

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
RENEWABLE ENERGY ACT PLAN)
FOR 2020 AND PROPOSED 2020 RIDER)
RATE UNDER RATE RIDER NO. 36,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
)
Applicant.)
_____)

Case No. 19-00 ____-UT

DIRECT TESTIMONY
OF
THOMAS S. BAKER

June 3, 2019

NMPRC CASE NO. 19-00 _____-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 Thomas S. Baker. I serve as Manager, Cost of Service, for PNMR Services Company and its affiliates, including Public Service Company of New Mexico (“PNM” or the “Company”). My business address is Public Service Company of New Mexico, 414 Silver SW, Mail Stop 0915, Albuquerque, NM 87102.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. My educational background and professional experience are summarized in PNM Exhibit TSB-1, which includes a list of cases in which I have testified before the New Mexico Public Regulation Commission (“Commission” or “NMPRC”).

Q. HAVE YOU PREPARED ADDITIONAL EXHIBITS?

A. Yes, as follows:

- PNM Exhibit TSB-2: Summary 2020 Renewable Rider Revenue Requirement - Projected
- PNM Exhibit TSB-3: 2020 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities
- PNM Exhibit TSB-4: 2020 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities

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- 1 • PNM Exhibit TSB-5: 2020 Estimated Annual Revenue Requirement for the
2 PNM-Owned 2014 Facilities
- 3 • PNM Exhibit TSB-6: 2020 Estimated Annual Revenue Requirement for the
4 PNM-Owned 2019 Facilities
- 5 • PNM Exhibit TSB-7: 2020 Estimated Annual Revenue Requirement for
6 Purchased Power Agreements and Renewable Energy Certificate Purchases
- 7 • PNM Exhibit TSB-8: December 31, 2018 Year End Weighted Average Cost of
8 Capital
- 9 • PNM Exhibit TSB-9: Estimated Annual Revenue Requirement for the 140 MW
10 La Joya II Wind Purchase Power Agreement

11

12 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

13 **A.** The purpose of my testimony is to provide the revenue requirement components of
14 PNM’s Renewable Energy Rider No. 36 (“Rider 36” or “Rider”) rate to be effective
15 January 1, 2020 (“2020 Rider Rate”). I also discuss the annual earnings test and the
16 Rider 36 true-up procedures.

17

18 I provide, for informational purposes, the estimated revenue requirement for the
19 proposed procurement of 140 MW of wind energy from La Joya Wind, LLC in 2021
20 pursuant to a power purchase agreement (“La Joya II Wind PPA”). I do not provide a
21 2020 revenue requirement for the new procurement because the commercial operation
22 date is December 31, 2020. The 2021 revenue requirement represents the first full
23 year of energy purchases. If the proposed procurement is approved by the

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1 Commission, PNM will start collecting the revenue requirement for this new resource
2 through Rider 36 in 2021, once the facilities are on-line and serving customers.

3

4 **II. REVENUE REQUIREMENT COMPONENTS OF THE 2020 RIDER**

5 **Q. PLEASE IDENTIFY THE REVENUE REQUIREMENT COMPONENTS OF**
6 **THE PROPOSED 2020 RIDER.**

7 **A.** PNM Exhibit TSB-2 summarizes the annual revenue requirement used in the
8 derivation of the 2020 Rider Rate. The total estimated annual revenue requirement to
9 be collected under the 2020 Rider Rate is \$58,935,081, comprised of the following:

- 10 1. \$3,941,665 for PNM-Owned 2011 Solar Facilities;
- 11 2. \$3,982,178 for PNM-Owned 2013 Solar Facilities;
- 12 3. \$4,286,080 for PNM-Owned 2014 Solar Facilities;
- 13 4. \$9,373,657 for PNM-Owned 2019 Solar Facilities;
- 14 5. \$928 for PNM-Owned 2015 Facilities Western Renewable Energy
15 Generation Information System (“WREGIS”) REC fees;
- 16 6. \$7,200,318 for the purchases under the Lightning Dock purchased power
17 agreement (“PPA”), based on the projected purchase of 77,000 MWh;
- 18 7. \$6,419,710 for the purchases under the Red Mesa Wind PPA, based on the
19 projected purchase of 208,223 MWh;
- 20 8. \$16,475,752 for the purchases under the New Mexico Wind Energy Center
21 (“NMWEC”) PPA, based on the projected purchase of 604,393 MWh;

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1 9. \$7,227,787 for the REC purchases under PNM’s Distributed Generation
2 (“DG”) REC Purchase Programs;

3 10. The cost of RECs purchased for compliance with the 2018 Renewable
4 Portfolio Standard (“RPS”) requirement pursuant to Paragraph 7 of the
5 Stipulation approved in Case No. 14-00158-UT. These REC purchases are
6 estimated to cost \$1.00 per MWh. The total estimated cost is \$829 including
7 WREGIS fees.

8 11. \$1,093 addition for the estimated WREGIS fees associated with the 2019
9 banked RECs utilized for 2020 RPS;

10 12. \$25,000 of estimated cost associated with providing public notice of the 2020
11 Renewable Energy Plan filing and the proposed revision of Rider 36 and for
12 other direct costs of this filing; and

13 13. PNM’s annual WREGIS fee of \$83.

14
15 **Q. PLEASE COMPARE THE REVENUE REQUIREMENT FROM THE 2019**
16 **RIDER TO THE 2020 RIDER.**

17 **A.** PNM Table TSB-1 below identifies the differences between the revenue requirements
18 for the 2019 Rider, updated February 28, 2019, for PNM’s annual Rider true up
19 filing, and the 2020 Rider.

