	Maintenance of Overhead Lines	X			Net_Dist_Pri_Sec	Required to serve distribution system
62	594	Maintenance of Underground Lines	X			Net_Dist_Pri_Sec	Required to serve distribution system
63	595	Maintenance of Line Transformers	X			Net_Dist_Plant	Required to serve distribution system
64	596	Maintenance of Street Lighting and Signal Systems			X	PLT373	Required to serve customer
65	597	Maintenance of Meters			X	PLT370	Required to serve customer
66	598	Maintenance of Miscellaneous Distribution Plant	X		X	Net_Dist_Plant	Required to serve distribution system
<b>CUSTOMER ACCOUNTS EXPENSE</b>							
67	901	Supervision			X	CUSTEXP	Required to serve customer

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Public Service Company of New Mexico  
 Schedule M-2  
 Classification Factors Used to Assign Items of Plant and Expenses to Demand, Energy and Customer  
 Base Period Ending 6/30/2014  
 Test Period Ending 12/31/2016

Line No.	FERC Account	A Description	B Classification			C Allocator Name	D Rationale
			Demand	Energy	Customer		
68	902	Meter Reading			X	CUST902	Required to serve customer
69	903	Records and Collection			X	CUST903	Required to serve customer
70	904	Uncollectible Expenses			X	EXP904	Related to all operations of the utility
<b>CUSTOMER ACCOUNTS EXPENSE, CONT</b>							
71	905	Miscellaneous Customer Accounts Expense			X	CUSTEXP	Required to serve customer
<b>CUSTOMER SERVICE &amp; INFORMATION EXPENSE</b>							
72	906	Customer Service & Information Expense			X	CUSTEXP	Required to serve customer
73	907	Supervision			X	CUSTEXP	Required to serve customer
74	908	Customer Assistance Expense			X	CUSTEXP	Required to serve customer
<b>SALES EXPENSE</b>							
75	912	Demonstrating and Selling			X	CUSTEXP	Required to serve customer
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE</b>							
76	9229	Shared Services - Production Related	X			Prod_Labor	Related to production operation of utility
77	9229	Shared Services - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
78	9229	Shared Services - Distribution/Customer Related	X		X	DistCust_Labor_X20	Related to distribution operation of utility
79	922	A&G Charged to CWIP - Production	X			Prod_Labor	Related to production operation of utility
80	922	A&G Charged to CWIP - Transmission	X			Trans_Labor	Related to transmission operation of utility
81	922	A&G Charged to CWIP - Distribution	X		X	Dist_Labor	Related to distribution operation of utility
82	920	Admin and General Salaries - Production Related	X			Prod_Labor	Related to production operation of utility
83	920	Admin and General Salaries - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
84	920	Admin and General Salaries - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
85	921	AG Office Supplies Expense - Production Related	X			Prod_Labor	Related to production operation of utility
86	921	AG Office Supplies Expense - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
87	921	AG Office Supplies Expense - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
88	923	Outside Services - Production Related	X			Prod_Labor	Related to production operation of utility
89	923	Outside Services - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
90	923	Outside Services - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
91	924	Property Insurance - Production Related	X			Net_Prod_Plant	Related to production operation of utility
92	924	Property Insurance - Transmission Related	X			Net_Trans_Plant	Related to transmission operation of utility
93	924	Property Insurance - Distribution Related	X		X	Net_Dist_Plant	Related to distribution operation of utility
94	925	Injuries or Damanges - Production Related	X			Prod_Labor	Related to production operation of utility
95	925	Injuries or Damanges - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
96	925	Injuries or Damanges - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
97	926	Employee Pension and Benefits - Production Related	X			Prod_Labor	Related to production operation of utility
98	926	Employee Pension and Benefits - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
99	926	Employee Pension and Benefits - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
100	928	Regulatory Commission Expense - Production Related	X			Prod_Labor	Related to production operation of utility
101	928	Regulatory Commission Expense - Transmission Related	X			Trans_Labor	Related to transmission operation of utility

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Public Service Company of New Mexico  
 Schedule M-2  
 Classification Factors Used to Assign Items of Plant and Expenses to Demand, Energy and Customer  
 Base Period Ending 6/30/2014  
 Test Period Ending 12/31/2016

