

Resume of Aubrey A. Johnson

PNM Exhibit AAJ-1

Is contained in the following 3 pages.

Aubrey A. Johnson

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Objective

An executive management level position that will allow me to utilize my leadership, management and operations expertise to lead new initiatives and/or enhance market presence.

Summary

Experienced executive with extensive field service, project and facility management experience. Proven track record of developing people, improving processes and cycle times; optimizing budgets to improve reliability and financial results. Managed transitions from union to non-union and non-regulated to regulated environments. Demonstrated success with both P&L and cost center operations. Successfully grew P&L operation by 50%. Strong customer focus; experience working in highly matrixed environments.

Skills Profile

KEY COMPETENCIES INCLUDE:

- | | |
|---|---------------------------------------|
| Electric Utility Operations & Maintenance | Interpersonal and Presentation Skills |
| Strategic Planning and execution | Customer Relations |
| P&L Management/Cost Control | Project Management |
| Training, Mentoring, Team Development | |

Accomplishments

- Drove significant improvements in overall safety metrics during first full year with PNM.
- Led efforts to improve employee relations within the business unit.
- Built development program to attract and retain entry level engineers.
- Led increased focus on project management efforts, and execution of extensive project list.
- Built a consolidated OnSite Repairs team by transferring work from three Northeastern Service Centers establishing a geographically dispersed workforce. Led efforts to hire over 125 field service technicians. \$105MM billed in 2011.
- Led action workouts delivering a 60% cycle and 30% cost reduction in the emergent parts turbine buckets manufacturing cell. Championed workouts that led to a \$200K reduction in cost for a multi-unit generator field rewind project.
- Managed transition from a unionized operations staff to a non-covered, non-exempt work force. Developed performance plans for front line supervisors focused on improving interaction between management and staff functions.
- Led operations due diligence and transition teams during the acquisition of two power plants.
- Built and developed the initial staff; led startup and checkout operations for a two unit combined cycle power plant.
- Directed daily activities of over 100 employees in the maintenance department of a 1,300 MW power plant. Managed a \$15MM operations budget, and a 5 year \$100MM outage budget. Successfully executed planned outages in excess of \$30MM on multiple units.

Professional Experience

2012 - Present | Public Service Company of New Mexico (PNM)

Vice-President, New Mexico Operations | Albuquerque, NM | 2012 - Present

- Oversees transmission policy, development and construction. Distribution engineering, planning and construction. Technical services, system reliability and management. PNM Business operations.
- Leads a team of ~500 employees on 7 campuses throughout the state of New Mexico

2008 - 2012 | GE Energy Services

On Site Repairs Business Leader | Atlanta, GA | 2009 - 2012

- Provide the strategic and operational leadership necessary to build and enhance the On Site Repairs capability of the Steam/Generator Repair Network.
- Built an organization capable of fulfilling repair opportunities in the US and selected international regions.
- Current staff includes 215+ technicians located in 30 + states; liquidated over 340,000 Man-hours; \$105MM + in revenues billed (2011)

Network Transformation Leader | Atlanta, GA | 2008 - 2009

- Developed gating templates, drove gating/lean concepts across the Steam/Generator Repair network.
- Developed job assignments, goals and expectations for entry level program participants (GE entry level leadership programs).
- Delivered "Lean Principles" training to over 350 employees; led key transformation projects within the Pittsburgh Service Center.

2001 – 2008 | The Southern Company

Southern Company operates regulated utilities Alabama Power, Georgia Power, Gulf Power, and Mississippi Power, which serve about 4.4 million electricity customers in the southeastern U.S. Revenues last year were \$15.B.

Plant Manager – Wansley Combined Cycle Plant | Southern Power Company | Franklin, GA | 2007 - 2008

- Directed the operation and maintenance of the plant in a safe and efficient manner; met controllable operating margin target (net income) in excess of \$80MM. Managed a \$10MM O&M budget along with an \$800K capital budget.
- Provided management oversight for the inter-departmental team ensuring consistency with Instrument & Controls projects.
- Optimized budget to execute facility improvements which led to greater employee morale and equipment reliability.
- Responsible official for Title V permitting. (Zero environmental violations. Zero OSHA Recordable incidents.)

Portfolio & Asset Manager | Southern Power Company | Birmingham, AL | 2005-2007

- Reviewed requests for proposals to ensure operational requirements were achievable.
- Provided support for inquiries, initiatives, etc. as specified by the SVP, Production Officer of Southern Power.
- Led efforts to renegotiate Long Term Service Agreements with GE Energy.
- Served as the liaison between the operating power plants, Generation Development, Asset Management and the Engineering & Construction departments of Southern Company as well as major equipment vendors.
- Played an active role in Southern Company leadership development initiatives and engineering recruiting programs.

Plant Manager – McIntosh Combined Cycle Plant | Georgia Power Company | Rincon, GA | 2003-2005

- Supported the startup and check out of a two unit, \$563MM, 1,240 MW Combined Cycle Plant. This included initial staffing, procurement of tools and materials as well as managing a \$10MM startup budget.
- Established training plans for team leaders, chemistry technicians, and general plant operators.
- Authored and orchestrated communication plan with local officials and community leaders to minimize concerns, issues associated with the project.

Maintenance Manager – Plant Yates | Georgia Power Company | Newnan, GA | 2002-2003

- Improved union relationships; which led to improved communication and co-operation in achieving plant goals.
- Increased department productivity by approximately 7% by optimizing the work schedule.

Planning & Engineering Manager – Plant Yates | Georgia Power Company | Newnan, GA | 2001-2002

- Directed all engineering projects, programs and maintenance planning to ensure reliable plant performance.
- Recruited, hired and developed entry level engineers for the plant and the Southern Co. system.
- Worked with supply chain management organization to improve spending with minority and female-owned businesses.

1991 – 2001 | GE Energy Services**Service Manager | Norcross, GA | 1998-2001**

- Developed operating plans, responded to proposal inquires, assigned field service engineers and specialist to projects to meet specific customer requirements.
- Managed major equipment maintenance inspections on Large Steam Turbine Generators in Georgia and Tennessee.
- Completed major equipment retrofits on turbine generators (Controls, Steam Paths, and Generators).
- Lead recruiter for field engineering candidates at Tuskegee University and North Carolina A&T.
- Co-chaired the GE Large Steam Turbine Generator Conference.
- Achieved Six Sigma Green Belt Certification.

Specialist – Commercial Support Services | Norcross, GA | 1997-1998

- Developed quotations for inspections on GE equipment in support of field offices across the globe.
- Assisted in the refinement of products for the initial offerings on the Energy Services “E” business portal.

Field Service Engineer | Norcross, GA | 1991-1997

- Provided Technical Direction and Project Management for major inspections of Turbine Generators. Assigned to major projects in commercial and municipal utilities as well as industrial manufacturing plants.
- Specialized in large steam turbine generator inspections.

1990 – 1991 | Westinghouse, SRC | Aiken, SC**QA Engineer – Reactor Restart Project**

- Reviewed procedures and technical specifications to ensure compliance with the Code of Federal Regulations.
- Conducted plant walk downs to validate accuracy of procedures.

Education, Certification and Memberships

Bachelor of Science, Mechanical Engineering | Tuskegee University | Tuskegee, AL | 1990

- APS Foundation, Board of Directors
- Leadership New Mexico 2014
- 2013 United Way Campaign Co-Chair
- GE Parts & Repair Services Impact Award
- Certified Six Sigma Green Belt
- American Society of Mechanical Engineers

Map of New Mexico Transmission System

PNM Exhibit AAJ-2

Is contained in the following 1 page.

Transmission Tier 1 Capital Projects

PNM Exhibit AAJ-3

Is contained in the following 152 pages.

Electronic Instructions:

To view detailed costs for each project, click project to highlight then Press "CTRL" and left click on mouse.

To return back to index from detailed costs, click "CTRL" and "Home"

Sunday, August 16, 2015

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PNM EXHIBIT AAJ-3-Transmission Tier 1 Capital Projects

Link/Test

CWIP

Total

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Blanket.....	\$4,374,621	\$649,031	\$5,023,651.....	3
Project No:22007010 Misc. Trans. Station Imp Foreca	\$761,841	\$3,423	\$765,265.....	4
Project No:65006010 San Juan Vail	\$813,467	\$213,448	\$1,026,915.....	9
Project No:65007010 Misc. Station Improvements	\$806,007	\$235,046	\$1,041,053.....	14
Project No:65007110 Misc. Transmission	\$710,885	\$186,551	\$897,436.....	19
Project No:65007710 Station Equip Replacement IA	\$1,282,420	\$10,563	\$1,292,983.....	24
Specifics	\$116,669,588	\$17,465,755	\$134,135,342.....	29
Project No:22007214 69kV Breaker Replacements	\$775,939	\$0	\$775,939.....	30
Project No:22007314 Amrad Eddy Line Rebuild	\$3,775,913	\$0	\$3,775,913.....	35
Project No:22007514 Alamogordo Replacement Capacitor Installation	\$2,345,351	\$0	\$2,345,351.....	40
Project No:64807013 Station Hardening Pilot Trans	\$1,719,340	\$0	\$1,719,340.....	45
Project No:64807113 345kV Wood Structure Replacement	\$3,687,080	\$0	\$3,687,080.....	50
Project No:64807314 West Mesa Capacitor Replacement	\$1,177,013	\$0	\$1,177,013.....	55
Project No:64807413 Trans Emergency & Aging Equip	\$1,430,417	\$0	\$1,430,417.....	59

Project No:64807414	ROW Clearing Project-LiDAR	\$3,858,176	\$0	\$3,858,176	64
Project No:64807513	Transmission Breaker Replacement	\$2,060,027	\$0	\$2,060,027	69
Project No:64807713	115kV Breaker Replace Fault Current	\$3,727,886	\$0	\$3,727,886	74
Project No:64828113	Substation Remote Access	\$1,095,496	\$0	\$1,095,496	79
Project No:65007115	EIP Purchase 40%	\$7,678,246	\$0	\$7,678,246	84
Project No:65007220	San Juan Shunt Reastor Circuit Breaker	\$780,046	\$0	\$780,046	89
Project No:65007315	WW Line Reactor Replacement at BA	\$1,755,307	\$0	\$1,755,307	94
Project No:65007514	Station hardening 2014-15	\$966,601	\$617,169	\$1,583,770	99
Project No:65007515	NERC CIP Station Improvements	\$4,048,760	\$0	\$4,048,760	104
Project No:65007625	FW Reactor replacement	\$1,379,533	\$0	\$1,379,533	109
Project No:65007814	College Substation	\$1,646,254	\$0	\$1,646,254	114
Project No:65008515	Rio Puerco Series Comp	\$5,763,006	\$0	\$5,763,006	119
Project No:65008614	Northern Microwave Comm Upgrade	\$897,330	\$0	\$897,330	123
Project No:65009012	Rio Puerco 345kV Station Expansion	\$24,493,801	\$0	\$24,493,801	128
Project No:65009013	Richmond Switching Station	\$0	\$6,205,645	\$6,205,645	133
Project No:65009014	Second 345/115 KV Transformer at Yah-Ta-Hey	\$7,074,625	\$10,642,941	\$17,717,566	138
Project No:65009214	Sandia 345/115kV Spare Transformer	\$4,382,621	\$0	\$4,382,621	143
Project No:65009313	Rio Puerco SVC	\$30,150,820	\$0	\$30,150,820	148
Totals for Report.....		\$121,044,209	\$18,114,785	\$139,158,994	

Blanket

Project No: 22007010 Misc. Trans. Station Imp Foreca

Company: 035-PNM TNMPNM Transmission

Location: 220 Transmission

Project Information

Construction Start Date 1/1/2012 Estimated Completion Date N/A

List Interim In-Service Dates

Each WO is closed as completed, with an estimated 4 clearings per year.

Project Need Justification

This project is for capital replacements or betterments at transmission substations. This is a blanket for smaller projects (less than \$100k each) needed to support replacement and/or upgrade of station equipment which is failing, obsolete, cannot be readily repaired, or no longer supports today's requirements for reliability or safety. Typical work might include drainage improvements, grounding improvement, bushing replacements, adding or replacing surge arrestors, or switch operator ground mats. Various tasks are undertaken as needed to improve reliability, maintainability or enhance safety.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Need for work is evaluated on a case-by-case basis to assure various solutions are reviewed. Evaluation of solutions includes long term maintainability, meeting safety or code requirements, compliance, ability to meet system performance requirements now and in the future, ability to address schedule requirements, and costs. Alternatives will be assessed on a case by case basis at the work order level.

Technical Aspects

Technical aspects are considered on a task by task basis. Representative betterment work includes enhanced grounding or better ergonomics for improved worker safety, improved surge protection for transformers by installing arresters, or reduced maintenance requirements from enhanced oil filtration on equipment such as a load tap changer.

Project Estimate Approach

Cost estimates are prepared on a per task basis. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids. On unique or specialty projects, vendor quotes are secured prior to authorizing work.

PNM reviewed historical spend on an annual basis across the last 5 years to develop the future budget. In addition to the historical funding, PNM also looked at trends which are developing on our system, equipment which is nearing end of productive life, changes developing in compliance, environmental, and safety requirements, results from inspections and testing, all of which need to be considered when estimating budgets and implementing projects. There is a slight uptick in anticipated spend due to 1) the age of much of the system equipment is old and there is likely to be a higher need for repairs / replacements and 2) added compliance issues, which will also result in upgrades / replacements. These estimates also include some funds to address emergent issues such as unforeseen failures.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	22007010	Year	2015								Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	61,100	0	0	0	0	0	0	0	0	0	61,100
120-Overtime-General	20,309	0	0	0	0	0	0	0	0	0	20,309
350-Material Issues-Major	157,637	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	241,637
370-Outside Services	450,634	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,783	466,551
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	-57,544	0	0	0	0	0	0	0	0	0	-57,544
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	5,543	0	0	0	0	0	0	0	0	0	5,543
914-Pension and Benefits Load	21,063	0	0	0	0	0	0	0	0	0	21,063
915-Injuries and Damages Load	5,646	0	0	0	0	0	0	0	0	0	5,646
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	4,782	436	436	436	436	436	436	436	436	436	8,705
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	46,430	333	333	333	333	333	333	333	333	333	49,427
926-A and G Loads	52,908	924	924	924	924	924	924	924	924	925	61,221
928-AFUDC Debt Reg	8,634	1,362	294	79	36	27	25	25	25	25	10,531
929-AFUDC - Equity Regular	9,981	1,945	420	113	51	38	36	35	35	35	12,690
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	787,122	16,100	13,506	12,984	12,879	12,858	12,854	12,853	12,853	12,871	906,878
825-Clearings	-264,857	-430,692	-96,943	-29,776	-16,258	-13,538	-12,990	-12,880	-12,858	-12,868	-903,661
Clr Sum	-264,857	-430,692	-96,943	-29,776	-16,258	-13,538	-12,990	-12,880	-12,858	-12,868	-903,661
Proj Net	522,266	-414,593	-83,437	-16,792	-3,379	-680	-137	-28	-6	3	3,217