20

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1

PNM TABLE TSB-1

PNM Table TSB-1				
	2019 Revenue Requirement *	2020 Revenue Requirement	Change	
PNM-Owned Facilities				
PNM Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$ 3,924,184	\$ 3,941,665	17,481	
PNM Owned 2013 Facilities Revenue Requirement - 20 MW	4,134,543	\$ 3,982,178	(152,365)	
PNM Owned 2014 Facilities Revenue Requirement - 23 MW	4,465,293	\$ 4,286,080	(179,213)	
PNM Owned 2019 Facilities Revenue Requirement - 50 MW	3,328,133	\$ 9,373,657	6,045,524	
Total REC Fees for PNM Owned 2015 facilities - 40MW	928	\$ 928	-	
Total PNM Owned Facilities Revenue Requirement	15,853,081	21,584,508	5,731,427	
Purchased Power Agreements				
Geothermal PPA	5,017,650	\$ 7,200,318	2,182,668	
Red Mesa PPA	6,293,854	\$ 6,419,710	125,856	
New Mexico Wind Energy Center (NMWEC)	16,097,867	\$ 16,475,752	377,885	
Total PPA Revenue Requirement	27,409,370	30,095,780	2,686,410	
Renewable Energy Certificates				
DG Programs REC Purchases	6,234,360	\$ 7,227,787	993,428	
Compliance REC Purchases	-	\$ 829	829	
Total REC Revenue Requirements	6,234,360	7,228,616	994,257	
WREGIS Fee Adjustment (2019 Estimated Banked RECs)	(1,093)	1,093	2,186	
Renewable Filing and Reproduction Costs	25,000	25,000	-	
WREGIS Annual Registration Fee	83	\$ 83	-	
Total Revenue Requirement	49,520,802	58,935,081	9,414,279	
* 2019 Revenue Requirement is updated for PNM's February 28, 2019 Rider True up filing				

2

3 **Q. PLEASE EXPLAIN THE INCREASE IN THE REVENUE REQUIREMENT**
 4 **FOR THE PNM-OWNED SOLAR FACILITIES IN 2020 COMPARED TO**
 5 **2019.**

6 **A.** Typically, the annual revenue requirements for PNM-owned solar facilities decline
 7 each year as the net book value of the investment decreases due to the on-going
 8 depreciation of the assets. A principal advantage of using a rate rider to recover the

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1 costs of owned renewable resources is that customers receive the benefit of the
2 declining revenue requirements promptly through the annual reset of the rider rate.
3 However, the increase in the overall revenue requirement for PNM owned solar
4 facilities is driven by the PNM owned 2019 solar facilities, which were approved in
5 Case No. 17-00129-UT. The increase is the result of the addition of those facilities
6 periodically during 2019, meaning 2020 is the first full year that all PNM owned
7 2019 solar facilities will be operational. PNM Exhibit TSB-3, PNM Exhibit TSB-4,
8 PNM Exhibit TSB-5, and TSB-6 present the calculation of the 2020 annual revenue
9 requirement for the PNM-Owned 2011 Solar Facilities, PNM-Owned 2013 Solar
10 Facilities, PNM-Owned 2014 Solar Facilities, and PNM-Owned 2019 Solar Facilities
11 respectively. Cost of registering and retiring RECs in the WREGIS.

12
13 **Q. WHY IS THERE A SLIGHT INCREASE IN THE REVENUE**
14 **REQUIREMENT FOR THE PNM OWNED 2011 SOLAR FACILITIES?**

15 **A.** The increase is caused by an update to the revenue requirements for the PNM owned
16 2011 solar facilities to reflect a lower New Mexico production tax credit (“PTC”)
17 rate. The 2020 revenue requirement reflects the PTC rate of \$0.020 per kWh
18 produced in 2020 as compared to the 2019 rate of \$0.025 per kWh. These PTC rates
19 are set by the State of New Mexico Taxation and Revenue Department. The
20 reduction in the tax credit increases state tax expense by \$161,100 when compared to
21 2019, largely offsetting the lower return on rate base due to depreciation on existing
22 assets as discussed earlier. This change is only applicable to the 2011 Solar Facilities,

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1 as the remainder of the PNM-Owned Solar Facilities were put in service after the
2 state PTC program cap was reached.

3

4 **Q. WHY DOES PNM ONLY INCLUDE WREGIS FEES IN THE REVENUE**
5 **REQUIREMENT FOR THE PNM-OWNED 2015 SOLAR FACILITIES?**

6 A. Pursuant to paragraph 2 of the stipulation approved by the Commission in Case No.
7 14-00158-UT, PNM recovers the majority of costs associated with the PNM-Owned
8 2015 Solar facilities through base rates. PNM has historically recovered the
9 WREGIS fees on the RECs associated with these facilities through the renewable
10 rider rather than base rates because these costs are necessary for demonstrating RPS
11 compliance.

12

13 **Q. PLEASE EXPLAIN THE CHANGE IN PPA REVENUE REQUIREMENTS**
14 **BETWEEN THE 2019 RIDER AND THE 2020 RIDER .**

15 A. The amounts included in the 2020 Rider Revenue Requirement are based on PNM's
16 current projections of purchases under the PPAs. These projections can be found in
17 PNM Exhibit TSB-7. The change in the PPA revenue requirement is primarily due to
18 the Lightning Dock PPA because the costs are estimated to be \$2,182,668 higher in
19 2020 compared to 2019. The increase is primarily due to the Lightning Dock
20 Geothermal facility operator indicating that the facility will produce approximately
21 77,000 MWh during 2020, compared to 55,000 MWh projected for 2019. Please
22 refer to PNM witness Shane Gutierrez's Direct Testimony for further discussion of
23 the projected MWh of all PPA facilities.

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1 **Q. PLEASE DESCRIBE THE CHANGE IN THE DG REC PURCHASE**
2 **AMOUNTS BETWEEN THE 2019 RIDER REVENUE REQUIREMENT AND**
3 **THE 2020 RIDER REVENUE REQUIREMENT.**

4 **A.** The amounts included in the 2020 Rider Revenue Requirement are based on PNM's
5 current projections of DG REC purchases. As seen in PNM Table TSB-1, DG REC
6 purchases in 2020 are projected to be \$993,428 higher compared to 2019. The DG
7 REC forecasts are described by PNM witness Shane Gutierrez. PNM Exhibit TSB-7
8 presents the estimated annual revenue requirement for the DG REC purchases.