Line No.	FERC Account	A Description	B Classification			C Allocator Name	D Rationale
			Demand	Energy	Customer		
102	928	Regulatory Commission Expense - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
103	930	Miscellaneous A&G Expenses - Production Related	X			Prod_Labor	Related to production operation of utility
104	930	Miscellaneous A&G Expenses - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
105	930	Miscellaneous A&G Expenses - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
106	931	Rents - Production Related	X			Prod_Labor	Related to production operation of utility
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE, CONT</b>							
107	931	Rents - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
108	931	Rents - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
109	935	Maintenance of General Plant	X		X	Net_GI_Plant	Related to all operations of the utility
<b>DEPRECIATION EXPENSE</b>							
110	403	Depreciation - Production Related	X			Net_Prod_Plant	Related to production operation of utility
111	403	Depreciation -Transmission Related	X			Trans_12CP, Step_Up	Related to transmission operation of utility
112	403	Depreciation - Distribution Related	X		X	See K-4	Related to distribution operation of utility
113	403	General Depreciation - Production Related	X			Prod_Labor	Related to production operation of utility
114	403	General Depreciation - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
115	403	General Depreciation - Distribution/Customer Related	X		X	DistCust_Labor	Related to distribution operation of utility
116	403	General Depreciation - Customer Related			X	Cust_Svc_Labor	Related to customer function
<b>GENERAL TAXES EXPENSE</b>							
117	408	Property Taxes - Production Related	X			Net_Prod_Plant	Related to production operation of utility
118	408	Property Taxes - Transmission Related	X			Step_Up, Trans_12CP	Related to transmission operation of utility
119	408	Property Taxes - Distribution Related	X		X	See K-4	Related to distribution operation of utility
120	408	General Property Taxes - Production Related	X			Prod_Labor	Related to production operation of utility
121	408	General Property Taxes - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
122	408	General Property Taxes - Distribution/Customer Related	X		X	DistCust_Labor	Related to distribution operation of utility
123	408	Payroll Taxes - Production Related	X			Prod_Labor	Related to production operation of utility
124	408	Payroll Taxes - Transmission Related	X			Trans_Labor	Related to transmission operation of utility
125	408	Payroll Taxes - Distribution Related	X		X	Dist_Labor	Related to distribution operation of utility
126	408	Other Taxes - Production Related	X			Net_Prod_Plant	Related to production operation of utility
127	408	Other Taxes - Transmission Related	X			Net_Trans_Plant	Related to transmission operation of utility
128	408	Other Taxes - Distribution Related	X		X	Net_Dist_Plant	Related to distribution operation of utility
<b>OTHER ALLOWABLE EXPENSES</b>							
129	431	Interest on Customer Deposits			X	Customer_Deposits	Required to serve customer
130	407	Amort Loss on Reacquired Debt	X		X	Net_Plant	Related to operation of utility
131		Energy Related		X		Energy1	Related to energy usage
132		Amort Synergy Savings	X		X	Energy1	Related to distribution operation of utility
133	408	Amort Retail rate case exp			X	NFREV	Related to operation of utility
134		Production Related	X			Net_Prod_Plant	Related to production operation of utility
135		AMPP Credit from 07-00077-UT	X			Net_Prod_Plant	Related to operation of utility

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Public Service Company of New Mexico  
 Schedule M-2  
 Classification Factors Used to Assign Items of Plant and Expenses to Demand, Energy and Customer  
 Base Period Ending 6/30/2014  
 Test Period Ending 12/31/2016

Line No.	FERC Account	A Description	B Classification			C Allocator Name	D Rationale
			Demand	Energy	Customer		
136		Transmission Related		X		Trans_12CP	Related to transmission operation of utility
137		Amortization TOU Regulatory Asset		X	X	Net_Plant	Related to operation of utility
138		Distribution Related		X	X	Net_Dist_Plant	Related to distribution operation of utility
<b>FEDERAL INCOME TAXES</b>							
Tax/Book Adjustments							
139		Domestic Production Activity Deduction		X	X	Net_Plant	Related to operation of utility
140		Non-deductible Meals		X	X	Total_Labor	Related to all operations of the utility
141		Eastern Interconnect Project		X		Trans_12CP	Related to transmission operation of utility
<b>FEDERAL INCOME TAXES, CONT</b>							
142		Palo Verde Units 1 & 2 Prudence Audit Flow Through		X		Net_Prod_Plant	Related to production operation of utility
143		AFUDC Equity Flow Through		X	X	Net_Plant	Related to operation of utility
144		Gain/Loss Flow Through		X	X	Net_Plant	Related to operation of utility
145		ACRS Flow Through		X	X	Net_Plant	Related to operation of utility
146		San Juan ACRS Flow Through		X		Net_Prod_Plant	Related to production operation of utility
147		Four Corners SO2 Reversal Flow Through		X		Net_Prod_Plant	Related to production operation of utility
148		SL/GL Depreciation		X	X	Net_Plant	Related to operation of utility
149		Amortization of EIP Prepaid Tax Reversal		X		Net_Trans_Plant	Related to transmission operation of utility
150	410	Net Provision for Deferred Income Tax		X	X	Total_Labor	Related to operation of utility
Investment Tax Credits							
151	420	Palo Verde 1&2 Production ITC Amortization		X		Net_Prod_Plant	Related to production operation of utility
152	420	PV Valley Transmission ITC Amortization		X		Trans12_CP	Related to transmission operation of utility
153	420	Generation ITC Amortization		X		Net_Prod_Plant	Related to production operation of utility
154	420	Renewables ITC Amortization		X		Net_Prod_Plant	Related to production operation of utility
155	420	All Other ITC Amortization		X	X	Net_Plant	Related to operation of utility

# PNM Schedule M-3

Demand and energy loss factors.

Public Service Company of New Mexico  
Schedule M-3  
Demand and Energy Loss Factors  
Base Period Ending 6/30/2014  
Test Period Ending 12/31/2016

Line #	Rate Class	A Cumulative Energy Loss Factor	B Cumulative Demand Loss Factor
1	1 - Residential	1.07172	1.08855
2	2 - Small Power	1.07172	1.08855
3	3B/3C - General Power	1.07172	1.08855
4	4B - Large Power	1.05736	1.07076
5	5B - Mines 46/115 kV	1.04263	1.04091
6	10 - Irrigation	1.07172	1.08855
7	11B - Wtr/Swg Pumping	1.05736	1.07076
8	14B - Mines 115 kV	1.04028	1.03894
9	15B - Universities 115 kV	1.04028	1.03894
10	17B - Manuf. (8 MW)	1.04739	1.04673
11	30B - Manuf. (30 MW)	1.04739	1.04673
12	6 - Private Lighting	1.07172	1.08855
13	20 - Streetlighting	1.07172	1.08855