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	22007010	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	61,100	0	0	0	0	0	0	0	0	0	0	0	0	61,100	
120-Overtime-General	20,309	0	0	0	0	0	0	0	0	0	0	0	0	20,309	
350-Material Issues-Major	241,637	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	344,633	
370-Outside Services	466,551	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,346	506,659	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	-57,544	0	0	0	0	0	0	0	0	0	0	0	0	-57,544	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,543	0	0	0	0	0	0	0	0	0	0	0	0	5,543	
914-Pension and Benefits Load	21,063	0	0	0	0	0	0	0	0	0	0	0	0	21,063	
915-Injuries and Damages Load	5,646	0	0	0	0	0	0	0	0	0	0	0	0	5,646	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	8,705	401	401	401	401	401	401	401	401	401	401	401	401	13,517	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	49,427	358	358	358	358	358	358	358	358	358	358	358	358	53,723	
926-A and G Loads	61,221	992	992	992	992	992	992	992	992	992	992	992	993	73,126	
928-AFUDC Debt Reg	10,531	18	18	18	18	18	18	18	18	18	18	18	18	10,747	
929-AFUDC - Equity Regular	12,690	0	0	0	0	0	0	0	0	0	0	0	0	12,690	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	906,878	13,694	13,694	13,694	13,694	13,694	13,694	13,694	13,694	13,694	13,694	13,694	13,699	1,071,211	
825-Clearings	-903,661	-13,528	-13,661	-13,687	-13,692	-13,693	-13,694	-13,694	-13,694	-13,694	-13,694	-13,694	-13,698	-1,067,784	
Clr Sum	-903,661	-13,528	-13,661	-13,687	-13,692	-13,693	-13,694	-13,694	-13,694	-13,694	-13,694	-13,694	-13,698	-1,067,784	
Proj Net	3,217	166	33	7	2	1	0	0	0	0	0	0	1	3,427	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	22007010	Year 2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	61,100	0	0	0	0	0	0	0	0	0	0	0	0	61,100
120-Overtime-General	20,309	0	0	0	0	0	0	0	0	0	0	0	0	20,309
350-Material Issues-Major	344,633	8,458	8,458	0	0	0	0	0	0	0	0	0	0	361,549
370-Outside Services	506,659	3,463	3,463	0	0	0	0	0	0	0	0	0	0	513,585
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	-57,544	0	0	0	0	0	0	0	0	0	0	0	0	-57,544
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	5,543	0	0	0	0	0	0	0	0	0	0	0	0	5,543
914-Pension and Benefits Load	21,063	0	0	0	0	0	0	0	0	0	0	0	0	21,063
915-Injuries and Damages Load	5,646	0	0	0	0	0	0	0	0	0	0	0	0	5,646
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	13,517	395	395	0	0	0	0	0	0	0	0	0	0	14,307
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	53,723	358	358	0	0	0	0	0	0	0	0	0	0	54,439
926-A and G Loads	73,126	992	992	0	0	0	0	0	0	0	0	0	0	75,110
928-AFUDC Debt Reg	10,747	32	49	0	0	0	0	0	0	0	0	0	0	10,828
929-AFUDC - Equity Regular	12,690	19	29	0	0	0	0	0	0	0	0	0	0	12,738
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	1,071,211	13,717	13,744	0	0	0	0	0	0	0	0	0	0	1,098,672
825-Clearings	-1,067,784	-8,571	-11,157	0	0	0	0	0	0	0	0	0	0	-1,087,512
Clr Sum	-1,067,784	-8,571	-11,157	0	0	0	0	0	0	0	0	0	0	-1,087,512
Proj Net	3,427	5,146	2,587	0	0	0	0	0	0	0	0	0	0	11,160

Project No: 65006010 San Juan Vail

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date

List Interim In-Service Dates

Project Need Justification

This project is for PNM's share of annual capital improvements or replacements associated with the San Juan-Vail Joint Transmission project. This work is performed to ensure continued reliable and safe performance of the transmission facility. PNM has a contractual obligation to the operating agent (TEP) to pay for these costs prorated on PNM's percent ownership. While specific replacements are not defined, typical work would include replacement of failed or functionally obsolete equipment such as breakers, capacitors, switches, and relays. Work might also include capital improvements to the lines such as veg management, access improvements to facilitate planned work as well as routine inspection, or structure replacements. Also this would include capital improvements required to meet emerging NERC security requirements.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

While PNM has a contractual obligation, PNM also is represented with other participants on an engineering and operating committee (E&O), and as such has input regarding decisions and timing of these capital expenditures. While the SJ-Vail transmission project is interconnected to other lines in the WECC, PNM does not have rights in any alternative transmission path(s) that would eliminate the need to participate in the SJ-Vail system.

Technical Aspects

Technical aspects are evaluated by the operating agent and submitted for consideration by the E&O committee. The SJ-Vail transmission project is a path which includes multiple lines and stations. The E&O committee considers the effect of specific proposals against the overall performance of the connected system. Typical projects include replacement of obsolete series capacitors or replacement of breakers to provide increased fault duty.

Project Estimate Approach

As a member of the San Juan-Vail E&O committee, PNM meets regularly with the Operating Partner, TEP. TEP provides recommendations for capital projects and related cost estimates/schedules. PNM reviews both the need and the estimated cost prior to project commitment. PNM operates similar facilities, and as such frequently has independent cost data for similar work to compare with TEP provided estimates. Costs include internal TEP labor, external contract labor, equipment and material associated with these capital jobs. While specific details for each project typically aren't known well in advance, contract labor and equipment costs represent 85%-90% of the total annual budget.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65006010	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	55,172		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	64,172
120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
370-Outside Services	266,619		0	0	0	0	0	0	0	0	0	266,619
374-Outside Svcs Legal	32,349		0	0	0	0	0	0	0	0	0	32,349
377-Outside Services-Temp Labor	26,740		0	0	0	0	0	0	0	0	0	26,740
391-Jt Proj Bills to PNM-Non-Labor	2,589,279		0	100,000	0	50,000	0	100,000	0	0	0	2,839,279
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	5,634		0	2,000	0	0	0	2,000	0	0	2,000	11,634
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	3,980		70	70	70	70	70	70	70	70	70	4,610
914-Pension and Benefits Load	15,260		223	223	223	223	223	223	223	223	223	17,269
915-Injuries and Damages Load	4,067		67	67	67	67	67	67	67	67	67	4,672
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	1,966		0	0	0	0	0	0	0	0	0	1,966
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
926-A and G Loads	24,398		8	845	8	418	8	845	8	8	25	26,571
928-AFUDC Debt Reg	128,337		789	930	1,071	1,147	1,222	1,366	1,511	1,523	1,539	139,435
929-AFUDC - Equity Regular	143,940		1,126	1,327	1,530	1,637	1,745	1,950	2,157	2,175	2,198	159,785
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	3,297,740		3,283	106,462	3,970	54,562	4,336	107,521	5,036	5,067	7,122	3,595,101
825-Clearings	-2,992,371		0	0	0	0	0	0	0	0	0	-2,992,371
Clr Sum	-2,992,371		0	0	0	0	0	0	0	0	0	-2,992,371
Proj Net	305,369		3,283	106,462	3,970	54,562	4,336	107,521	5,036	5,067	7,122	602,730

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65006010	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	64,172	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	76,172	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	266,619	0	0	0	0	0	0	0	0	0	0	0	0	266,619	
374-Outside Svcs Legal	32,349	0	0	0	0	0	0	0	0	0	0	0	0	32,349	
377-Outside Services-Temp Labor	26,740	0	0	0	0	0	0	0	0	0	0	0	0	26,740	
391-Jt Proj Bills to PNM-Non-Labor	2,839,279	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	50,000	100,000	3,489,279	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	11,634	0	2,000	0	0	2,000	0	0	0	2,000	0	0	2,000	19,634	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	4,610	70	70	70	70	70	70	70	70	70	70	70	70	5,450	
914-Pension and Benefits Load	17,269	223	223	223	223	223	223	223	223	223	223	223	223	19,945	
915-Injuries and Damages Load	4,672	67	67	67	67	67	67	67	67	67	67	67	67	5,476	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	1,966	0	0	0	0	0	0	0	0	0	0	0	0	1,966	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	26,571	8	845	8	828	25	828	8	828	25	828	418	845	32,065	
928-AFUDC Debt Reg	139,435	1,056	91	184	275	3	95	186	277	370	463	598	736	143,769	
929-AFUDC - Equity Regular	159,785	0	0	0	0	0	0	0	0	0	0	0	0	159,785	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,595,101	2,424	104,296	1,552	102,463	3,388	102,283	1,554	102,465	3,755	102,651	52,376	104,941	4,279,249	
825-Clearings	-2,992,371	-605,155	0	0	-208,312	0	0	0	0	0	0	0	0	-3,805,838	
Clr Sum	-2,992,371	-605,155	0	0	-208,312	0	0	0	0	0	0	0	0	-3,805,838	
Proj Net	602,730	-602,731	104,296	1,552	-105,849	3,388	102,283	1,554	102,465	3,755	102,651	52,376	104,941	473,411	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65006010	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	76,172	0	0	0	0	0	0	0	0	0	0	0	0	76,172	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	266,619	0	0	0	0	0	0	0	0	0	0	0	0	266,619	
374-Outside Svcs Legal	32,349	0	0	0	0	0	0	0	0	0	0	0	0	32,349	
377-Outside Services-Temp Labor	26,740	0	0	0	0	0	0	0	0	0	0	0	0	26,740	
391-Jt Proj Bills to PNM-Non-Labor	3,489,279	50,000	0	0	0	0	0	0	0	0	0	0	0	3,539,279	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	19,634	0	0	0	0	0	0	0	0	0	0	0	0	19,634	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,450	0	0	0	0	0	0	0	0	0	0	0	0	5,450	
914-Pension and Benefits Load	19,945	0	0	0	0	0	0	0	0	0	0	0	0	19,945	
915-Injuries and Damages Load	5,476	0	0	0	0	0	0	0	0	0	0	0	0	5,476	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	1,966	0	0	0	0	0	0	0	0	0	0	0	0	1,966	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	32,065	410	0	0	0	0	0	0	0	0	0	0	0	32,475	
928-AFUDC Debt Reg	143,769	1,579	833	0	0	0	0	0	0	0	0	0	0	146,181	
929-AFUDC - Equity Regular	159,785	935	493	0	0	0	0	0	0	0	0	0	0	161,213	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,279,249	52,924	1,326	0	0	0	0	0	0	0	0	0	0	4,333,499	
825-Clearings	-3,805,838	-263,171	0	0	0	0	0	0	0	0	0	0	0	-4,069,009	
Clr Sum	-3,805,838	-263,171	0	0	0	0	0	0	0	0	0	0	0	-4,069,009	
Proj Net	473,411	-210,247	1,326	0	0	0	0	0	0	0	0	0	0	264,490	

Project No: 65007010 Misc. Station Improvements

Company: 002-Transmission Services

Location: 650 Transmission

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date N/A

List Interim In-Service Dates

Each WO is closed as completed, with an estimated 4 clearings per year

Project Need Justification

This project addresses capital replacements or betterments at transmission stations to improve reliability, maintainability or enhance safety. Typical work might include improved equipment clearances and switch operator ground mats for improved safety, and replacement of aged instrument transformers or surge arresters to improve reliability and replacement of obsolete disconnect switches for improved maintainability.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Alternatives for each task is evaluated on a case-by-case basis. Many tasks are replacing equipment or components with like equipment, so alternatives are not considered. In some cases, upgrades are required to obsolete equipment. In these case, subject matter experts assess the need and typically consider a replacement with a PNM standard upgrade. In all cases, alternatives are considered weighing need, cost, safety, and reliability to reach the optimum solution.

Technical Aspects

While the scope of this project is to provide minor capital replacements or improvements at transmission stations, the technical aspects are considered on a task by task basis. Typical projects might include improved worker safety from enhanced grounding or better ergonomics, or the reduced maintenance requirements from enhanced transformer oil temperature measurements.

Project Estimate Approach

Cost estimates are prepared on a per task basis. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids.

The cost of major material, such as disconnect switches, instrument transformers, or surge arresters is ~50% of total project cost. Contract labor is ~20%. PNM labor is ~20%. Minor material makes up the remaining ~5% of the total project cost.

Overall spend is tracked quarterly and adjusted to reflect timing of specific tasks. .

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007010	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	541,592	8,333	6,000	6,000	6,000	4,000	4,000	4,000	4,000	4,000	587,925	
120-Overtime-General	228,800	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	243,800	
350-Material Issues-Major	736,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	781,000	
370-Outside Services	1,979,551	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	2,027,550	
374-Outside Svcs Legal	501	0	0	0	0	0	0	0	0	0	501	
377-Outside Services-Temp Labor	16,008	0	0	0	0	0	0	0	0	0	16,008	
391-Jt Proj Bills to PNM-Non-Labor	-82,208	0	0	0	0	0	0	0	0	0	-82,208	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	183,037	0	0	0	0	0	0	0	0	0	183,037	
805-Land and Land Rights	3,000	0	0	0	0	0	0	0	0	0	3,000	
807-Non Refundable Contribution	-184,347	0	0	0	0	0	0	0	0	0	-184,347	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	55,720	700	537	537	537	397	397	397	397	397	60,013	
914-Pension and Benefits Load	209,263	2,232	1,711	1,711	1,711	1,265	1,265	1,265	1,265	1,265	222,952	
915-Injuries and Damages Load	55,716	673	516	516	516	381	381	381	381	381	59,844	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,623	234	234	234	234	234	234	234	234	234	21,725	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	290,667	718	623	623	623	541	541	541	541	541	295,960	
926-A and G Loads	256,266	1,692	1,498	1,498	1,498	1,331	1,331	1,331	1,331	1,331	269,107	
928-AFUDC Debt Reg	94,908	1,430	1,503	1,572	1,641	1,707	1,770	1,833	1,896	1,960	110,220	
929-AFUDC - Equity Regular	116,705	2,042	2,146	2,244	2,343	2,438	2,527	2,617	2,707	2,798	138,567	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,520,803	30,053	26,766	26,934	27,102	24,294	24,446	24,598	24,752	24,907	4,754,656	
825-Clearings	-3,979,207	0	0	0	0	0	0	0	0	0	-3,979,207	
Clr Sum	-3,979,207	0	0	0	0	0	0	0	0	0	-3,979,207	
Proj Net	541,596	30,053	26,766	26,934	27,102	24,294	24,446	24,598	24,752	24,907	775,449	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007010	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	587,925	7,442	7,442	7,442	7,442	7,442	7,442	7,442	7,442	7,442	7,442	7,442	7,442	677,229	
120-Overtime-General	243,800	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	261,656	
350-Material Issues-Major	781,000	9,153	9,153	9,153	9,153	9,153	9,153	9,153	9,153	9,153	9,153	9,153	9,153	890,836	
370-Outside Services	2,027,550	4,763	4,763	4,763	4,763	4,763	4,763	4,763	4,763	4,763	4,763	4,763	4,763	2,084,706	
374-Outside Svcs Legal	501	0	0	0	0	0	0	0	0	0	0	0	0	501	
377-Outside Services-Temp Labor	16,008	0	0	0	0	0	0	0	0	0	0	0	0	16,008	
391-Jt Proj Bills to PNM-Non-Labor	-82,208	0	0	0	0	0	0	0	0	0	0	0	0	-82,208	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	183,037	0	0	0	0	0	0	0	0	0	0	0	0	183,037	
805-Land and Land Rights	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000	
807-Non Refundable Contribution	-184,347	0	0	0	0	0	0	0	0	0	0	0	0	-184,347	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	60,013	625	625	625	625	625	625	625	625	625	625	625	625	67,513	
914-Pension and Benefits Load	222,952	1,993	1,993	1,993	1,993	1,993	1,993	1,993	1,993	1,993	1,993	1,993	1,993	246,868	
915-Injuries and Damages Load	59,844	601	601	601	601	601	601	601	601	601	601	601	601	67,056	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	21,725	427	427	427	427	427	427	427	427	427	427	427	427	26,849	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	295,960	782	782	782	782	782	782	782	782	782	782	782	782	305,344	
926-A and G Loads	269,107	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	291,919	
928-AFUDC Debt Reg	110,220	1,383	26	77	128	179	230	282	333	385	437	489	541	114,710	
929-AFUDC - Equity Regular	138,567	0	0	0	0	0	0	0	0	0	0	0	0	138,567	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,754,656	30,558	29,201	29,252	29,303	29,354	29,405	29,457	29,508	29,560	29,612	29,664	29,716	5,109,246	
825-Clearings	-3,979,207	-806,007	0	0	0	0	0	0	0	0	0	0	0	-4,785,214	
Clr Sum	-3,979,207	-806,007	0	0	0	0	0	0	0	0	0	0	0	-4,785,214	
Proj Net	775,449	-775,449	29,201	29,252	29,303	29,354	29,405	29,457	29,508	29,560	29,612	29,664	29,716	324,032	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007010	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	677,229	8,338	8,338	0	0	0	0	0	0	0	0	0	0	693,905	
120-Overtime-General	261,656	1,668	1,668	0	0	0	0	0	0	0	0	0	0	264,992	
350-Material Issues-Major	890,836	10,255	10,255	0	0	0	0	0	0	0	0	0	0	911,346	
370-Outside Services	2,084,706	5,336	5,336	0	0	0	0	0	0	0	0	0	0	2,095,378	
374-Outside Svcs Legal	501	0	0	0	0	0	0	0	0	0	0	0	0	501	
377-Outside Services-Temp Labor	16,008	0	0	0	0	0	0	0	0	0	0	0	0	16,008	
391-Jt Proj Bills to PNM-Non-Labor	-82,208	0	0	0	0	0	0	0	0	0	0	0	0	-82,208	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	183,037	0	0	0	0	0	0	0	0	0	0	0	0	183,037	
805-Land and Land Rights	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000	
807-Non Refundable Contribution	-184,347	0	0	0	0	0	0	0	0	0	0	0	0	-184,347	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	67,513	700	700	0	0	0	0	0	0	0	0	0	0	68,913	
914-Pension and Benefits Load	246,868	2,233	2,233	0	0	0	0	0	0	0	0	0	0	251,334	
915-Injuries and Damages Load	67,056	673	673	0	0	0	0	0	0	0	0	0	0	68,402	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	26,849	479	479	0	0	0	0	0	0	0	0	0	0	27,807	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	305,344	876	876	0	0	0	0	0	0	0	0	0	0	307,096	
926-A and G Loads	291,919	2,130	2,130	0	0	0	0	0	0	0	0	0	0	296,179	
928-AFUDC Debt Reg	114,710	1,078	52	0	0	0	0	0	0	0	0	0	0	115,840	
929-AFUDC - Equity Regular	138,567	638	31	0	0	0	0	0	0	0	0	0	0	139,236	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,109,246	34,404	32,771	0	0	0	0	0	0	0	0	0	0	5,176,421	
825-Clearings	-4,785,214	-358,443	0	0	0	0	0	0	0	0	0	0	0	-5,143,657	
Clr Sum	-4,785,214	-358,443	0	0	0	0	0	0	0	0	0	0	0	-5,143,657	
Proj Net	324,032	-324,039	32,771	0	0	0	0	0	0	0	0	0	0	32,764	