9

10 **Q. PLEASE DESCRIBE THE REVENUE REQUIREMENTS FOR THE 2018**
11 **COMPLIANCE REC PURCHASES.**

12 **A.** PNM has included \$829 (including WREGIS fees) in the 2020 Rider Rate for 2018
13 compliance REC purchases. PNM will purchase 825 MWh/RECs in 2019, at a cost of
14 \$1.00 per MWh to make up for a shortfall in REC retirements in 2018. PNM has
15 entered into an agreement to purchase the RECs at a cost of \$1.00 per MWh and is in
16 the process of finalizing the procurement. Please refer to PNM's Renewable Energy
17 Portfolio Report filed on June 3, 2019, for further information on the 2018 deficit.

18

19 **Q. IS THERE A CHANGE IN RENEWABLE FILING AND REPRODUCTION**
20 **COSTS BETWEEN THE 2019 RIDER REVENUE REQUIREMENT AND**
21 **THE 2020 RIDER REVENUE REQUIREMENT.**

22 **A.** No. PNM has estimated the costs for the 2020 filing to be \$25,000, which is
23 consistent with prior Renewable Plan filing costs.

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1 **Q. BRIEFLY EXPLAIN THE WREGIS FEE ADJUSTMENT TO PNM'S**
2 **PROJECTED 2020 RIDER REVENUE REQUIREMENT.**

3 **A.** PNM estimated a surplus of RECs in 2019, allowing PNM to bank approximately
4 218,554 RECs. As a result of banking the surplus RECs, PNM does not expect to pay
5 WREGIS fees to retire these RECs until they are utilized in 2020 for RPS
6 compliance. The estimated cost to retire the banked RECs will be approximately
7 \$1,093 and is included in PNM's 2020 Renewable Energy Rider revenue
8 requirement. Please see the direct testimony of PNM witness Shane Gutierrez for
9 futher discussion on the estimated 2019 banked RECs utilized in 2020.

10

11 **III. REVENUE REQUIREMENT FOR THE 140 MW LA JOYA II WIND**
12 **PROCUREMENT**

13 **Q. PLEASE DESCRIBE THE LA JOYA II WIND PROCUREMENT?**

14 **A.** The La Joya II Wind procurement is a PPA between PNM and La Joya Wind, LLC to
15 purchase 140 MW of wind generation. PNM Witness Thomas Fallgren describes the
16 PPA in more detail in his direct testimony.

17

18 **Q. HAS PNM ESTIMATED THE ANNUAL REVENUE REQUIREMENT FOR**
19 **THE LA JOYA II WIND PPA?**

20 **A.** Yes, the estimated annual revenue requirement for the La Joya II Wind PPA in 2021,
21 the first full year of operation, is \$9,392,295.

22

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1 **Q. PLEASE EXPLAIN THE CALCULATION OF THE 2021 REVENUE**
2 **REQUIREMENT FOR THE LA JOYA II WIND PPA.**

3 **A.** PNM Exhibit TSB-9 presents the calculation of the 2021 estimated revenue
4 requirement for the La Joya II Wind PPA. The PPA revenue requirement is
5 calculated by multiplying the estimated energy of 537,163 MWh by the agreed PPA
6 price of \$17.48/MWh. In addition to the cost to purchase the energy from the La Joya
7 II Wind facility, PNM has also included the cost to register and retire RECs with
8 WREGIS, which is \$0.01/REC.

9

10

IV. OTHER MATTERS

11 **Q. PLEASE DESCRIBE THE TRUE-UP OR RECONCILIATION PROCESS**
12 **FOR THE 2020 RIDER.**

13 **A.** Pursuant to Paragraph 8 of the recommended decision in Case No. 12-00007-UT,
14 PNM will file a report on February 28, 2020, which will include the following items:
15 1. Reconciliation of actual 2019 Rider revenues to actual 2019 procurement costs,
16 and
17 2. True-up of projected costs included in the 2020 Rider with actual costs to the
18 extent available, including an update to the 2018 year end Weighted Average Cost
19 of Capital (“WACC”) as shown in PNM Exhibit TSB-8, based on the 2019 year-
20 end WACC. PNM will propose a true-up to the rider based on the amounts
21 calculated above.

22

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1 **Q. PLEASE EXPLAIN THE EARNINGS TEST THAT WAS PUT IN PLACE IN**
2 **CASE NO. 12-00007-UT.**

3 **A.** Pursuant to Paragraph H of the recommended decision in Case No. 12-00007-UT,
4 PNM will file a pro forma cost of service based on actual accounting records for the
5 2020 calendar year by April 1, 2021, that will reflect appropriate cost of service
6 adjustments in accordance with the final order in PNM's most recent general rate
7 case, Case No. 16-00276-UT. If PNM's retail earned Return on Equity ("ROE")
8 exceeds the currently approved ROE by 50 basis points or more, the 2021 Rider will
9 be adjusted to refund the amount of PNM's earnings in excess of 50 basis points
10 above its authorized ROE.

11

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

13 **A.** Yes.

GCG#

THOMAS S. BAKER
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Thomas S. Baker

Address: PNM Resources Inc.
MS 0915
414 Silver SW
Albuquerque, NM 87102

Position: Manager, Cost of Service

Education: Masters of Accountancy, New Mexico State University, 2014
Bachelor of Accountancy, New Mexico State University, 2011
Certified Public Accountant in the State of New Mexico, July 2016

Employment: Employed by Public Service Company of New Mexico since 2014.
Positions held within the Company include:

Manager, Cost of Service
Project Manager, Cost of Service
Sr. Analyst, Cost of Service
Sr. Analyst, Income Tax

Filed Testimony:

- 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 Case No. 12-00007-UT, filed February 28, 2018 (*PNM's Rider No. 36 Reconciliation for 2017.*)
- In the Matter of the Application of Public Service Company of New Mexico Renewable Energy Act Plan for 2019 and Proposed 2019 Rider Rate Under Rate Rider No. 36, NMPRC Case No. 18-00158-UT, filed June 1, 2018 (*PNM's Renewable Rider Plan for 2019.*)
- 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 Case No. 12-00007-UT, filed February 28, 2019 (*PNM's Rider No. 36 Reconciliation for 2018.*)

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**PNM Exhibit TSB-2
2020 Renewable Energy Rider
Summary 2020 Renewable Rider Revenue Requirement - Projected**

Line No.	Description	2020 Revenue Requirement	Reference
1	PNM-Owned Facilities		
2	PNM Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$ 3,941,665	PNM Exhibit TSB-3, page 3, Column EH, Line 124
3	PNM Owned 2013 Facilities Revenue Requirement - 20 MW	3,982,178	PNM Exhibit TSB-4, page 2, Column DA, Line 82
4	PNM Owned 2014 Facilities Revenue Requirement - 23 MW	4,286,080	PNM Exhibit TSB-5, pg. 2, Column BY, Line 82
5	PNM Owned 2019 Facilities Revenue Requirement - 50 MW	9,373,657	PNM Exhibit TSB-6, pg. 2, Column AF, Line 75
6	Total REC Fees for PNM Owned 2015 facilities - 40MW	928	Note 1
7			
8	Total PNM Owned Facilities Revenue Requirement	<u>21,584,508</u>	
9			
10	Purchased Power Agreements		
11	Geothermal PPA	7,200,318	PNM Exhibit TSB-7, page 1, Line 9
12	Red Mesa PPA	6,419,710	PNM Exhibit TSB-7, page 1, Line 20
13	New Mexico Wind Energy Center (NMWEC)	16,475,752	PNM Exhibit TSB-7, page 1, Line 31
14	Total PPA Revenue Requirement	<u>30,095,780</u>	
15			
16	Renewable Energy Certificates		
17	DG Programs REC Purchases	7,227,787	PNM Exhibit TSB-7, page 2, Line 36
18	2018 Compliance REC Purchases	829	PNM Exhibit TSB-7, page 2, Line 46
19	Total REC Revenue Requirements	<u>7,228,616</u>	
20			
21	WREGIS Fee Adjustment (2019 Banked RECs)	1,093	
22			
23	Renewable Filing and Reproduction Costs	25,000	
24			
25	WREGIS Annual Registration Fee	83	
26			
27	Total 2019 Revenue Requirement	<u>\$ 58,935,081</u>	
28	(Line 8 + Line 14 + Line 19 + Line 21 + Line 23 + Line 25)		

Note 1: Retail share of REC costs associated with PNM Owned 2015 facilities are estimated to be: 92,775 MWh * \$.010/MWh = \$928 REC Fee.

PNM Exhibit TSB - 3
 2020 Renewable Energy Rider
 2020 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

Line No.		2020												2020 Projected
		January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
1	Plant In Service													
2														
3	22 MW Solar Facilities - Generation													
4	Land	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329	4,042,329
5	Generation	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256	83,217,256
6	Total Gross Plant - 22 MW Solar Generation	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586	87,259,586
7	Accumulated Depreciation	(25,957,790)	(26,192,377)	(26,426,965)	(26,661,553)	(26,896,141)	(27,130,728)	(27,365,316)	(27,599,904)	(27,834,492)	(28,069,080)	(28,303,667)	(28,538,255)	(28,538,255)
8	Net Plant In Service - 22 MW Solar Generation	61,301,796	61,067,208	60,832,620	60,598,033	60,363,445	60,128,857	59,894,269	59,659,682	59,425,094	59,190,506	58,955,918	58,721,330	58,721,330
9														
10	Solar Facilities - Transmission & Distribution													
11	Total Gross Plant - T&D	911,679	911,679	911,679	911,679	911,679	911,679	911,679	911,679	911,679	911,679	911,679	911,679	911,679
12	Accumulated Depreciation	(156,696)	(158,462)	(160,229)	(161,996)	(163,763)	(165,530)	(167,297)	(169,063)	(170,830)	(172,597)	(174,364)	(176,131)	(176,131)
13	Net Plant In Service - T&D	754,984	753,217	751,450	749,683	747,916	746,149	744,383	742,616	740,849	739,082	737,315	735,549	735,549
14														
15	Energy Storage Project													
16	PV	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859	3,564,859
17	DOE Battery	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228	2,824,228
18	Total Gross Plant - Energy Storage	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087	6,389,087
19	Accumulated Depreciation	(3,369,647)	(3,402,642)	(3,435,639)	(3,468,631)	(3,501,625)	(3,534,620)	(3,567,615)	(3,600,609)	(3,633,604)	(3,666,599)	(3,699,593)	(3,732,588)	(3,732,588)
20	Net Plant In Service - Energy Storage	3,019,440	2,986,446	2,953,451	2,920,456	2,887,462	2,854,467	2,821,472	2,788,478	2,755,483	2,722,489	2,689,494	2,656,499	2,656,499
21														
22	Total Net Plant In Service - Renewables	65,076,220	64,806,870	64,537,521	64,268,172	63,998,823	63,729,474	63,460,124	63,190,775	62,921,426	62,652,077	62,382,728	62,113,378	62,113,378
23														
24	Accumulated Deferred Income Taxes													
25	ADIT Balance as of 12/31/2018	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)
26	Liberalized Depreciation - 22 MW Solar	1,243,030	1,252,730	1,262,430	1,272,130	1,281,830	1,291,530	1,301,230	1,310,930	1,320,630	1,330,330	1,340,030	1,349,730	1,349,730
27	Liberalized Depreciation - T&D	11,220	11,669	12,117	12,566	13,015	13,464	13,913	14,361	14,810	15,259	15,708	16,157	16,157
28	Liberalized Depreciation - Energy Storage	161,451	169,529	177,608	185,686	193,764	201,843	209,921	218,000	226,078	234,156	242,235	250,313	250,313
29	Excess Deferred Federal Income Taxes (EDFIT)	642,357	669,122	695,887	722,652	749,417	776,182	802,947	829,712	856,476	883,241	910,006	936,771	936,771
30	Excess Deferred State Income Taxes (EDSIT)	295,901	307,918	320,235	332,552	344,868	357,185	369,502	381,819	394,135	406,452	418,769	431,086	431,086
31	Unamortized NM Advanced Energy Credit ADIT	102,880	106,787	110,694	114,601	118,508	122,415	126,322	130,229	134,136	138,043	141,950	145,857	145,857
32	Total Accumulated Deferred Income Taxes	(19,433,941)	(19,332,525)	(19,231,109)	(19,129,693)	(19,028,277)	(18,926,861)	(18,825,445)	(18,724,029)	(18,622,613)	(18,521,197)	(18,419,781)	(18,318,365)	(18,318,365)
33														
34	Other Rate Base Additions (Deductions)													
35	Prspaid Insurance	16,169	16,169	16,169	16,169	16,169	16,169	16,169	16,169	16,169	16,169	16,169	16,169	16,169
36	Unamortized ARRA Section 1603 Grant	(15,919,380)	(15,839,140)	(15,758,899)	(15,678,659)	(15,598,418)	(15,518,177)	(15,437,937)	(15,357,696)	(15,277,455)	(15,197,215)	(15,116,974)	(15,036,733)	(15,036,733)
37	Unamortized NM Advanced Energy Credit	(3,053,378)	(3,037,208)	(3,021,038)	(3,004,868)	(2,988,698)	(2,972,528)	(2,956,358)	(2,940,188)	(2,924,018)	(2,907,848)	(2,891,678)	(2,875,508)	(2,875,508)
38	Total Other Rate Base Additions (Deductions)	(18,956,589)	(18,860,178)	(18,763,768)	(18,667,357)	(18,570,946)	(18,474,536)	(18,378,125)	(18,281,715)	(18,185,304)	(18,088,893)	(17,992,483)	(17,896,072)	(17,896,072)
39														
40	Total Rate Base	26,685,690	26,514,168	26,342,645	26,171,122	26,000,000	25,828,877	25,657,754	25,486,631	25,315,508	25,144,385	24,973,262	24,802,139	24,802,139
41														
42	Operations & Maintenance Expenses													
43	Total Operations & Maintenance Expense	4,208	9,764	58,781	10,055	36,489	83,233	9,798	10,865	84,329	12,865	10,625	79,749	410,762
44														
45	Depreciation & Amortization Expense													
46	Depreciation Expense - 22 MW Solar	234,588	234,588	234,588	234,588	234,588	234,588	234,588	234,588	234,588	234,588	234,588	234,588	2,815,053
47	Depreciation Expense - T&D	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	21,202
48	Depreciation Expense - Energy Storage	32,995	32,995	32,995	32,995	32,995	32,995	32,995	32,995	32,995	32,995	32,995	32,995	395,936
49	Total Depreciation & Amortization Expense	269,349	269,349	269,349	269,349	269,349	269,349	269,349	269,349	269,349	269,349	269,349	269,349	3,232,191
50														
51	Property Taxes													
52	Total Property Taxes	46,927	46,927	46,927	46,927	46,927	46,927	46,927	46,927	46,927	46,927	46,927	46,927	563,119