Project No: 65007110 Misc. Transmission

Company: 002-Transmission Services

Location: 650 Transmission

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date N/A

List Interim In-Service Dates

each WO is closed as completed, estimated 4 clearings per year

Project Need Justification

This project included multiple types of tasks which improve reliability, maintainability or enhance safe operation of transmission lines. The key betterments include replacement of damaged porcelain insulators with a more robust non-ceramic insulator, installation of modular steel truss top to replace failed wood cross arms and braces, replacement of a structure to provide enhanced clearances, installation of new line sectionalizing switches to provide more reliable and safe switching operations. Funds include internal labor, material and contract construction.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Each task which is written is evaluated on its own. Alternatives considered might include "do nothing" or risk of failure assessment. Improved materials such as polymer insulators or prefabricated steel truss framing are typically used to replace original line material. Driven steel ground line pole reinforcing may be chosen as an alternative to complete replacement of a rotten wood pole. PNM routinely inspects its transmission lines and identifies equipment or materials that need to be repaired or replaced. This work is prioritized based on risk to the operation of the system. Funds are budgeted for the higher risk items as well as unforeseen failures that may be caused by weather, vandalism, pole hits, etc.

Technical Aspects

Technical aspects are considered on a task by task basis, but might include improved lightning performance from enhanced grounding, or improved clearances provided by the installation of taller poles. Vacuum arc interrupters may installed on sectionalizing switches to provide safer and more reliable operation. Replacement of aged wood crossarms with steel truss assemblies may be done to improve reliability and reduce maintenance costs.

Project Estimate Approach

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

The budget is developed from historical spend over the previous two years with trending based on input from line inspection reports (such as pole ground line testing or wood cross arm inspections). Pole ground line inspection was estimated at 2 to 5 percent replacement rate per 1000 poles inspected. Pole replacement costs included remote access and possible live line work for the installation. This was approximately a 30% increase to the budget. Overall budget breakdown is approximately 40% material, 30% contract construction and 30% internal PNM labor including construction crews, and support (environmental, engineering, and permitting). All work was assumed in existing easements.

While specific jobs are unknown at this time, inspection data may help predict the volume of certain work, such as pole replacements. Detailed and specific cost estimates are prepared on a per task basis as work orders are created. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids.

Overall spend is tracked quarterly and adjusted to reflect timing of specific tasks.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007110	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	485,485	5,750	5,750	10,000	10,000	10,000	10,000	10,000	10,000	7,000	563,985	
120-Overtime-General	389,487	1,875	1,875	1,875	1,875	3,000	3,000	3,000	3,000	1,875	410,862	
350-Material Issues-Major	834,555	15,792	15,792	15,792	15,792	15,792	15,792	15,792	15,792	15,792	976,680	
370-Outside Services	365,603	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	508,103	
374-Outside Svcs Legal	404	0	0	0	0	0	0	0	0	0	404	
377-Outside Services-Temp Labor	0	438	438	438	438	438	438	438	438	438	3,938	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	458,979	0	0	0	0	0	0	0	0	0	458,979	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-302,254	0	0	0	0	0	0	0	0	0	-302,254	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	63,143	534	534	831	831	910	910	910	910	621	70,135	
914-Pension and Benefits Load	242,704	1,702	1,702	2,651	2,651	2,902	2,902	2,902	2,902	1,981	264,997	
915-Injuries and Damages Load	69,055	513	513	799	799	875	875	875	875	597	75,776	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	29,073	737	737	737	737	737	737	737	737	737	35,710	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	199,935	1,273	1,273	1,447	1,447	1,492	1,492	1,492	1,492	1,324	212,668	
926-A and G Loads	152,202	3,302	3,302	3,656	3,656	3,749	3,749	3,749	3,749	3,406	184,520	
928-AFUDC Debt Reg	32,194	500	626	761	488	632	780	928	72	208	37,189	
929-AFUDC - Equity Regular	33,548	714	894	1,087	696	902	1,113	1,325	103	297	40,680	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,054,115	48,963	49,269	55,907	55,242	57,263	57,621	57,981	55,902	50,109	3,542,372	
825-Clearings	-2,883,912	0	0	-162,171	0	0	0	-390,277	0	-53,006	-3,489,366	
Clr Sum	-2,883,912	0	0	-162,171	0	0	0	-390,277	0	-53,006	-3,489,366	
Proj Net	170,202	48,963	49,269	-106,264	55,242	57,263	57,621	-332,296	55,902	-2,897	53,006	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007110	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	563,985	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	632,985	
120-Overtime-General	410,862	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	433,362	
350-Material Issues-Major	976,680	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	7,170	1,073,850	
370-Outside Services	508,103	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	568,103	
374-Outside Svcs Legal	404	0	0	0	0	0	0	0	0	0	0	0	0	404	
377-Outside Services-Temp Labor	3,938	438	438	438	438	438	438	438	438	438	438	438	438	9,194	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	458,979	0	0	0	0	0	0	0	0	0	0	0	0	458,979	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-302,254	0	0	0	0	0	0	0	0	0	0	0	0	-302,254	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	70,135	534	534	534	534	534	534	534	534	534	534	534	534	76,543	
914-Pension and Benefits Load	264,997	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	285,421	
915-Injuries and Damages Load	75,776	513	513	513	513	513	513	513	513	513	513	513	513	81,932	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	35,710	467	234	467	234	467	234	467	467	234	467	335	467	40,250	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	212,668	774	624	774	624	774	624	774	774	624	774	689	774	221,271	
926-A and G Loads	184,520	1,919	1,503	1,919	1,503	1,919	1,503	1,919	1,919	1,503	1,919	1,683	1,919	205,648	
928-AFUDC Debt Reg	37,189	118	164	25	71	117	163	209	260	306	352	400	449	39,823	
929-AFUDC - Equity Regular	40,680	0	0	0	0	0	0	0	0	0	0	0	0	40,680	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,542,372	29,090	23,337	28,997	23,244	29,089	23,336	29,181	29,232	23,479	29,324	26,089	29,421	3,866,191	
825-Clearings	-3,489,366	0	-105,431	0	0	0	0	0	0	0	0	0	0	-3,594,797	
Clr Sum	-3,489,366	0	-105,431	0	0	0	0	0	0	0	0	0	0	-3,594,797	
Proj Net	53,006	29,090	-82,094	28,997	23,244	29,089	23,336	29,181	29,232	23,479	29,324	26,089	29,421	271,394	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007110	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	632,985	20,000	20,000	0	0	0	0	0	0	0	0	0	0	0	672,985
120-Overtime-General	433,362	2,000	2,000	0	0	0	0	0	0	0	0	0	0	0	437,362
350-Material Issues-Major	1,073,850	5,000	10,000	0	0	0	0	0	0	0	0	0	0	0	1,088,850
370-Outside Services	568,103	5,000	15,000	0	0	0	0	0	0	0	0	0	0	0	588,103
374-Outside Svcs Legal	404	0	0	0	0	0	0	0	0	0	0	0	0	0	404
377-Outside Services-Temp Labor	9,194	0	0	0	0	0	0	0	0	0	0	0	0	0	9,194
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	458,979	0	0	0	0	0	0	0	0	0	0	0	0	0	458,979
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-302,254	0	0	0	0	0	0	0	0	0	0	0	0	0	-302,254
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	76,543	1,540	1,540	0	0	0	0	0	0	0	0	0	0	0	79,623
914-Pension and Benefits Load	285,421	4,910	4,910	0	0	0	0	0	0	0	0	0	0	0	295,241
915-Injuries and Damages Load	81,932	1,481	1,481	0	0	0	0	0	0	0	0	0	0	0	84,894
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	40,250	234	467	0	0	0	0	0	0	0	0	0	0	0	40,951
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	221,271	1,198	1,648	0	0	0	0	0	0	0	0	0	0	0	224,117
926-A and G Loads	205,648	2,662	3,910	0	0	0	0	0	0	0	0	0	0	0	212,220
928-AFUDC Debt Reg	39,823	929	1,100	0	0	0	0	0	0	0	0	0	0	0	41,852
929-AFUDC - Equity Regular	40,680	550	651	0	0	0	0	0	0	0	0	0	0	0	41,881
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,866,191	45,504	62,707	0	0	0	0	0	0	0	0	0	0	0	3,974,402
825-Clearings	-3,594,797	0	-379,596	0	0	0	0	0	0	0	0	0	0	0	-3,974,393
Clr Sum	-3,594,797	0	-379,596	0	0	0	0	0	0	0	0	0	0	0	-3,974,393
Proj Net	271,394	45,504	-316,889	0	0	0	0	0	0	0	0	0	0	0	9

Project No: 65007710 Station Equip Replacement IA

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 1/1/2012 Estimated Completion Date N/A

List Interim In-Service Dates

Each WO is closed as completed, with an estimated 4 clearings per year.

Project Need Justification

This project provides annual funds for the replacement or upgrade of aging or obsolete Transmission Substation Equipment on PNM's electric system. These projects are typically small projects (less than \$100k each) that are needed to help maintain system reliability, meet current safety or compliance requirements, or replace equipment that cannot longer meet today's performance requirements. Some examples would be replacing or upgrading substation transformer components such as primary bushings, load tap changer upgrades or replacements, replacing aging transmission circuit breakers, or upgrading ageing equipment such as station arrestors, capacitor switching equipment, bus insulators, station capacitors, capacitive voltage transformers, and station battery replacements in Transmission Substations. The fund also covers costs for projects that extend the life of substation equipment, such as replacing all of the gasketing on station transformers or performing bushing replacements.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Each project is reviewed for a range of solutions from repair to direct replacement to redesign. Criteria in evaluating solutions includes ability to meet performance requirements, addresses any compliance or safety issues, availability of replacement parts, meeting system standard designs and common vendors, ability to meet needed schedule. life of the solution, and long term owning costs.

Technical Aspects

The technical aspects of this project involve subject matter expert(s) identifying critical transmission substation equipment that is in need of replacement or upgrade due to obsolescence, ordering the material and coordinating work to accomplish the upgrade or repair of the component. The projects vary depending upon need, but cover the range of work described in the justification section above.

Project Estimate Approach

Cost estimates are prepared on a per task basis. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids.