Line No.	2020												2020 Projected Revenue Requirement	
	A	B	C	D	E	F	G	H	I	J	K	L		M
	January	February	March	April	May	June	July	August	September	October	November	December		
53	Other Allowable Expenses													
54	Amortization - NM Advanced Energy Credit													
55	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(194,040)
56	Total Other Allowable Expenses													
57	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(194,040)
57	Federal Income Tax													
58	Total Net Original Cost Rate Base													
59	26,685,690	26,614,168	26,542,645	26,471,122	26,399,600	26,328,077	26,256,554	26,185,032	26,113,509	26,041,986	25,970,464	25,898,941	25,827,418	25,898,941
60	Weighted Cost of Capital (PNM Exhibit TSB-8, line 4)													
61	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
62	Return on Rate Base													
63	159,002	158,576	158,150	157,724	157,298	156,871	156,445	156,019	155,593	155,167	154,741	154,315	153,889	1,879,901
64	Less Return Adjustments													
65	Interest on Long Term Debt													
66	(55,150)	(55,003)	(54,855)	(54,707)	(54,559)	(54,411)	(54,264)	(54,116)	(53,968)	(53,820)	(53,672)	(53,524)	(53,376)	(652,049)
67	Tax/Book Adjustments													
68	AFUDC Equity													
69	19	19	19	19	19	19	19	19	19	19	19	19	19	227
70	Flow Thru Item - ITC - 22 MW Solar													
71	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	467,148
72	Flow Thru Item - ITC - Energy Storage													
73	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	14,298
74	Total Permanent Tax/Book Differences													
75	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	481,673
76	Depreciation													
77	228,556	228,556	228,556	228,556	228,556	228,556	228,556	228,556	228,556	228,556	228,556	228,556	228,556	2,742,667
78	AFUDC Debt													
79	654	654	654	654	654	654	654	654	654	654	654	654	654	7,850
80	New Mexico Advanced Energy Credit													
81	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(16,170)	(194,040)
82	Deferred State Income Tax													
83	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(142,429)
84	Total Temporary Tax/Book Differences													
85	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	2,414,048
86	Total Return Adjustments													
87	186,160	186,308	186,455	186,603	186,751	186,899	187,047	187,194	187,342	187,490	187,638	187,786	187,934	2,243,672
88	Net Taxable Equity Return													
89	345,162	344,884	344,605	344,327	344,049	343,770	343,492	343,214	342,935	342,657	342,379	342,100	341,822	4,123,573
90	Federal Income Tax Adjustments													
91	Total Investment Tax Credit or Grant Amortization													
92	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(962,888)
93	Amortization of Excess Deferred Federal Taxes													
94	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(321,179)
95	Deferred Federal Income Taxes before NOL													
96	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(506,950)
97	Total Federal Income Tax Adjustments before NOL													
98	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(149,251)	(1,791,016)
99	Adjusted Equity Return before NOL													
100	195,911	195,632	195,354	195,076	194,797	194,519	194,241	193,962	193,684	193,406	193,127	192,849	192,571	2,332,556
101	Net Operating Loss Carryover													
102	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103	NOL Deferred State Income Tax													
104	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105	NOL Deferred Federal Income Tax													
106	-	-	-	-	-	-	-	-	-	-	-	-	-	-
107	Adjusted Current Equity Return After NOL													
108	195,911	195,632	195,354	195,076	194,797	194,519	194,241	193,962	193,684	193,406	193,127	192,849	192,571	2,332,556
109	Federal Tax Factor (Rate/1-Rate)													
110	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%
111	Current Federal Income Tax													
112	57,078	57,004	56,930	56,856	56,782	56,708	56,634	56,560	56,486	56,412	56,338	56,264	56,190	620,047
113	Add:													
114	Amortization of Excess Deferred Federal Taxes													
115	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(26,765)	(321,179)
116	Total Provision for Deferred Income Tax													
117	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(42,246)	(506,950)
118	Total Investment Tax Credit or Grant Amortization													
119	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(962,888)
120	Net Allowable Federal Income Tax													
121	(97,174)	(97,248)	(97,322)	(97,396)	(97,470)	(97,544)	(97,618)	(97,692)	(97,766)	(97,840)	(97,914)	(97,988)	(98,062)	(1,170,969)
122	State Income Tax													
123	Return on Rate Base													
124	159,002	158,576	158,150	157,724	157,298	156,871	156,445	156,019	155,593	155,167	154,741	154,315	153,889	1,879,901
125	Less: Return Adjustments													
126	Interest on Long Term Debt													
127	(55,150)	(55,003)	(54,855)	(54,707)	(54,559)	(54,411)	(54,264)	(54,116)	(53,968)	(53,820)	(53,672)	(53,524)	(53,376)	(652,049)
128	Permanent Tax/Book Adjustments													
129	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139	481,673
130	Temporary Tax/Book Adjustments													
131	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	201,171	2,414,048
132	Add: Net Allowable FIT													
133	(97,174)	(97,248)	(97,322)	(97,396)	(97,470)	(97,544)	(97,618)	(97,692)	(97,766)	(97,840)	(97,914)	(97,988)	(98,062)	(1,170,969)
134	Production Tax Credits (PTC)													
135	-	-	-	-	-	-	-	-	-	-	-	-	-	-
136	State Taxable Income													
137	247,988	247,636	247,283	246,931	246,579	246,226	245,874	245,522	245,169	244,817	244,465	244,112	243,760	2,952,604
138	State Tax Factor (Rate/1-Rate)													
139	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%
140	State Income Tax													
141	14,631	14,611	14,590	14,569	14,548	14,527	14,507	14,486	14,465	14,444	14,423	14,402	14,381	174,204
142	Provision for Deferred State Income Tax													
143	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(11,869)	(142,429)
144	Amortization of Excess Deferred Taxes													
145	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(15,591)	(187,090)
146	Add: State Renewable ITC and PTC													
147	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(53,700)	(644,400)
148	Net Allowable State Income Tax													
149	(66,529)	(66,549)	(66,570)	(66,591)	(66,612)	(66,633)	(66,653)	(66,674)	(66,695)	(66,716)	(66,736)	(66,757)	(66,777)	(799,715)

Line No.		2020												2020 Projected
		January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
109	Revenue Requirement Summary													
110	Return on Rate Base	159,002	158,576	158,150	157,724	157,298	156,871	156,445	156,019	155,593	155,167	154,741	154,315	1,879,501
111	Total Operating Expenses	304,313	309,870	358,887	310,161	336,595	383,339	309,504	310,571	384,435	312,871	310,731	379,855	4,012,032
112	Net Allowable Federal Income Tax	(97,174)	(97,248)	(97,322)	(97,396)	(97,470)	(97,544)	(97,618)	(97,692)	(97,766)	(97,840)	(97,914)	(97,988)	(1,170,569)
113	Net Allowable State Income Tax	(66,529)	(66,549)	(66,570)	(66,591)	(66,612)	(66,633)	(66,653)	(66,674)	(66,695)	(66,716)	(66,735)	(66,757)	(759,715)
114	Total Revenue Requirements before Revenue Tax	299,613	304,649	353,145	303,898	329,811	376,034	302,078	302,624	375,597	309,582	300,811	369,425	3,921,248
115	Revenue Tax Factor	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
116	Revenue Tax	1,524	1,549	1,796	1,546	1,677	1,912	1,536	1,539	1,910	1,544	1,530	1,879	19,942
117														
118	Revenue Requirements	301,137	306,198	354,941	305,443	331,489	377,947	303,614	304,163	377,477	305,126	302,351	371,303	3,941,191
119														
120	MWh output expected in 2020													47,461
121	WREGIS Fee \$/MWh													0.010
122	WREGIS Registration Fee													475
123														
124	Total Revenue Requirements													3,941,665

PNM Exhibit TSB-2, line 2

PNM Exhibit TSB - 4
 2020 Renewable Energy Rider
 2020 Estimated Annual Revenue Requirement for the PNM Owned 2013 Facilities

Line No.	2020												2020 Projected
	A	B	C	D	E	F	G	H	I	J	K	L	M
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
1													
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PNM Exhibit TSB - 4
 2020 Renewable Energy Rider
 2020 Estimated Annual Revenue Requirement for the PNM Owned 2013 Facilities

Line No.	A	B	C	D	E	F	G	H	I	J	K	L	M
	January	February	March	April	May	June	July	August	September	October	November	December	2020 Projected Revenue Requirement
77													46,295
78 MW In output expected in 2020													0.010
79 WREGIS fee \$/MW													463
80 WREGIS Annual Fee													
81													
82 Total Revenue Requirements for PNM-Owned 2013 Facilities													3,982,178

PNM Exhibit TSB-2, line 3

PNM Exhibit TSB-5
2020 Renewable Energy Rider
2020 Estimated Annual Revenue Requirement for the PNM Owned 2014 Facilities

Line No.	2020												2020 Projected Revenue Requirement		
	A	B	C	D	E	F	G	H	I	J	K	L		M	
	January	February	March	April	May	June	July	August	September	October	November	December			
1															
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PNM Exhibit TSB-5
 2020 Renewable Energy Rider
 2020 Estimated Annual Revenue Requirement for the PNM Owned 2014 Facilities

Line No.	A	B	C	D	E	F	G	H	I	J	K	L	M
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
77	2020												2020 Projected
78	MWh output expected in 2020												60,346
79	WREGIS fee \$/MWh												0.010
80	WREGIS Registration Fee												603
82	Total Revenue Requirements for PNM-Owned 2014 Facilities												PNM Exhibit TSB-2, line 4 4,285,080