PNM reviewed historical spend on an annual basis across the last 5 years to develop the future budget. In addition to the historical funding, PNM also looked at trends which are developing on our system, equipment which is nearing end of productive life, changes developing in compliance, environmental, and safety requirements, results from inspections and testing, all of which need to be considered when estimating budgets and implementing projects. There is a slight uptick in anticipated spend due to 1) the age of much of the system equipment is old and there is likely to be a higher need for repairs / replacements and 2) added compliance issues, which will also result in upgrades / replacements. These estimates also include some funds to address emergent issues such as unforeseen failures.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007710	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	397,600	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	423,100	
120-Overtime-General	294,949	0	0	0	0	0	0	0	0	0	294,949	
350-Material Issues-Major	569,943	15,000	15,000	10,000	15,000	15,000	10,000	15,000	10,000	10,000	684,943	
370-Outside Services	1,442,568	15,000	2,841	20,000	2,841	2,841	20,000	20,000	2,841	15,000	1,543,933	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	177,805	0	0	0	0	0	0	0	0	0	177,805	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-42,827	0	0	0	0	0	0	0	0	0	-42,827	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	46,124	198	198	198	198	198	198	198	198	198	47,909	
914-Pension and Benefits Load	179,419	632	632	632	632	632	632	632	632	632	185,111	
915-Injuries and Damages Load	47,531	191	191	191	191	191	191	191	191	191	49,247	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	14,265	701	701	467	701	701	467	701	467	467	19,635	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	170,171	1,016	651	1,016	651	651	1,016	1,166	501	866	177,703	
926-A and G Loads	218,454	2,732	1,720	2,732	1,720	1,720	2,732	3,148	1,304	2,316	238,577	
928-AFUDC Debt Reg	38,739	1,766	397	135	69	52	66	80	24	52	41,380	
929-AFUDC - Equity Regular	48,955	2,521	567	193	98	74	94	114	35	74	52,727	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,603,697	42,590	25,732	38,398	24,935	24,894	38,229	44,062	19,027	32,629	3,894,193	
825-Clearings	-2,937,548	-566,991	-133,984	-57,515	-31,451	-26,206	-35,824	-53,018	-15,222	-29,147	-3,886,906	
Clr Sum	-2,937,548	-566,991	-133,984	-57,515	-31,451	-26,206	-35,824	-53,018	-15,222	-29,147	-3,886,906	
Proj Net	666,149	-524,401	-108,252	-19,117	-6,516	-1,311	2,405	-8,956	3,805	3,481	7,287	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007710	Year 2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	423,100	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	457,096
120-Overtime-General	294,949	0	0	0	0	0	0	0	0	0	0	0	0	294,949
350-Material Issues-Major	684,943	21,875	21,875	21,875	21,875	21,875	21,875	21,875	21,875	21,875	21,875	21,875	21,875	947,443
370-Outside Services	1,543,933	2,841	2,841	15,000	10,000	2,841	10,000	2,841	2,841	13,400	10,000	2,841	10,000	1,629,379
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	177,805	0	0	0	0	0	0	0	0	0	0	0	0	177,805
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-42,827	0	0	0	0	0	0	0	0	0	0	0	0	-42,827
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	47,909	198	198	198	198	198	198	198	198	198	198	198	198	50,285
914-Pension and Benefits Load	185,111	632	632	632	632	632	632	632	632	632	632	632	632	192,695
915-Injuries and Damages Load	49,247	191	191	191	191	191	191	191	191	191	191	191	191	51,539
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	19,635	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	31,899
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	177,703	857	857	1,222	1,072	857	1,072	857	857	1,174	1,072	857	1,072	189,529
926-A and G Loads	238,577	2,292	2,292	3,304	2,888	2,292	2,888	2,292	2,292	3,171	2,888	2,292	2,888	270,356
928-AFUDC Debt Reg	41,380	41	43	55	55	47	51	46	44	53	54	47	51	41,967
929-AFUDC - Equity Regular	52,727	0	0	0	0	0	0	0	0	0	0	0	0	52,727
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,894,193	32,782	32,784	46,332	40,766	32,788	40,762	32,787	32,785	44,549	40,765	32,788	40,762	4,344,843
825-Clearings	-3,886,906	-32,056	-32,639	-43,593	-41,331	-34,497	-39,509	-34,132	-33,055	-42,250	-41,062	-34,443	-39,498	-4,334,971
Clr Sum	-3,886,906	-32,056	-32,639	-43,593	-41,331	-34,497	-39,509	-34,132	-33,055	-42,250	-41,062	-34,443	-39,498	-4,334,971
Proj Net	7,287	726	145	2,739	-565	-1,709	1,253	-1,345	-270	2,299	-297	-1,655	1,264	9,872

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007710	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	457,096	20,000	20,000	0	0	0	0	0	0	0	0	0	0	497,096	
120-Overtime-General	294,949	0	0	0	0	0	0	0	0	0	0	0	0	294,949	
350-Material Issues-Major	947,443	21,875	21,875	0	0	0	0	0	0	0	0	0	0	991,193	
370-Outside Services	1,629,379	0	0	0	0	0	0	0	0	0	0	0	0	1,629,379	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	177,805	0	0	0	0	0	0	0	0	0	0	0	0	177,805	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-42,827	0	0	0	0	0	0	0	0	0	0	0	0	-42,827	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	50,285	1,400	1,400	0	0	0	0	0	0	0	0	0	0	53,085	
914-Pension and Benefits Load	192,695	4,464	4,464	0	0	0	0	0	0	0	0	0	0	201,623	
915-Injuries and Damages Load	51,539	1,346	1,346	0	0	0	0	0	0	0	0	0	0	54,231	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	31,899	1,022	1,022	0	0	0	0	0	0	0	0	0	0	33,943	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	189,529	1,473	1,473	0	0	0	0	0	0	0	0	0	0	192,475	
926-A and G Loads	270,356	3,484	3,484	0	0	0	0	0	0	0	0	0	0	277,324	
928-AFUDC Debt Reg	41,967	118	293	0	0	0	0	0	0	0	0	0	0	42,378	
929-AFUDC - Equity Regular	52,727	70	174	0	0	0	0	0	0	0	0	0	0	52,971	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,344,843	55,252	55,531	0	0	0	0	0	0	0	0	0	0	4,455,626	
825-Clearings	-4,334,971	0	0	0	0	0	0	0	0	0	0	0	0	-4,334,971	
Clr Sum	-4,334,971	0	0	0	0	0	0	0	0	0	0	0	0	-4,334,971	
Proj Net	9,872	55,252	55,531	0	0	0	0	0	0	0	0	0	0	120,655	

Specifics

Project No: 22007214 69kV Breaker Replacements

Company: 035-PNM TNMPNM Transmission

Location: 220 Transmission

Project Information

Construction Start Date 8/11/2014 Estimated Completion Date 7/31/2016

List Interim In-Service Dates

NA

Project Need Justification

This project involves replacing two aging circuit breakers at the MD-1 and Turquoise stations, in Grant County, NM (near Silver City). These breakers were manufactured in 1981 and 1982 and are nearing the end of their useful life. The breakers have been performing poorly for some time and have needed extensive (often times unplanned) maintenance. Due to their age, PNM has found it difficult to secure spare parts as many of the regularly needed mechanisms within the breakers are functionally obsolete.

Rather than potentially experiencing a breaker failure during equipment operation, it is preferable to replace these breakers with more modern technology, including breaker condition monitoring systems to ensure greater reliability going forward.

The funds cover the material costs of the breaker, other equipment includes conduit, control switches, control cable, and grounded platforms for safe operation and maintenance, internal labor for the installation, as well as internal and external engineering work and construction management.

Project Alternatives

As an alternative, PNM could do nothing and continue to utilize the existing breakers. Following this path will increase the risk of failure as the breakers continue to age, as well as increase the time and cost of locating parts that are difficult to acquire, and negatively impact system reliability. The chosen alternative to replace the breakers prior to failure fully addresses the potential risks.

Technical Aspects

Outages are required to install these breakers. The installation work at MD-1 will occur when the capacitor banks are not utilized. The work at Turquoise will be performed when the 69kV LC transmission line can be taken out of service. The breaker at MD-1 allows for switching in the capacitor banks at that station. The breaker at Turquoise allows for the line connection between Turquoise and Silver City stations to be sectionalized (broken). Other equipment includes conduit, control switches, control cable, and grounded platforms for safe operation and maintenance.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

These figures are updated in the estimating software periodically. For the major equipment (circuit breakers) we contacted our alliance vendors (HVB and Siemens respectively) and requested information regarding the costs and schedules of these major items. The breaker costs are estimated at approximately 25% of the total cost to install. Engineering costs are estimated at approximately 25% of the cost to install. Labor and contractor estimates were created from past breaker replacement projects that are similar in nature, and account for approximately 50% of the cost to install. For this project the North, Person, and Reeves 115kV breaker replacements were referenced.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	22007214	Year	2015								Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	28,131	20,650	1,450	1,450	500	500	0	0	0	0	52,681
120-Overtime-General	16,097	15,000	0	0	0	0	0	0	0	0	31,097
350-Material Issues-Major	27,150	0	0	0	0	0	0	0	0	0	27,150
370-Outside Services	308,580	20,000	15,000	37,000	0	0	0	0	0	0	380,580
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	14,982	0	0	0	0	0	0	0	0	0	14,982
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	3,078	2,496	102	102	35	35	0	0	0	0	5,847
914-Pension and Benefits Load	9,956	7,957	324	324	112	112	0	0	0	0	18,783
915-Injuries and Damages Load	2,971	2,399	98	98	34	34	0	0	0	0	5,633
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	2,149	0	0	0	0	0	0	0	0	0	2,149
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	9,642	2,055	509	1,169	20	20	0	0	0	0	13,416
926-A and G Loads	32,538	4,630	1,369	3,199	42	42	0	0	0	0	41,819
928-AFUDC Debt Reg	4,778	1,300	1,430	1,519	397	401	405	407	410	412	11,460
929-AFUDC - Equity Regular	6,960	1,857	2,041	2,168	567	573	578	582	585	589	16,499
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	467,012	78,344	22,321	47,028	1,706	1,717	983	989	995	1,001	622,096
825-Clearings	0	0	0	-461,029	0	0	0	0	0	0	-461,029
Clr Sum	0	0	0	-461,029	0	0	0	0	0	0	-461,029
Proj Net	467,012	78,344	22,321	-414,001	1,706	1,717	983	989	995	1,001	161,067

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	22007214	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	52,681	500	500	500	34,500	34,500	1,000	0	0	0	0	0	0	124,181	
120-Overtime-General	31,097	0	0	0	0	0	0	0	0	0	0	0	0	31,097	
350-Material Issues-Major	27,150	0	0	10,000	10,000	0	0	0	0	0	0	0	0	47,150	
370-Outside Services	380,580	0	0	0	0	10,000	10,000	0	0	0	0	0	0	400,580	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	14,982	0	0	0	0	0	0	0	0	0	0	0	0	14,982	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,847	35	35	35	2,415	2,415	70	0	0	0	0	0	0	10,852	
914-Pension and Benefits Load	18,783	112	112	112	7,700	7,700	223	0	0	0	0	0	0	34,742	
915-Injuries and Damages Load	5,633	34	34	34	2,322	2,322	67	0	0	0	0	0	0	10,446	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	2,149	0	0	467	467	0	0	0	0	0	0	0	0	3,083	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	13,416	20	20	320	1,708	1,708	341	0	0	0	0	0	0	17,533	
926-A and G Loads	41,819	42	42	874	3,702	3,702	915	0	0	0	0	0	0	51,096	
928-AFUDC Debt Reg	11,460	283	284	296	363	473	539	0	0	0	0	0	0	13,698	
929-AFUDC - Equity Regular	16,499	0	0	0	0	0	0	0	0	0	0	0	0	16,499	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	622,096	1,026	1,027	12,638	63,177	62,820	13,155	0	0	0	0	0	0	775,939	
825-Clearings	-461,029	0	0	0	0	0	-314,910	0	0	0	0	0	0	-775,939	
Clr Sum	-461,029	0	0	0	0	0	-314,910	0	0	0	0	0	0	-775,939	
Proj Net	161,067	1,026	1,027	12,638	63,177	62,820	-301,755	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	22007214	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	124,181	0	0	0	0	0	0	0	0	0	0	0	0	124,181	
120-Overtime-General	31,097	0	0	0	0	0	0	0	0	0	0	0	0	31,097	
350-Material Issues-Major	47,150	0	0	0	0	0	0	0	0	0	0	0	0	47,150	
370-Outside Services	400,580	0	0	0	0	0	0	0	0	0	0	0	0	400,580	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	14,982	0	0	0	0	0	0	0	0	0	0	0	0	14,982	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,852	0	0	0	0	0	0	0	0	0	0	0	0	10,852	
914-Pension and Benefits Load	34,742	0	0	0	0	0	0	0	0	0	0	0	0	34,742	
915-Injuries and Damages Load	10,446	0	0	0	0	0	0	0	0	0	0	0	0	10,446	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	3,083	0	0	0	0	0	0	0	0	0	0	0	0	3,083	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	17,533	0	0	0	0	0	0	0	0	0	0	0	0	17,533	
926-A and G Loads	51,096	0	0	0	0	0	0	0	0	0	0	0	0	51,096	
928-AFUDC Debt Reg	13,698	0	0	0	0	0	0	0	0	0	0	0	0	13,698	
929-AFUDC - Equity Regular	16,499	0	0	0	0	0	0	0	0	0	0	0	0	16,499	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	775,939	0	0	0	0	0	0	0	0	0	0	0	0	775,939	
825-Clearings	-775,939	0	0	0	0	0	0	0	0	0	0	0	0	-775,939	
Clr Sum	-775,939	0	0	0	0	0	0	0	0	0	0	0	0	-775,939	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 22007314 Amrad Eddy Line Rebuild

Company: 035-PNM TNMPNM Transmission

Location: 220 Transmission

Project Information

Construction Start Date 9/1/2014 Estimated Completion Date 6/30/2015

List Interim In-Service Dates

Project Need Justification

PNM is a participant in the Eastern NM Transmission project which includes the Amrad-Eddy 345kv line. This project involves PNM's share of the replacement of approximately 16.8 miles of the existing Amrad-Eddy 345kv line which failed during successive ice storms. Extreme ice buildup on the conductor created increased conductor tension, which lead to the failure of connecting hardware at a deadend structure. Once the deadend failed, a cascading failure involving approximately 105 tangent structures (which have limited longitudinal capacity) occurred due to non-balanced longitudinal conductor loads.

Project Alternatives

This line is the sole link to the Eddy County Converter station, which is a back to back AC/DC/AC connection between the WECC and SWPP. There is not alternative to replacing this line.

Design alternatives evaluated included rebuilding with the existing design (wood H-Frames, T-2 conductor); rebuilding with steel H-Frames, conventional ASCR conductor matching the original wood structure locations; rebuilding with steel H-Frames, conventional ASCR conductor spaced at optimum locations for steel design.

An analysis of the original wood design highlighted the likelihood of future structural failures and was ruled out. T-2 conductor performance problems causing extreme structure twisting movement lead to the decision to replace this section conductor with conventional ASCR conductor.

Steel H-Frame structures have inherently greater span capability than wood pole structures. Greater span lengths could reduce the number of new structures installed and reduce the construction cost and time. However due permit constraints on Bureau of Land Management land as well as terrain features this alternative was not pursued. Therefore steel H-Frame structures installed at existing structure locations with conventional ASCR conductor was selected for the restoration.

Technical Aspects

The failed wood h-frame structures will be rebuilt with steel h-frame structures and selected deadend structures; and the existing T-2 style conductor will be replaced with conventional ASCR conductor. At selected locations

Project Estimate Approach

The Operating Partner, EPE, secured competitive pricing for structures, conductor, construction, and minor materials. Additionally permanent R/W on Federal land was secured for long term access rights. Costs for these items were shared and reviewed by PNM prior to commitment to the project.