PNM Exhibit TSB-6
 2020 Renewable Energy Rider
 2020 Estimated Annual Revenue Requirement for the PNM Owned 2019 Facilities

Line No.	2020												2020 Projected Revenue Requirement
	January	February	March	April	May	June	July	August	September	October	November	December	
1	Plant In Service												
2	50 MW PV Solar												
3	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996	69,720,996
4	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
5	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996	72,920,996
6	(969,257)	(1,162,926)	(1,356,596)	(1,550,265)	(1,743,934)	(1,937,604)	(2,131,273)	(2,324,943)	(2,518,612)	(2,712,282)	(2,905,951)	(3,099,620)	(3,099,620)
7	71,951,740	71,758,070	71,564,401	71,370,731	71,177,062	70,983,393	70,789,723	70,596,054	70,402,384	70,208,715	70,015,045	69,821,376	69,821,376
8	Accumulated Deferred Income Taxes												
9	Tax Depreciation												
10	(12,445,173.74)	(13,912,789.74)	(15,380,405.74)	(16,848,021.74)	(18,315,637.75)	(19,783,253.75)	(21,250,869.75)	(22,718,485.75)	(24,186,101.75)	(25,653,717.75)	(27,121,333.75)	(28,588,949.76)	(28,588,950)
11	Deferred	12,801,808	14,104,925	15,408,041	16,711,156	18,014,272	19,317,388	20,620,503	21,923,619	23,226,735	24,529,850	25,832,966	27,136,082
12	Flow- Through AFUDC Equity and ITC Basis Diff	796,962	767,793	738,623	709,454	680,285	651,116	621,947	592,778	563,609	534,440	505,270	476,101
13	Deferred Tax - NOL	(3,251,660)	(3,582,651)	(3,913,642)	(4,244,634)	(4,575,625)	(4,906,616)	(5,237,608)	(5,568,599)	(5,899,591)	(6,230,582)	(6,561,573)	(6,892,565)
14	Total Accumulated Deferred Income Taxes	(3,251,660)	(3,582,651)	(3,913,642)	(4,244,634)	(4,575,625)	(4,906,616)	(5,237,608)	(5,568,599)	(5,899,591)	(6,230,582)	(6,561,573)	(6,892,565)
15	Total Rate Base	68,700,080	68,175,419	67,650,759	67,126,098	66,601,437	66,076,776	65,552,115	65,027,454	64,502,794	63,978,133	63,453,472	62,928,811
16	Weighted Cost of Capital (PNM Exhibit TSB-8, line 4)	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
17	Return on Rate Base	409,338	406,212	403,086	399,960	396,834	393,707	390,581	387,455	384,329	381,203	378,077	374,951
18	Operations & Maintenance Expense	5,563	22,192	133,593	22,852	82,931	189,166	22,269	24,694	191,656	29,239	24,148	181,248
19	Depreciation and Amortization Expense	193,669	193,669	193,669	193,669	193,669	193,669	193,669	193,669	193,669	193,669	193,669	193,669
20	Property Taxes	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74	51,809.74
21	Federal Income Tax												
22	Return Adjustments												
23	Interest	(141,980)	(140,896)	(139,812)	(138,727)	(137,643)	(136,559)	(135,474)	(134,390)	(133,306)	(132,221)	(131,137)	(130,053)
24	Tax/Book Adjustments												
25	Flow Thru Item - ITC	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)
26	AFUDC Equity												
27	Investment Tax Credits												
28	Total Permanent Differences	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)	(175,001)
29	Depreciation & AFUDC Debt	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)	(1,303,116)
30	Deferred State Income Tax	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600
31	Total Temporary Differences	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)	(1,230,515)
32	Deferred Federal Taxes before NOL	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408
33	Adjusted Current Equity Return before NOL	(879,750)	(881,792)	(883,834)	(885,875)	(887,917)	(889,959)	(892,001)	(894,043)	(896,085)	(898,126)	(900,168)	(902,210)
34	Net Operating Loss Carryover												
35	NOL Deferred State Income Tax												
36	NOL Deferred Federal Income Tax												
37	Net Current Taxable Equity Return	(879,750)	(881,792)	(883,834)	(885,875)	(887,917)	(889,959)	(892,001)	(894,043)	(896,085)	(898,126)	(900,168)	(902,210)
38	Federal Tax Rate	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%
39	Total Current Federal Income Tax	(233,858)	(234,401)	(234,943)	(235,486)	(236,029)	(236,572)	(237,114)	(237,657)	(238,200)	(238,743)	(239,285)	(239,828)
40	Total Provision for Deferred Federal Income Tax	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408	258,408
41	Investment Tax Credits												
42	Total Federal Income Tax	24,550	24,008	23,465	22,922	22,379	21,837	21,294	20,751	20,208	19,666	19,123	18,580
43	State Income Tax												
44	Net Current Taxable Equity Return	(1,113,608)	(1,116,192)	(1,118,777)	(1,121,362)	(1,123,946)	(1,126,531)	(1,129,115)	(1,131,700)	(1,134,284)	(1,136,869)	(1,139,454)	(1,142,038)
45	State Tax Rate	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%
46	Total Current State Income Tax	(65,703)	(65,855)	(66,008)	(66,160)	(66,313)	(66,465)	(66,618)	(66,770)	(66,923)	(67,075)	(67,228)	(67,380)
47	Total Deferred State Income Tax	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600
48	Total State Income Tax	6,898	6,745	6,593	6,440	6,288	6,135	5,983	5,830	5,678	5,525	5,373	5,220
49	Revenue Requirement Summary												
50	Return on Rate Base	409,338	406,212	403,086	399,960	396,834	393,707	390,581	387,455	384,329	381,203	378,077	374,951
51	Total Operating Expenses	255,042	257,671	279,073	268,331	328,410	434,646	267,748	2,70,173	437,135	274,718	269,627	426,727
52	Net Allowable Federal Income Tax	24,550	24,008	23,465	22,922	22,379	21,837	21,294	20,751	20,208	19,666	19,123	18,580
53	Net Allowable State Income Tax	6,898	6,745	6,593	6,440	6,288	6,135	5,983	5,830	5,678	5,525	5,373	5,220
54	Total Revenue Requirements before Revenue Tax	695,828	704,636	812,216	697,653	753,910	856,325	685,606	684,209	847,351	681,112	672,199	825,478
55	Revenue Tax Factor	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
56	Revenue Tax	3,539	3,584	4,131	3,548	3,834	4,355	3,487	3,480	4,309	3,464	3,419	4,198
57	Revenue Requirements for 50 MW Facilities	699,366	708,219	816,346	701,201	757,744	860,680	689,092	687,689	851,660	684,576	675,618	829,676

PNM Exhibit TSB-6
 2020 Renewable Energy Rider
 2020 Estimated Annual Revenue Requirement for the PNM Owned 2019 Facilities

Line No.	A	B	C	D	E	F	G	H	I	J	K	L	M	
	January	February	March	April	May	June	July	August	September	October	November	December	2020 Projected Revenue Requirement	
70													140,000	
71													0.010	
72													1,400	
73														
74														
75	<i>Total Revenue Requirements for PNM-Owned 2019 Facilities</i>												PNM Exhibit TSB-2, line 5	9,373,657

PNM Exhibit TSB - 7
2020 Renewable Energy Rider
2020 Estimated Annual Revenue Requirement for Purchased Power
Agreements and Renewable Energy Certificate Purchases

Line No.	Purchased Power Agreement	Amount	
1	Geothermal PPA		
2	Annual Sales (MWh)	77,000	
3	Price (\$/MWh)	\$ 93.51	
4	Energy/REC Cost	\$ 7,199,933	
5			
6	WREGIS cost per MWh	\$ 0.005	
7	WREGIS fees	\$385	
8			
9	Total Geothermal PPA	\$7,200,318	PNM Exhibit TSB-2, line 11
10	Total Geothermal PPA Cost per MWh	\$ 93.51	
11			
12	Red Mesa PPA		
13	Annual Sales (MWh)	208,223	
14	Price (\$/MWh)	\$ 30.83	
15	Energy/REC Cost	\$ 6,418,669	
16			
17	WREGIS cost per MWh	\$ 0.005	
18	WREGIS fees	\$1,041	
19			
20	Total Red Mesa PPA	\$6,419,710	PNM Exhibit TSB-2, line 12
21	Total Red Mesa PPA Cost per MWh	\$ 30.83	
22			
23	New Mexico Wind Energy Center (NMWEC) PPA		
24	Annual Sales (MWh)	604,393	
25	Price (\$/MWh)	\$ 27.25	
26	Energy/REC Cost	\$ 16,469,708	
27			
28	WREGIS cost per MWh	\$ 0.010	
29	WREGIS fees	\$6,044	
30			
31	Total NMWEC PPA	\$16,475,752	PNM Exhibit TSB-2, line 13
32	Total NMWEC PPA Cost per MWh	\$ 27.26	

PNM Exhibit TSB - 7
2020 Renewable Energy Rider
2020 Estimated Annual Revenue Requirement for Purchased Power
Agreements and Renewable Energy Certificate Purchases

Line No.

Page 2 of 2

33	REC Purchases			
34	DG Programs			
35	DG Annual Purchases (MWh)		108,053	
36	Total DG Programs REC Purchases		\$7,227,787	PNM Exhibit TSB-2, line 17
37	Total DG Programs REC Cost per MWh	\$	66.89	
38				
39	2018 Compliance REC Purchases -MWh		825	
40	Total REC Costs		\$825	
41	Average Price (\$/MWh)		\$1.00	
42				
43	WREGIS cost per MWh		\$0.005	
44	WREGIS fees		\$4	
45				
46	2018 Compliance REC Purchases - True-Up	\$	829	PNM Exhibit TSB-2, line 18

PNM Exhibit TSB - 8
 2020 Renewable Energy Rider
 December 31, 2018 Weighted Average Cost of Capital

Line No.	Capital Component	A Total Capitalization Base Period	B Percentage of Total Capitalization	C Capital Component Cost	D Weighted Average Cost
1	Long Term Debt	1,465,845	50.99%	4.86%	2.48%
2	Preferred Stock	11,529	0.40%	4.62%	0.02%
3	Common Equity	1,397,359	48.61%	9.575%	4.65%
4	Total	<u>2,874,733</u>	<u>100.00%</u>		<u>7.15%</u>

Composite Tax Rate:	25.40%
Tax Gross-Up	
Debt	2.48%
Preferred	0.03%
Common	<u>6.23%</u>
Total	8.74%

PNM Exhibit TSB - 9
2020 Renewable Energy Rider
2021 Estimated Annual Revenue Requirement for Purchased Power
Agreements and Renewable Energy Certificate Purchases

Line No.	Purchased Power Agreement	Amount	Page 1 of 1
1	La Joya II Wind PPA		
2	Annual Sales (MWh)	537,163	
3	Price (\$/MWh)	17.48	
4	Energy/REC Cost	\$ 9,389,609	
5			
6	WREGIS cost per MWh	\$ 0.005	
7	WREGIS fees	\$2,686	
8			
9	Total La Joya II PPA	\$9,392,295	
10	Total La Joya II PPA Cost per MWh	\$ 17.49	

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
APPLICATION FOR APPROVAL OF ITS)
RENEWABLE ENERGY ACT PLAN)
FOR 2020 AND PROPOSED 2020 RIDER)
RATE UNDER RATE RIDER NO. 36)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO)
)
Petitioner.)
_____)

Case No. 19-00 ___-UT

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

THOMAS S. BAKER, Manager, Cost of Service, for PNMR Services Company,
upon being duly sworn according to law, under oath, deposes and states: I have read the
foregoing **Direct Testimony of Thomas S. Baker** and it is true and correct based on my
personal knowledge and belief.

SIGNED this 31 day of May, 2019.



THOMAS S. BAKER

SUBSCRIBED AND SWORN to before me this 31st day of May, 2019.



NOTARY PUBLIC IN AND FOR
THE STATE OF NEW MEXICO



My Commission Expires:
1-21-2020