Total Project Cost Breakdown:

-53% Major Material (structures/conductor/insulators and attachment hardware)

-40% Construction Contract Labor

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

-6% Land Rights/Permits

-1% Internal EPE labor

Project costs are 100% PNM costs, based on percent ownership in the transmission path.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	22007314	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	3,052		0	0	0	0	0	0	0	0	0	3,052
120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
370-Outside Services	2,963,068		0	0	0	0	0	0	0	0	0	2,963,068
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	9,152		0	0	0	0	0	0	0	0	0	9,152
391-Jt Proj Bills to PNM-Non-Labor	414,618		50,000	50,000	0	0	0	0	0	0	0	514,618
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	75		0	0	0	0	0	0	0	0	0	75
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	199		0	0	0	0	0	0	0	0	0	199
914-Pension and Benefits Load	750		0	0	0	0	0	0	0	0	0	750
915-Injuries and Damages Load	201		0	0	0	0	0	0	0	0	0	201
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	19,914		0	0	0	0	0	0	0	0	0	19,914
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
925-E and S Loads	36,792		1,500	1,500	0	0	0	0	0	0	0	39,792
926-A and G Loads	282,039		4,160	4,160	0	0	0	0	0	0	0	290,359
928-AFUDC Debt Reg	41,252		9,277	9,478	9,609	9,669	0	0	0	0	0	79,286
929-AFUDC - Equity Regular	60,019		13,246	13,533	13,720	13,806	0	0	0	0	0	114,324
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	3,831,131		78,182	78,672	23,330	23,476	0	0	0	0	0	4,034,790
825-Clearings	-258,877		0	0	0	-3,775,913	0	0	0	0	0	-4,034,790
Clr Sum	-258,877		0	0	0	-3,775,913	0	0	0	0	0	-4,034,790
Proj Net	3,572,254		78,182	78,672	23,330	-3,752,437	0	0	0	0	0	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	22007314	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	3,052	0	0	0	0	0	0	0	0	0	0	0	0	3,052	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	2,963,068	0	0	0	0	0	0	0	0	0	0	0	0	2,963,068	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	9,152	0	0	0	0	0	0	0	0	0	0	0	0	9,152	
391-Jt Proj Bills to PNM-Non-Labor	514,618	0	0	0	0	0	0	0	0	0	0	0	0	514,618	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	75	0	0	0	0	0	0	0	0	0	0	0	0	75	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	199	0	0	0	0	0	0	0	0	0	0	0	0	199	
914-Pension and Benefits Load	750	0	0	0	0	0	0	0	0	0	0	0	0	750	
915-Injuries and Damages Load	201	0	0	0	0	0	0	0	0	0	0	0	0	201	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,914	0	0	0	0	0	0	0	0	0	0	0	0	19,914	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	39,792	0	0	0	0	0	0	0	0	0	0	0	0	39,792	
926-A and G Loads	290,359	0	0	0	0	0	0	0	0	0	0	0	0	290,359	
928-AFUDC Debt Reg	79,286	0	0	0	0	0	0	0	0	0	0	0	0	79,286	
929-AFUDC - Equity Regular	114,324	0	0	0	0	0	0	0	0	0	0	0	0	114,324	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,034,790	0	0	0	0	0	0	0	0	0	0	0	0	4,034,790	
825-Clearings	-4,034,790	0	0	0	0	0	0	0	0	0	0	0	0	-4,034,790	
Clr Sum	-4,034,790	0	0	0	0	0	0	0	0	0	0	0	0	-4,034,790	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	22007314	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	3,052	0	0	0	0	0	0	0	0	0	0	0	0	3,052	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	2,963,068	0	0	0	0	0	0	0	0	0	0	0	0	2,963,068	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	9,152	0	0	0	0	0	0	0	0	0	0	0	0	9,152	
391-Jt Proj Bills to PNM-Non-Labor	514,618	0	0	0	0	0	0	0	0	0	0	0	0	514,618	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	75	0	0	0	0	0	0	0	0	0	0	0	0	75	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	199	0	0	0	0	0	0	0	0	0	0	0	0	199	
914-Pension and Benefits Load	750	0	0	0	0	0	0	0	0	0	0	0	0	750	
915-Injuries and Damages Load	201	0	0	0	0	0	0	0	0	0	0	0	0	201	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,914	0	0	0	0	0	0	0	0	0	0	0	0	19,914	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	39,792	0	0	0	0	0	0	0	0	0	0	0	0	39,792	
926-A and G Loads	290,359	0	0	0	0	0	0	0	0	0	0	0	0	290,359	
928-AFUDC Debt Reg	79,286	0	0	0	0	0	0	0	0	0	0	0	0	79,286	
929-AFUDC - Equity Regular	114,324	0	0	0	0	0	0	0	0	0	0	0	0	114,324	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,034,790	0	0	0	0	0	0	0	0	0	0	0	0	4,034,790	
825-Clearings	-4,034,790	0	0	0	0	0	0	0	0	0	0	0	0	-4,034,790	
Clr Sum	-4,034,790	0	0	0	0	0	0	0	0	0	0	0	0	-4,034,790	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 22007514 Alamogordo Replacement Capacitor Installation

Company: 035-PNM TNMPNM Transmission
Location: 220 Transmission

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date 11/01/2015

List Interim In-Service Dates

N/A

Project Need Justification

On June 12, 2014, the Alamogordo 115 kV shunt capacitor bank #1 tripped and was taken out-of-service. Subsequent inspections showed the shunt capacitor bank was damaged. Since this shunt capacitor bank had been previously identified as being at risk of failed individual shunt capacitor elements, a replacement bank was purchased, but not installed. The project will restore existing required voltage support to service and accelerate the plan to relocate the shunt capacitor (currently budgeted in 2016). Additionally, the project will maintain the reliability of PNM's bulk transmission system consistent with North American Electric Reliability Corporation reliability standards requirements.

Project Alternatives

A no action alternative would fail to restore the existing required voltage support provided by the capacitors.

Adding a new transmission line was considered as an alternative since it would improve voltage performance. However the cost of this alternative would be in excess of \$15,000,000. A new transmission line would not be in service for several years because of routing, environmental studies, permitting, material lead times and construction time. With the current expected load PNM has not identified a need for new transmission facilities in the next ten years.

As a result, replacement of the existing capacitor bank is considered the most feasible economic solution.

Technical Aspects

The failed capacitor is connected to the Alamogordo-Amrad 115 kV line resulting in voltage reductions greater than 7% during contingencies. Voltage reductions greater than 7% exceed PNM's design criteria used in system planning studied. To correct the voltage reductions, PNM will expand the Alamogordo 115 kV bus and create an independent bay for the installation of the replacement capacitor bank. This will ensure the capacitor status is not dependent on the Alamogordo-Amrad 115 kV line.

PNM will make associated disconnect and protection upgrades to ensure that the installation of the replacement is consistent with planning and station design standards.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like circuit breakers we contacted our alliance vendors (HVB or Siemens) and requested information regarding the costs and schedules of these major items. The capacitors for this project are already in hand and the exact price of the capacitors are known. Labor and contractor estimates were created from past projects that are similar in nature, for this project past unit capacitor installations (Yah-Ta-Hey) were referenced. All overhead costs are standard and calculated using the approved corporate software. Internal labor accounts for 24%, material accounts for 22%, contract services accounts for 39%, and overhead costs account for 15% of the total cost.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	22007514	Year	2015								Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	5,742	0	0	0	0	0	0	0	0	0	5,742
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	0	0	16,113	38,877	88,877	127,484	66,489	0	0	337,840
370-Outside Services	166,503	25,410	25,410	159,827	231,095	330,676	359,515	391,344	0	0	1,689,780
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	159	0	0	0	0	0	0	0	0	0	159
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	387	0	0	0	0	0	0	0	0	0	387
914-Pension and Benefits Load	1,355	0	0	0	0	0	0	0	0	0	1,355
915-Injuries and Damages Load	382	0	0	0	0	0	0	0	0	0	382
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	1,116	0	0	752	1,816	4,151	5,954	3,105	0	0	16,893
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	1,595	762	762	5,278	8,099	12,587	14,610	13,735	0	0	57,428
926-A and G Loads	14,331	2,114	2,114	14,638	22,462	34,907	40,518	38,092	0	0	169,176
928-AFUDC Debt Reg	2,027	543	619	913	1,561	2,568	3,897	5,288	5,982	3,010	26,408
929-AFUDC - Equity Regular	2,933	775	884	1,303	2,229	3,666	5,564	7,551	8,541	4,297	37,745
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	196,528	29,604	29,790	198,825	306,139	477,431	557,542	525,604	14,523	7,307	2,343,294
825-Clearings	0	0	0	0	0	0	0	0	-1,167,993	0	-1,167,993
Clr Sum	0	0	0	0	0	0	0	0	-1,167,993	0	-1,167,993
Proj Net	196,528	29,604	29,790	198,825	306,139	477,431	557,542	525,604	-1,153,470	7,307	1,175,300

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	22007514	Year	2016												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	5,742	0	0	0	0	0	0	0	0	0	0	0	0	5,742	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	337,840	0	0	0	0	0	0	0	0	0	0	0	0	337,840	
370-Outside Services	1,689,780	0	0	0	0	0	0	0	0	0	0	0	0	1,689,780	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	159	0	0	0	0	0	0	0	0	0	0	0	0	159	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	387	0	0	0	0	0	0	0	0	0	0	0	0	387	
914-Pension and Benefits Load	1,355	0	0	0	0	0	0	0	0	0	0	0	0	1,355	
915-Injuries and Damages Load	382	0	0	0	0	0	0	0	0	0	0	0	0	382	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	16,893	0	0	0	0	0	0	0	0	0	0	0	0	16,893	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	57,428	0	0	0	0	0	0	0	0	0	0	0	0	57,428	
926-A and G Loads	169,176	0	0	0	0	0	0	0	0	0	0	0	0	169,176	
928-AFUDC Debt Reg	26,408	2,057	0	0	0	0	0	0	0	0	0	0	0	28,465	
929-AFUDC - Equity Regular	37,745	0	0	0	0	0	0	0	0	0	0	0	0	37,745	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,343,294	2,057	0	0	0	0	0	0	0	0	0	0	0	2,345,351	
825-Clearings	-1,167,993	-1,177,357	0	0	0	0	0	0	0	0	0	0	0	-2,345,350	
Clr Sum	-1,167,993	-1,177,357	0	0	0	0	0	0	0	0	0	0	0	-2,345,350	
Proj Net	1,175,300	-1,175,300	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	22007514	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	5,742	0	0	0	0	0	0	0	0	0	0	0	0	5,742	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	337,840	0	0	0	0	0	0	0	0	0	0	0	0	337,840	
370-Outside Services	1,689,780	0	0	0	0	0	0	0	0	0	0	0	0	1,689,780	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	159	0	0	0	0	0	0	0	0	0	0	0	0	159	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	387	0	0	0	0	0	0	0	0	0	0	0	0	387	
914-Pension and Benefits Load	1,355	0	0	0	0	0	0	0	0	0	0	0	0	1,355	
915-Injuries and Damages Load	382	0	0	0	0	0	0	0	0	0	0	0	0	382	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	16,893	0	0	0	0	0	0	0	0	0	0	0	0	16,893	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	57,428	0	0	0	0	0	0	0	0	0	0	0	0	57,428	
926-A and G Loads	169,176	0	0	0	0	0	0	0	0	0	0	0	0	169,176	
928-AFUDC Debt Reg	28,465	0	0	0	0	0	0	0	0	0	0	0	0	28,465	
929-AFUDC - Equity Regular	37,745	0	0	0	0	0	0	0	0	0	0	0	0	37,745	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,345,351	0	0	0	0	0	0	0	0	0	0	0	0	2,345,351	
825-Clearings	-2,345,350	0	0	0	0	0	0	0	0	0	0	0	0	-2,345,350	
Clr Sum	-2,345,350	0	0	0	0	0	0	0	0	0	0	0	0	-2,345,350	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 64807013 Station Hardening Pilot Trans

Company: 002-Transmission Services

Location: 648 Transmission

Project Information

Construction Start Date 8/1/2013 Estimated Completion Date 5/30/2015

List Interim In-Service Dates

Project Need Justification

This project provides various means to detect and/or deter metal theft and other forms of equipment vandalism at existing stations. This is a pilot project to evaluate various techniques and determine costs prior to recommending system-wide improvements. Several of these stations have experienced theft or other vandalism, some on multiple occasions. Techniques to be evaluated include additional signage, vegetation management/additions, ground monitoring equipment installation, copper concealment, increased access notifications, enhanced fencing/razor wire and enhanced monitoring/response.

PNM has experienced a marked increase in copper theft, particularly downloads from energized equipment to the station ground grid. Over twenty stations have been vandalized. The copper ground grid is a critical part of the station design and provides safety to PNM personnel and also enables equipment to function properly. When the grounding system is compromised, equipment may need to be taken out-of-service. This can affect ability to transmit power as well as impacts service to customers. Additional crew time is required to de-energize substations and perform field switching if the theft is significant enough, thus impacting labor budgets and scheduled work. The funds used to repair stolen copper grounds are significant, and more importantly put PNM personnel, the general public and electrical service at risk. The thefts are also likely being performed by individuals unfamiliar with the function of an electrical substation and unaware of the risks posed by being near energized equipment and expose them to potentially deadly consequences or severe injury.

Project Alternatives

Alternatives are considered on a case by case basis for repairs and replacements of damaged equipment or stolen copper.

A full commissioning of the of the system installed was tested. Evaluations of lessons learned and applicability have been determined and are now being applied to the NERC-CIP projects around station security. Designs, Engineering, Construction, and commissioning have been integrated into the existing PNM project management stages for review.

These evaluations and reviews will help assess alternatives for future cases of theft and vandalism.

Technical Aspects

Technology implemented at the station(s) targeting detection, deterring, and defending. Detection solutions are by Thermal Camera's with analytics

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

functionality for real time monitoring from the PNM Operations Center (SOC). Deterring solutions implemented are audible alarms and smart lighting upon a breach to the system detected by the thermal cameras. Defending solutions implemented by real time monitoring and response plans by PNM Security.

Project Estimate Approach

Damage/theft at each switchyard is evaluated and used to determine potential mitigation actions. The identified actions are then used to develop an estimated cost of materials and with that information the labor cost estimate was created to reflect the scope of the project. Bids are then solicited from known utility contractors. Historical pricing from prior projects is used to evaluate, and to the extent possible, improve pricing on current projects.

The equipment cost of each project came out to 40-50% of the total cost. Labor, Engineering, and Commissioning services total the remaining cost.

Of the 50-60% of Labor, engineering, and commissioning, Internal Labor is estimated at 20-30% and 70-80% can be outsourced.

Contracts are setup for a warranty and services period for outsourcing maintenance and support.

Given the approach of the pilot was to measure cost/value of implementing future systems, the additional cost beyond the equipment can be reduced moving forward.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64807013	Year	2015										Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
110-Straight Time-General	185,791	0	0	0	0	0	0	0	0	0	185,791		
120-Overtime-General	21,758	0	0	0	0	0	0	0	0	0	21,758		
350-Material Issues-Major	159,161	0	0	0	0	0	0	0	0	0	159,161		
370-Outside Services	1,757,774	0	0	0	0	0	0	0	0	0	1,757,774		
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
377-Outside Services-Temp Labor	385	0	0	0	0	0	0	0	0	0	385		
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
610-Expenses - General	45,960	0	0	0	0	0	0	0	0	0	45,960		
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0		
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0		
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
913-Payroll Taxes Load	13,860	0	0	0	0	0	0	0	0	0	13,860		
914-Pension and Benefits Load	52,392	0	0	0	0	0	0	0	0	0	52,392		
915-Injuries and Damages Load	13,834	0	0	0	0	0	0	0	0	0	13,834		
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
921-Stores / Purchasing Load	13,129	0	0	0	0	0	0	0	0	0	13,129		
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0		
925-E and S Loads	132,792	0	0	0	0	0	0	0	0	0	132,792		
926-A and G Loads	181,375	0	0	0	0	0	0	0	0	0	181,375		
928-AFUDC Debt Reg	55,975	4,348	4,376	4,403	0	0	0	0	0	0	69,102		
929-AFUDC - Equity Regular	79,027	6,209	6,247	6,287	0	0	0	0	0	0	97,770		
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0		
Cost Sum	2,713,213	10,557	10,623	10,689	0	0	0	0	0	0	2,745,082		
825-Clearings	-1,025,743	0	0	-1,719,340	0	0	0	0	0	0	-2,745,082		
Clr Sum	-1,025,743	0	0	-1,719,340	0	0	0	0	0	0	-2,745,082		
Proj Net	1,687,470	10,557	10,623	-1,708,650	0	0	0	0	0	0	0		

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	64807013	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	185,791	0	0	0	0	0	0	0	0	0	0	0	0	185,791	
120-Overtime-General	21,758	0	0	0	0	0	0	0	0	0	0	0	0	21,758	
350-Material Issues-Major	159,161	0	0	0	0	0	0	0	0	0	0	0	0	159,161	
370-Outside Services	1,757,774	0	0	0	0	0	0	0	0	0	0	0	0	1,757,774	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	385	0	0	0	0	0	0	0	0	0	0	0	0	385	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	45,960	0	0	0	0	0	0	0	0	0	0	0	0	45,960	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	13,860	0	0	0	0	0	0	0	0	0	0	0	0	13,860	
914-Pension and Benefits Load	52,392	0	0	0	0	0	0	0	0	0	0	0	0	52,392	
915-Injuries and Damages Load	13,834	0	0	0	0	0	0	0	0	0	0	0	0	13,834	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	13,129	0	0	0	0	0	0	0	0	0	0	0	0	13,129	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	132,792	0	0	0	0	0	0	0	0	0	0	0	0	132,792	
926-A and G Loads	181,375	0	0	0	0	0	0	0	0	0	0	0	0	181,375	
928-AFUDC Debt Reg	69,102	0	0	0	0	0	0	0	0	0	0	0	0	69,102	
929-AFUDC - Equity Regular	97,770	0	0	0	0	0	0	0	0	0	0	0	0	97,770	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,745,082	0	0	0	0	0	0	0	0	0	0	0	0	2,745,082	
825-Clearings	-2,745,082	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,082	
Clr Sum	-2,745,082	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,082	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64807013	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	185,791	0	0	0	0	0	0	0	0	0	0	0	0	185,791	
120-Overtime-General	21,758	0	0	0	0	0	0	0	0	0	0	0	0	21,758	
350-Material Issues-Major	159,161	0	0	0	0	0	0	0	0	0	0	0	0	159,161	
370-Outside Services	1,757,774	0	0	0	0	0	0	0	0	0	0	0	0	1,757,774	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	385	0	0	0	0	0	0	0	0	0	0	0	0	385	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	45,960	0	0	0	0	0	0	0	0	0	0	0	0	45,960	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	13,860	0	0	0	0	0	0	0	0	0	0	0	0	13,860	
914-Pension and Benefits Load	52,392	0	0	0	0	0	0	0	0	0	0	0	0	52,392	
915-Injuries and Damages Load	13,834	0	0	0	0	0	0	0	0	0	0	0	0	13,834	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	13,129	0	0	0	0	0	0	0	0	0	0	0	0	13,129	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	132,792	0	0	0	0	0	0	0	0	0	0	0	0	132,792	
926-A and G Loads	181,375	0	0	0	0	0	0	0	0	0	0	0	0	181,375	
928-AFUDC Debt Reg	69,102	0	0	0	0	0	0	0	0	0	0	0	0	69,102	
929-AFUDC - Equity Regular	97,770	0	0	0	0	0	0	0	0	0	0	0	0	97,770	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,745,082	0	0	0	0	0	0	0	0	0	0	0	0	2,745,082	
825-Clearings	-2,745,082	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,082	
Clr Sum	-2,745,082	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,082	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 64807113 345kV Wood Structure Replacement

Company: 002-Transmission Services
Location: 648 Transmission

Project Information

Construction Start Date 11/1/2013 Estimated Completion Date 12/31/2017

List Interim In-Service Dates

Two times per year in May and December.

Project Need Justification

Current 345kV wood pole lines are nearly 40 years old. The guyed 5-pole in-line dead-end structures feature complex conductor and guy attachment hardware which are located in extremely high electric field locations. As these structures have aged, problems associated with wood shrinkage and gaps in bonding have made them vulnerable to pole fires and have caused numerous outages on the Bulk Electric System. These issues are costly and are best mitigated by replacement.

Project Alternatives

Alternatives considered include:

- 1) Do nothing and continue with existing risk of outages and framing failures
- 2) Make proactive replacements with in-kind structures, which does not mitigate this issue of future pole fire failures
- 3) Replacement upon failure, which does not allow for new designs to be utilized due to long lead times for steel structure fabrication and can result in extended outages
- 4) Replace current poles with steel pole structures. This option addresses all risks and is the selected option

Technical Aspects

Replacement of 5-pole in-line wood dead-ends with steel pole structures included replacement of associated components including guys, anchors and conductor dead-end hardware and insulators, all of which contribute to continued reliability of the system. Improvement of access to these remote structure sites was also included for construction which also facilitates future line patrols. This is a continuation of a project initiated in 2013 and is part of the Long Range Plan program.

Project Estimate Approach

In the late 2000's, PNM erected a demonstration structure to determine feasibility of new design and costs for replacement. This was used as the basis for developing costs for the larger project. Because the installation work can only be performed during an outage and PNM has limited internal resources available to perform the work, a combination of contract and PNM labor was assumed, which allowed multiple structures to be worked simultaneously

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

under a line outage. Unique and varied site conditions, as well as permits from multiple land management agencies and access constraints contributed to the selection of a greater than typical contingency.

Cost Estimate Breakdown:

7% PNM Labor

32% Construction Contract Labor

32% Major Material (steel structures, guys, anchors, insulators and attachment hardware)

29% Other including contingency, overheads and tax

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64807113	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	172,529	2,000	2,000	0	0	0	15,000	15,000	19,000	0	225,529	
120-Overtime-General	64,897	0	0	0	0	0	0	0	0	0	64,897	
350-Material Issues-Major	2,246,852	0	0	0	0	0	0	0	0	0	2,246,852	
370-Outside Services	1,727,554	35,000	35,000	0	0	0	0	100,000	100,000	0	1,997,554	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	304,746	0	0	0	0	0	0	0	0	0	304,746	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	15,489	140	140	0	0	0	1,050	1,050	1,330	0	19,199	
914-Pension and Benefits Load	60,016	446	446	0	0	0	3,348	3,348	4,241	0	71,845	
915-Injuries and Damages Load	15,668	135	135	0	0	0	1,010	1,010	1,279	0	19,235	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	26,735	0	0	0	0	0	0	0	0	0	26,735	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	247,809	1,132	1,132	0	0	0	612	3,612	3,775	0	258,073	
926-A and G Loads	371,172	3,078	3,078	0	0	0	1,248	9,568	9,901	0	398,045	
928-AFUDC Debt Reg	148,077	11,304	11,483	11,609	7,009	7,053	7,126	7,371	7,769	7,997	226,797	
929-AFUDC - Equity Regular	208,542	16,140	16,396	16,575	10,007	10,070	10,174	10,524	11,093	11,419	320,940	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,610,085	69,376	69,810	28,184	17,016	17,123	39,567	151,483	158,387	19,416	6,180,447	
825-Clearings	-1,244,185	0	0	-1,813,308	0	0	0	0	0	-1,873,773	-4,931,265	
Clr Sum	-1,244,185	0	0	-1,813,308	0	0	0	0	0	-1,873,773	-4,931,265	
Proj Net	4,365,900	69,376	69,810	-1,785,124	17,016	17,123	39,567	151,483	158,387	-1,854,357	1,249,182	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	64807113	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	225,529	0	0	0	0	0	0	0	0	0	0	0	0	225,529	
120-Overtime-General	64,897	0	0	0	0	0	0	0	0	0	0	0	0	64,897	
350-Material Issues-Major	2,246,852	0	0	0	0	0	0	0	0	0	0	0	0	2,246,852	
370-Outside Services	1,997,554	0	0	0	0	0	0	0	0	0	0	0	0	1,997,554	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	304,746	0	0	0	0	0	0	0	0	0	0	0	0	304,746	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	19,199	0	0	0	0	0	0	0	0	0	0	0	0	19,199	
914-Pension and Benefits Load	71,845	0	0	0	0	0	0	0	0	0	0	0	0	71,845	
915-Injuries and Damages Load	19,235	0	0	0	0	0	0	0	0	0	0	0	0	19,235	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	26,735	0	0	0	0	0	0	0	0	0	0	0	0	26,735	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	258,073	0	0	0	0	0	0	0	0	0	0	0	0	258,073	
926-A and G Loads	398,045	0	0	0	0	0	0	0	0	0	0	0	0	398,045	
928-AFUDC Debt Reg	226,797	2,186	2,190	2,194	2,198	2,201	2,205	2,209	2,213	2,217	2,221	2,225	2,229	253,285	
929-AFUDC - Equity Regular	320,940	0	0	0	0	0	0	0	0	0	0	0	0	320,940	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	6,180,447	2,186	2,190	2,194	2,198	2,201	2,205	2,209	2,213	2,217	2,221	2,225	2,229	6,206,935	
825-Clearings	-4,931,265	0	0	0	0	0	0	0	0	0	0	0	0	-4,931,265	
Clr Sum	-4,931,265	0	0	0	0	0	0	0	0	0	0	0	0	-4,931,265	
Proj Net	1,249,182	2,186	2,190	2,194	2,198	2,201	2,205	2,209	2,213	2,217	2,221	2,225	2,229	1,275,670	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64807113	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	225,529	0	15,000	0	0	0	0	0	0	0	0	0	0	240,529	
120-Overtime-General	64,897	0	0	0	0	0	0	0	0	0	0	0	0	64,897	
350-Material Issues-Major	2,246,852	0	0	0	0	0	0	0	0	0	0	0	0	2,246,852	
370-Outside Services	1,997,554	0	0	0	0	0	0	0	0	0	0	0	0	1,997,554	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	304,746	0	0	0	0	0	0	0	0	0	0	0	0	304,746	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	19,199	0	1,050	0	0	0	0	0	0	0	0	0	0	20,249	
914-Pension and Benefits Load	71,845	0	3,348	0	0	0	0	0	0	0	0	0	0	75,193	
915-Injuries and Damages Load	19,235	0	1,010	0	0	0	0	0	0	0	0	0	0	20,245	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	26,735	0	0	0	0	0	0	0	0	0	0	0	0	26,735	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	258,073	0	612	0	0	0	0	0	0	0	0	0	0	258,685	
926-A and G Loads	398,045	0	1,248	0	0	0	0	0	0	0	0	0	0	399,293	
928-AFUDC Debt Reg	253,285	4,040	4,095	0	0	0	0	0	0	0	0	0	0	261,420	
929-AFUDC - Equity Regular	320,940	2,392	2,425	0	0	0	0	0	0	0	0	0	0	325,757	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	6,206,935	6,432	28,788	0	0	0	0	0	0	0	0	0	0	6,242,155	
825-Clearings	-4,931,265	0	0	0	0	0	0	0	0	0	0	0	0	-4,931,265	
Clr Sum	-4,931,265	0	0	0	0	0	0	0	0	0	0	0	0	-4,931,265	
Proj Net	1,275,670	6,432	28,788	0	0	0	0	0	0	0	0	0	0	1,310,890	

Project No: 64807314 West Mesa Capacitor Replacement

Company: 002-Transmission Services
Location: 648 Transmission

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date 8/15/2015

List Interim In-Service Dates

Project Need Justification

An internal fault in the capacitor bank produced large fault currents which the capacitor switching breaker failed to interrupt, leading to catastrophic failure of both devices. Damage caused by equipment failure is such that repairs are not feasible and total replacement is required. This capacitor bank is necessary to help regulate voltage on the 115kv system under periods of high electric load.

Project Alternatives

While mobile equipment has been placed into service until replacements can be made, this is not a long term solution. With only a limited number of such mobile devices, they must be kept available for emergency deployment and are not intended for long term installation. Furthermore, large customers have been adversely affected by the voltage dip associated with the failure of the existing equipment, and prompt permanent replacement is needed to restore the system to its highly reliable performance.

Technical Aspects

Replace 115kV capacitor bank and the capacitor bank switching device with rating of new equipment based upon results of a technical review to determine the best replacement solution. Studies were performed to confirm the 48MVAR rating and the location (electrically) of its connection in the station, as well as the new increased fault duty rating for the capacitor bank switching device. .

Project Estimate Approach

PNM has master agreements for major equipment including capacitors and breaker. PNM used recent historical costs for construction and minor materials estimate. Project costs for major materials such as capacitor banks and 115kv breaker represents make contribute ~40% of the project cost. Minor material such duct and control wiring contribute ~5%. Contactor labor contributes ~20%. PNM internal labor contributes ~35% of the total project cost.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64807314	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	73,710	3,000	15,000	15,000	15,000	15,000	0	0	0	0	121,710	
120-Overtime-General	1,683	0	0	0	0	0	0	0	0	0	1,683	
350-Material Issues-Major	194,696	0	138,000	48,000	0	0	0	0	0	0	380,696	
370-Outside Services	112,168	10,000	75,000	125,000	125,000	0	0	0	0	0	447,168	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	506	0	0	0	0	0	0	0	0	0	506	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,852	0	0	0	0	0	0	0	0	0	4,852	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,405	210	1,050	1,050	1,050	0	0	0	0	0	8,765	
914-Pension and Benefits Load	20,042	670	3,348	3,348	3,348	0	0	0	0	0	30,756	
915-Injuries and Damages Load	5,146	202	1,010	1,010	1,010	0	0	0	0	0	8,376	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	2,066	0	6,445	2,242	0	0	0	0	0	0	10,753	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	13,094	422	7,002	5,802	4,362	0	0	0	0	0	30,683	
926-A and G Loads	31,856	1,082	18,970	15,642	11,648	0	0	0	0	0	79,197	
928-AFUDC Debt Reg	10,430	1,284	1,654	2,287	2,789	3,014	0	0	0	0	21,458	
929-AFUDC - Equity Regular	14,666	1,833	2,362	3,265	3,982	4,304	0	0	0	0	30,411	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	490,321	18,702	269,840	222,645	168,188	7,318	0	0	0	0	1,177,013	
825-Clearings	0	0	0	0	0	-1,177,013	0	0	0	0	-1,177,013	
Clr Sum	0	0	0	0	0	-1,177,013	0	0	0	0	-1,177,013	
Proj Net	490,321	18,702	269,840	222,645	168,188	-1,169,696	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	64807314	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	121,710	0	0	0	0	0	0	0	0	0	0	0	0	121,710	
120-Overtime-General	1,683	0	0	0	0	0	0	0	0	0	0	0	0	1,683	
350-Material Issues-Major	380,696	0	0	0	0	0	0	0	0	0	0	0	0	380,696	
370-Outside Services	447,168	0	0	0	0	0	0	0	0	0	0	0	0	447,168	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	506	0	0	0	0	0	0	0	0	0	0	0	0	506	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,852	0	0	0	0	0	0	0	0	0	0	0	0	4,852	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	8,765	0	0	0	0	0	0	0	0	0	0	0	0	8,765	
914-Pension and Benefits Load	30,756	0	0	0	0	0	0	0	0	0	0	0	0	30,756	
915-Injuries and Damages Load	8,376	0	0	0	0	0	0	0	0	0	0	0	0	8,376	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	10,753	0	0	0	0	0	0	0	0	0	0	0	0	10,753	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	30,683	0	0	0	0	0	0	0	0	0	0	0	0	30,683	
926-A and G Loads	79,197	0	0	0	0	0	0	0	0	0	0	0	0	79,197	
928-AFUDC Debt Reg	21,458	0	0	0	0	0	0	0	0	0	0	0	0	21,458	
929-AFUDC - Equity Regular	30,411	0	0	0	0	0	0	0	0	0	0	0	0	30,411	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMNR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,177,013	0	0	0	0	0	0	0	0	0	0	0	0	1,177,013	
825-Clearings	-1,177,013	0	0	0	0	0	0	0	0	0	0	0	0	-1,177,013	
Clr Sum	-1,177,013	0	0	0	0	0	0	0	0	0	0	0	0	-1,177,013	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64807314	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	121,710	0	0	0	0	0	0	0	0	0	0	0	0	121,710	
120-Overtime-General	1,683	0	0	0	0	0	0	0	0	0	0	0	0	1,683	
350-Material Issues-Major	380,696	0	0	0	0	0	0	0	0	0	0	0	0	380,696	
370-Outside Services	447,168	0	0	0	0	0	0	0	0	0	0	0	0	447,168	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	506	0	0	0	0	0	0	0	0	0	0	0	0	506	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,852	0	0	0	0	0	0	0	0	0	0	0	0	4,852	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	8,765	0	0	0	0	0	0	0	0	0	0	0	0	8,765	
914-Pension and Benefits Load	30,756	0	0	0	0	0	0	0	0	0	0	0	0	30,756	
915-Injuries and Damages Load	8,376	0	0	0	0	0	0	0	0	0	0	0	0	8,376	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	10,753	0	0	0	0	0	0	0	0	0	0	0	0	10,753	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	30,683	0	0	0	0	0	0	0	0	0	0	0	0	30,683	
926-A and G Loads	79,197	0	0	0	0	0	0	0	0	0	0	0	0	79,197	
928-AFUDC Debt Reg	21,458	0	0	0	0	0	0	0	0	0	0	0	0	21,458	
929-AFUDC - Equity Regular	30,411	0	0	0	0	0	0	0	0	0	0	0	0	30,411	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,177,013	0	0	0	0	0	0	0	0	0	0	0	0	1,177,013	
825-Clearings	-1,177,013	0	0	0	0	0	0	0	0	0	0	0	0	-1,177,013	
Clr Sum	-1,177,013	0	0	0	0	0	0	0	0	0	0	0	0	-1,177,013	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 64807413 Trans Emergency & Aging Equip

Company: 002-Transmission Services
Location: 648 Transmission

Project Information

Construction Start Date 9/30/2013 Estimated Completion Date 3/31/2016

List Interim In-Service Dates

Purchases will be cleared as they are installed across the system. At least two times per year.

Project Need Justification

This project involves purchasing critical long-lead specialty system equipment that cannot be reasonably obtained in a few days when an emergency occurs. Equipment purchased under this program includes relays, bushings, surge arresters, switches and breakers. This project also addresses the installation of replacements for failing or functionally obsolete equipment, primarily at transmission stations.

Project Alternatives

Take the risk the aging equipment will continue to perform and meet future standards. This could result in extended outages and load curtailments. Lead times for medium power transformers can be well in excess of 1year.

Mobile equipment (115/12.5kv transformer, 115kv breaker) may be available to mitigate some equipment failures, however these devices are not intended as long term solutions and once deployed are then not available should another need arise.

Technical Aspects

Based on recent system performance, staff knowledge, and awareness of issues within the industry, PNM has identified critical long-lead items which should be replaced or held for emergency use. This equipment, if not available, could result in limited ability to fully utilize the transmission system, and possible load shedding. Purchase and either install or warehouse select critical equipment including instrument transformers, switches, relays, conductor, antennas, comm banks, etc. Selection of equipment is based on maintenance records, number of operations, etc.

Project Estimate Approach

Through the recent history of PNM's equipment performance, staff knowledge, and industry information, PNM determined those items that if out-of-service for an extended period of time could adversely affect ability to provide reliable service in accordance with established criteria. These items were then evaluated for purchase as emergency spares and/or were directly placed into service. To the extent available, PNM utilized master agreements for the purchase of major equipment such as switches, arrestors, and relays. Pricing has been evaluated at the time of development/renewal of the agreement. Other items were competitively priced from known vendors. Construction is performed under established unit rate contracts with known specialty firms. Where possible, historic data was used to assist in developing estimates. The estimate for this program is \$1.4 million. Of this, less than 5% is associated with direct PNM labor. Approximately 65% is for the purchase of industry standard items such as bushings, switches and relays and the

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

remaining 30% is associated with specialty work including engineered equipment (instrument transformers and breakers) and contract construction for the installation.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64807413	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	170,205	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	193,936	
120-Overtime-General	40,467	0	0	0	0	0	0	0	0	0	40,467	
350-Material Issues-Major	1,045,337	26,368	0	0	0	0	26,368	26,368	0	0	1,124,440	
370-Outside Services	1,386,656	20,871	0	0	0	0	25,000	26,368	25,000	0	1,483,895	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	36,332	0	0	0	0	0	0	0	0	0	36,332	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	13,635	185	185	185	185	185	185	185	185	185	15,296	
914-Pension and Benefits Load	52,938	589	589	589	589	589	589	589	589	589	58,235	
915-Injuries and Damages Load	13,824	177	177	177	177	177	177	177	177	177	15,421	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	15,745	1,231	0	0	0	0	1,231	1,231	0	0	19,439	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	134,994	1,525	108	108	108	108	1,649	1,690	858	108	141,253	
926-A and G Loads	221,334	4,150	219	219	219	219	4,493	4,607	2,299	219	237,980	
928-AFUDC Debt Reg	209	3,044	3,143	3,172	1,604	1,624	1,719	987	1,117	1,170	17,789	
929-AFUDC - Equity Regular	306	4,347	4,487	4,530	2,290	2,319	2,455	1,410	1,595	1,670	25,407	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,131,982	65,123	11,544	11,616	7,808	7,857	66,502	66,248	34,456	6,754	3,409,890	
825-Clearings	-1,979,473	0	0	-620,396	0	0	-351,281	0	0	-458,740	-3,409,890	
Clr Sum	-1,979,473	0	0	-620,396	0	0	-351,281	0	0	-458,740	-3,409,890	
Proj Net	1,152,509	65,123	11,544	-608,780	7,808	7,857	-284,779	66,248	34,456	-451,985	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	64807413	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	193,936	0	0	0	0	0	0	0	0	0	0	0	0	193,936	
120-Overtime-General	40,467	0	0	0	0	0	0	0	0	0	0	0	0	40,467	
350-Material Issues-Major	1,124,440	0	0	0	0	0	0	0	0	0	0	0	0	1,124,440	
370-Outside Services	1,483,895	0	0	0	0	0	0	0	0	0	0	0	0	1,483,895	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	36,332	0	0	0	0	0	0	0	0	0	0	0	0	36,332	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	15,296	0	0	0	0	0	0	0	0	0	0	0	0	15,296	
914-Pension and Benefits Load	58,235	0	0	0	0	0	0	0	0	0	0	0	0	58,235	
915-Injuries and Damages Load	15,421	0	0	0	0	0	0	0	0	0	0	0	0	15,421	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,439	0	0	0	0	0	0	0	0	0	0	0	0	19,439	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	141,253	0	0	0	0	0	0	0	0	0	0	0	0	141,253	
926-A and G Loads	237,980	0	0	0	0	0	0	0	0	0	0	0	0	237,980	
928-AFUDC Debt Reg	17,789	0	0	0	0	0	0	0	0	0	0	0	0	17,789	
929-AFUDC - Equity Regular	25,407	0	0	0	0	0	0	0	0	0	0	0	0	25,407	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,409,890	0	0	0	0	0	0	0	0	0	0	0	0	3,409,890	
825-Clearings	-3,409,890	0	0	0	0	0	0	0	0	0	0	0	0	-3,409,890	
Clr Sum	-3,409,890	0	0	0	0	0	0	0	0	0	0	0	0	-3,409,890	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64807413	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	193,936	0	0	0	0	0	0	0	0	0	0	0	0	193,936	
120-Overtime-General	40,467	0	0	0	0	0	0	0	0	0	0	0	0	40,467	
350-Material Issues-Major	1,124,440	0	0	0	0	0	0	0	0	0	0	0	0	1,124,440	
370-Outside Services	1,483,895	0	0	0	0	0	0	0	0	0	0	0	0	1,483,895	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	36,332	0	0	0	0	0	0	0	0	0	0	0	0	36,332	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	15,296	0	0	0	0	0	0	0	0	0	0	0	0	15,296	
914-Pension and Benefits Load	58,235	0	0	0	0	0	0	0	0	0	0	0	0	58,235	
915-Injuries and Damages Load	15,421	0	0	0	0	0	0	0	0	0	0	0	0	15,421	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,439	0	0	0	0	0	0	0	0	0	0	0	0	19,439	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	141,253	0	0	0	0	0	0	0	0	0	0	0	0	141,253	
926-A and G Loads	237,980	0	0	0	0	0	0	0	0	0	0	0	0	237,980	
928-AFUDC Debt Reg	17,789	0	0	0	0	0	0	0	0	0	0	0	0	17,789	
929-AFUDC - Equity Regular	25,407	0	0	0	0	0	0	0	0	0	0	0	0	25,407	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,409,890	0	0	0	0	0	0	0	0	0	0	0	0	3,409,890	
825-Clearings	-3,409,890	0	0	0	0	0	0	0	0	0	0	0	0	-3,409,890	
Clr Sum	-3,409,890	0	0	0	0	0	0	0	0	0	0	0	0	-3,409,890	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 64807414 ROW Clearing Project-LiDAR

Company: 002-Transmission Services
Location: 648 Transmission

Project Information

Construction Start Date 9/1/2014 Estimated Completion Date 09/30/2016

List Interim In-Service Dates

Multiple transmission lines will be cleared on an ongoing basis and work orders closed at that time throughout the project.

Project Need Justification

This project is a continuation of the Vegetation LiDAR project which supplied mapping data via LiDAR and imagery data collection, associated aerial surveying products and processes, advanced data processing and end product development. This information will be used for compliance with new version of NERC FAC-003-3 reliability standard which took effect July 1, 2014 and also to satisfy Mitigation Plan filed with WECC for violations under previous version of FAC-003 standard. LiDAR data will be used to develop work plans using Integrated Vegetation Management techniques (mowing, hand cutting, herbicide applications to control undesirable tree species on the ROW) which will be assessed by the Environmental Department (ESD). The ESD issues clearances with or without stipulations, as needed. Work commenced in August 2014 as clearances are issued by Environmental Dept.

Project Alternatives

Multiple vendors were evaluated to assist with portions of this project. IVM Partners, a consultant, will assist in development of a sound program using IVM techniques and act as a liaison with Federal agencies and tribal entities. Mckim and Creed will be used for the acquisition of LiDAR. Other vendors were considered but were two and three times more expensive and did not have the bandwidth to fly the lines in a timely manner. Behron Consulting, a third party LiDAR consultant who is familiar the software utilized by the Vegetation Management Department (Clearion), will ensure the project specifications were best suited for the desired deliverables.

Technical Aspects

LiDAR data is being processed and was delivered on a line by line basis from August 2014 through October 2014. This data is being used to then develop work plans using Integrated Vegetation Management techniques which will be assessed by the Environmental Department (ESD). The ESD will then issue clearances with or without stipulations as needed. Work commenced in August as these clearances were issued by Environmental Dept. It is expected to be complete by 2017. This information will be used for compliance with new version of NERC FAC-003-3 reliability standard which took effect July 1, 2014 and also to satisfy Mitigation Plan filed with WECC for violations under previous version of FAC-003 standard.

Project Estimate Approach

Initial estimate included in the CDAP for the project in July 2014 was an estimate based on costs of crews and the amount of work thought to be on the

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

ROW's. It was made in absence of any LiDAR data as it wasn't yet available. Since that time the LiDAR data was received and analyzed and adjustments were made to the cost estimate as it became clear that there was significantly more work than originally anticipated. There continues to be uncertainty as to the final project cost due to delays caused by the environmental clearance process of the involved Federal agencies. (External services cost - ~90%, all consulting, vegetation trimming/clearing and the majority of environmental survey and monitoring work completed by contractors) (Labor cost - ~10%, in addition to 100% of Division Forester/Project Manager's time being attributed to the project, ROW, ESD and other Vegetation Management personnel also attribute labor charges to the project.)

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64807414	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	77,920	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	212,920	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	17,341	0	0	0	0	0	0	0	0	0	17,341	
370-Outside Services	1,858,991	200,000	200,000	180,000	120,000	81,103	81,103	85,009	74,836	81,103	2,962,145	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	3,680	0	0	0	0	0	0	0	0	0	3,680	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,220	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	14,670	
914-Pension and Benefits Load	18,514	3,348	3,348	3,348	3,348	3,348	3,348	3,348	3,348	3,348	48,546	
915-Injuries and Damages Load	5,177	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	14,262	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	10,285	0	0	0	0	0	0	0	0	0	10,285	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	49,135	6,612	6,612	6,012	4,212	3,045	3,045	3,162	2,857	3,045	87,739	
926-A and G Loads	162,886	17,888	17,888	16,224	11,232	7,996	7,996	8,321	7,474	7,996	265,901	
928-AFUDC Debt Reg	19,392	6,131	6,801	7,446	7,980	8,376	8,718	9,068	7,093	7,418	88,423	
929-AFUDC - Equity Regular	28,430	8,755	9,710	10,631	11,394	11,959	12,448	12,948	10,127	10,592	126,995	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,256,972	259,794	261,419	240,721	175,226	132,886	133,718	138,916	122,795	130,562	3,853,008	
825-Clearings	0	0	0	0	0	0	0	-899,913	0	0	-899,913	
Clr Sum	0	0	0	0	0	0	0	-899,913	0	0	-899,913	
Proj Net	2,256,972	259,794	261,419	240,721	175,226	132,886	133,718	-760,997	122,795	130,562	2,953,095	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	64807414	Year	2016												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	212,920	0	0	0	0	0	0	0	0	0	0	0	0	212,920	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	17,341	0	0	0	0	0	0	0	0	0	0	0	0	17,341	
370-Outside Services	2,962,145	0	0	0	0	0	0	0	0	0	0	0	0	2,962,145	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	3,680	0	0	0	0	0	0	0	0	0	0	0	0	3,680	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	14,670	0	0	0	0	0	0	0	0	0	0	0	0	14,670	
914-Pension and Benefits Load	48,646	0	0	0	0	0	0	0	0	0	0	0	0	48,646	
915-Injuries and Damages Load	14,262	0	0	0	0	0	0	0	0	0	0	0	0	14,262	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	10,285	0	0	0	0	0	0	0	0	0	0	0	0	10,285	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	87,739	0	0	0	0	0	0	0	0	0	0	0	0	87,739	
926-A and G Loads	265,901	0	0	0	0	0	0	0	0	0	0	0	0	265,901	
928-AFUDC Debt Reg	88,423	5,168	0	0	0	0	0	0	0	0	0	0	0	93,591	
929-AFUDC - Equity Regular	126,995	0	0	0	0	0	0	0	0	0	0	0	0	126,995	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,853,008	5,168	0	0	0	0	0	0	0	0	0	0	0	3,858,176	
825-Clearings	-899,913	-2,958,263	0	0	0	0	0	0	0	0	0	0	0	-3,858,176	
Clr Sum	-899,913	-2,958,263	0	0	0	0	0	0	0	0	0	0	0	-3,858,176	
Proj Net	2,953,095	-2,953,095	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64807414	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	212,920	0	0	0	0	0	0	0	0	0	0	0	0	212,920	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	17,341	0	0	0	0	0	0	0	0	0	0	0	0	17,341	
370-Outside Services	2,962,145	0	0	0	0	0	0	0	0	0	0	0	0	2,962,145	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	3,680	0	0	0	0	0	0	0	0	0	0	0	0	3,680	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	14,670	0	0	0	0	0	0	0	0	0	0	0	0	14,670	
914-Pension and Benefits Load	48,646	0	0	0	0	0	0	0	0	0	0	0	0	48,646	
915-Injuries and Damages Load	14,262	0	0	0	0	0	0	0	0	0	0	0	0	14,262	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	10,285	0	0	0	0	0	0	0	0	0	0	0	0	10,285	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	87,739	0	0	0	0	0	0	0	0	0	0	0	0	87,739	
926-A and G Loads	265,901	0	0	0	0	0	0	0	0	0	0	0	0	265,901	
928-AFUDC Debt Reg	93,591	0	0	0	0	0	0	0	0	0	0	0	0	93,591	
929-AFUDC - Equity Regular	126,995	0	0	0	0	0	0	0	0	0	0	0	0	126,995	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,858,176	0	0	0	0	0	0	0	0	0	0	0	0	3,858,176	
825-Clearings	-3,858,176	0	0	0	0	0	0	0	0	0	0	0	0	-3,858,176	
Clr Sum	-3,858,176	0	0	0	0	0	0	0	0	0	0	0	0	-3,858,176	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 64807513 Transmission Breaker Replacement

Company: 002-Transmission Services
Location: 648 Transmission

Project Information

Construction Start Date 8/19/2013 Estimated Completion Date 5/30/2017

List Interim In-Service Dates

N/A

Project Need Justification

This project will replace aging circuit breakers that date back as far as the mid-1950. The performance of the breakers is at risk due to the need for extensive (and unplanned) maintenance, inability to secure spare parts, and the fact that many mechanisms are functionally obsolete. On some breakers, the number of yearly operations is very high which is exacerbated by their age. All of these breakers are reaching the end of their useful life. Rather than experience a breaker failure during equipment operation, it is preferred to change out these breakers as part of a scheduled program. All of these breakers are in and around the Albuquerque metropolitan area, within the 115kV, 230kV and 345kV voltage classes. The failure of any of these breakers would negatively impact system stability, and could lead to a system outage.

The funds will be used to replace the breakers, conduit, control switches, control cable, and grounded platforms for safe operation and maintenance.

Project Alternatives

The primary alternative is to utilize the existing breakers with a greater risk of failure as they continue to age. This option was not selected as parts for these older breakers are increasingly hard to find, and the risk of impacts to system reliability is too great.

Technical Aspects

Outages are required to install these breakers and it is anticipated that only one breaker in a ring can be worked on at a time. The installation work will be on-going each year. The replacement breakers will be of known reliable designs with modern SF6-gas breaker technology, and provide an increase in system reliability, while allowing safe operation and maintenance.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment (circuit breakers) we contacted our alliance vendors (HVB) and requested information regarding the costs and schedules of these major items. The breaker costs are estimated at approximately 25% of the total cost to install. Engineering costs are estimated at approximately 25% of the cost to install. Construction labor and contractor estimates were created from past

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

projects that are similar in nature, and are estimated at approximately 50% of the cost to install. For this project, previous West Mesa 345kV breaker replacements were referenced. All overhead costs are standard and calculated using the approved corporate software.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64807513	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	341,465	16,400	6,400	3,400	1,400	1,400	1,400	1,200	1,200	1,200	375,465	
120-Overtime-General	77,525	0	0	0	0	0	0	0	0	0	77,525	
350-Material Issues-Major	218,965	0	0	0	0	0	0	0	0	0	218,965	
370-Outside Services	3,991,546	20,000	20,000	0	25,000	25,000	25,000	0	0	10,000	4,116,546	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	5,335	0	0	0	0	0	0	0	0	0	5,335	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	3,972	0	0	0	0	0	0	0	0	0	3,972	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	27,615	1,148	448	238	98	98	98	84	84	84	29,995	
914-Pension and Benefits Load	103,393	3,660	1,428	759	312	312	312	268	268	268	110,982	
915-Injuries and Damages Load	27,707	1,104	431	229	94	94	94	81	81	81	29,995	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	24,430	0	0	0	0	0	0	0	0	0	24,430	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	215,982	1,269	861	139	807	807	807	49	49	349	221,119	
926-A and G Loads	387,046	3,028	2,196	283	2,196	2,196	2,196	100	100	932	400,275	
928-AFUDC Debt Reg	100,687	8,597	8,752	3,545	3,613	3,712	3,813	3,877	3,906	3,949	144,451	
929-AFUDC - Equity Regular	140,661	12,275	12,496	5,062	5,158	5,300	5,444	5,536	5,577	5,639	203,149	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,666,328	67,482	53,012	13,655	38,679	38,921	39,165	11,195	11,265	22,502	5,962,203	
825-Clearings	-2,353,443	0	-2,060,027	0	0	0	0	0	0	0	-4,413,470	
Clr Sum	-2,353,443	0	-2,060,027	0	0	0	0	0	0	0	-4,413,470	
Proj Net	3,312,885	67,482	-2,007,015	13,655	38,679	38,921	39,165	11,195	11,265	22,502	1,548,733	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year Q2

Project	64807513	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	375,465	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	392,265	
120-Overtime-General	77,525	0	0	0	0	0	0	0	0	0	0	0	0	77,525	
350-Material Issues-Major	218,965	0	0	0	0	0	0	0	0	0	0	0	0	218,965	
370-Outside Services	4,116,546	0	0	0	0	0	0	0	0	0	0	0	0	4,116,546	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	5,335	0	0	0	0	0	0	0	0	0	0	0	0	5,335	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	3,972	0	0	0	0	0	0	0	0	0	0	0	0	3,972	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	29,995	98	98	98	98	98	98	98	98	98	98	98	98	31,171	
914-Pension and Benefits Load	110,982	312	312	312	312	312	312	312	312	312	312	312	312	114,726	
915-Injuries and Damages Load	29,995	94	94	94	94	94	94	94	94	94	94	94	94	31,123	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	24,430	0	0	0	0	0	0	0	0	0	0	0	0	24,430	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	221,119	57	57	57	57	57	57	57	57	57	57	57	57	221,803	
926-A and G Loads	400,275	116	116	116	116	116	116	116	116	116	116	116	116	401,667	
928-AFUDC Debt Reg	144,451	2,712	2,720	2,729	2,737	2,746	2,754	2,763	2,771	2,780	2,788	2,797	2,805	177,553	
929-AFUDC - Equity Regular	203,149	0	0	0	0	0	0	0	0	0	0	0	0	203,149	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,962,203	4,789	4,797	4,806	4,814	4,823	4,831	4,840	4,848	4,857	4,865	4,874	4,882	6,020,229	
825-Clearings	-4,413,470	0	0	0	0	0	0	0	0	0	0	0	0	-4,413,470	
Clr Sum	-4,413,470	0	0	0	0	0	0	0	0	0	0	0	0	-4,413,470	
Proj Net	1,548,733	4,789	4,797	4,806	4,814	4,823	4,831	4,840	4,848	4,857	4,865	4,874	4,882	1,606,759	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64807513	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	392,265	66,400	66,400	0	0	0	0	0	0	0	0	0	0	525,065	
120-Overtime-General	77,525	0	0	0	0	0	0	0	0	0	0	0	0	77,525	
350-Material Issues-Major	218,965	5,000	0	0	0	0	0	0	0	0	0	0	0	223,965	
370-Outside Services	4,116,546	150,000	150,000	0	0	0	0	0	0	0	0	0	0	4,416,546	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	5,335	0	0	0	0	0	0	0	0	0	0	0	0	5,335	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	3,972	0	0	0	0	0	0	0	0	0	0	0	0	3,972	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	31,171	4,648	4,648	0	0	0	0	0	0	0	0	0	0	40,467	
914-Pension and Benefits Load	114,726	14,820	14,820	0	0	0	0	0	0	0	0	0	0	144,366	
915-Injuries and Damages Load	31,123	4,469	4,469	0	0	0	0	0	0	0	0	0	0	40,061	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	24,430	234	0	0	0	0	0	0	0	0	0	0	0	24,664	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	221,803	7,360	7,210	0	0	0	0	0	0	0	0	0	0	236,373	
926-A and G Loads	401,667	18,420	18,004	0	0	0	0	0	0	0	0	0	0	438,091	
928-AFUDC Debt Reg	177,553	5,518	6,396	0	0	0	0	0	0	0	0	0	0	189,467	
929-AFUDC - Equity Regular	203,149	3,267	3,787	0	0	0	0	0	0	0	0	0	0	210,203	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	6,020,229	280,136	275,734	0	0	0	0	0	0	0	0	0	0	6,576,099	
825-Clearings	-4,413,470	0	0	0	0	0	0	0	0	0	0	0	0	-4,413,470	
Clr Sum	-4,413,470	0	0	0	0	0	0	0	0	0	0	0	0	-4,413,470	
Proj Net	1,606,759	280,136	275,734	0	0	0	0	0	0	0	0	0	0	2,162,629	

Project No: 64807713 115kV Breaker Replace Fault Current

Company: 002-Transmission Services
Location: 648 Transmission

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date 5/30/2016

List Interim In-Service Dates

na

Project Need Justification

Over time, it is expected that there is some degradation in the ability of a breaker to resist a fault. Current studies to determine the necessary fault duty rating of critical breakers in the Albuquerque metropolitan area identified a number of breakers that require higher ratings. Many of these breakers are older oil filled circuit breakers and some date back to as early as 1957 or 1958. These breakers are reaching the end of their useful life. Exposing a breaker to a fault that is significantly higher than its fault duty rating can result in a catastrophic failure of the breaker as well as damage to other equipment in the station yard (transformers, surge arrestors, switches, etc.) which may negatively impact system reliability.

The funds would pay for the purchase of the breakers, other equipment such as conduit, control switches, control cable, and grounded platforms for safe operation of the breaker, as well as internal construction labor, and internal and external engineering and construction management.

Project Alternatives

There are two available options to consider: 1) do nothing which does not address the system reliability issues and personnel safety risk or 2) replace the breakers which does address the system reliability risk and reduce risk to PNM personnel. The new breakers to be used are not only of industry accepted SF-6 gas breaker designs, but also rated to handle higher levels of fault current.

Technical Aspects

Replace 115 kV circuit breakers that currently could be exposed to fault current greater than the breaker rating or within 94.5% of the breaker rating. Fault current is the electrical current that flows through a system during an electrical fault. Fault current that exceeds the current ratings of breaker protection could result in catastrophic failure of those breakers, and a fault that continues to the next point of protection. These breakers are located in the metropolitan area at the North, Reeves, Person, Sandia, and West Mesa stations. The work is to be scheduled based on station risk, with one station at a time in construction. The breakers will be replaced with modern breakers with improved fault duty ratings that will support perceived system needs, and increasing safe operation throughout the Albuquerque Metropolitan area.

Project Estimate Approach

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment (circuit breakers) we contacted our alliance vendors (HVB and Siemens) and requested information regarding the costs and schedules of these major items. The breaker costs are estimated at approximately 25% of the total cost to install. Engineering costs are estimated at approximately 25% of the cost to install. Labor and contractor estimates were created from past breaker replacement projects that are similar in nature, and account for approximately 50% of the cost to install. For this project the North, Person, and Reeves 115kV breaker replacements were referenced. Labor and contractor estimates were created from past projects that are similar in nature. For this project, the West Mesa and Person Breaker Replacements were referenced. All overhead costs are standard and calculated using the approved corporate software.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64807713	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	493,543	34,900	34,900	3,200	18,100	34,900	34,900	23,200	3,200	3,200	684,043	
120-Overtime-General	97,384	0	0	0	0	0	0	0	0	0	97,384	
350-Material Issues-Major	295,384	5,000	5,000	52,500	52,500	0	0	0	0	0	410,384	
370-Outside Services	2,953,561	288,000	63,000	63,000	63,000	63,000	0	0	0	0	3,493,561	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	1,011	0	0	0	0	0	0	0	0	0	1,011	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	87,258	0	0	0	0	0	0	0	0	0	87,258	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-103,496	0	0	0	0	0	0	0	0	0	-103,496	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	38,709	2,443	2,443	224	1,267	2,443	2,443	1,624	224	224	52,044	
914-Pension and Benefits Load	145,340	7,790	7,790	714	4,040	7,790	7,790	5,178	714	714	187,859	
915-Injuries and Damages Load	38,972	2,349	2,349	215	1,218	2,349	2,349	1,561	215	215	51,793	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	21,777	234	234	2,452	2,452	0	0	0	0	0	27,148	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	172,689	10,214	3,464	3,596	4,204	3,314	1,424	947	131	131	200,114	
926-A and G Loads	321,668	27,281	8,561	9,876	11,116	8,145	2,904	1,930	266	266	392,014	
928-AFUDC Debt Reg	68,376	5,189	5,873	4,731	5,139	5,531	5,790	5,937	6,025	3,040	115,632	
929-AFUDC - Equity Regular	95,342	7,409	8,386	6,755	7,337	7,898	8,267	8,477	8,602	4,341	162,815	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,727,519	390,808	142,000	147,262	170,372	135,371	65,866	48,855	19,378	12,132	5,859,564	
825-Clearings	-2,902,989	0	-589,335	0	0	0	0	0	-1,177,554	0	-4,669,878	
Clr Sum	-2,902,989	0	-589,335	0	0	0	0	0	-1,177,554	0	-4,669,878	
Proj Net	1,824,530	390,808	-447,335	147,262	170,372	135,371	65,866	48,855	-1,158,176	12,132	1,189,686	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	64807713	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	684,043	40,100	39,900	39,900	39,900	39,900	39,900	3,200	0	0	0	0	0	926,843	
120-Overtime-General	97,384	0	0	0	0	0	0	0	0	0	0	0	0	97,384	
350-Material Issues-Major	410,384	5,000	0	5,000	13,000	13,000	0	0	0	0	0	0	0	446,384	
370-Outside Services	3,493,561	43,000	63,000	63,000	63,000	43,000	43,000	0	0	0	0	0	0	3,811,561	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	1,011	0	0	0	0	0	0	0	0	0	0	0	0	1,011	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	87,258	0	0	0	0	0	0	0	0	0	0	0	0	87,258	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-103,496	0	0	0	0	0	0	0	0	0	0	0	0	-103,496	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	52,044	2,807	2,793	2,793	2,793	2,793	2,793	224	0	0	0	0	0	69,040	
914-Pension and Benefits Load	187,859	8,950	8,906	8,906	8,906	8,906	8,906	714	0	0	0	0	0	242,053	
915-Injuries and Damages Load	51,793	2,699	2,685	2,685	2,685	2,685	2,685	215	0	0	0	0	0	68,132	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	27,148	234	0	234	607	607	0	0	0	0	0	0	0	28,830	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	200,114	3,077	3,519	3,669	3,909	3,309	2,919	131	0	0	0	0	0	220,647	
926-A and G Loads	392,014	7,330	8,561	8,977	9,643	7,979	6,897	266	0	0	0	0	0	441,667	
928-AFUDC Debt Reg	115,632	2,181	2,397	2,633	2,882	3,120	902	1,001	0	0	0	0	0	130,748	
929-AFUDC - Equity Regular	162,815	0	0	0	0	0	0	0	0	0	0	0	0	162,815	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,859,564	115,378	131,761	137,797	147,325	125,299	108,002	5,751	0	0	0	0	0	6,630,877	
825-Clearings	-4,669,878	0	0	0	0	-1,385,433	0	-575,564	0	0	0	0	0	-6,630,875	
Clr Sum	-4,669,878	0	0	0	0	-1,385,433	0	-575,564	0	0	0	0	0	-6,630,875	
Proj Net	1,189,686	115,378	131,761	137,797	147,325	-1,260,134	108,002	-569,813	0	0	0	0	0	2	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64807713	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	926,843	0	0	0	0	0	0	0	0	0	0	0	0	926,843	
120-Overtime-General	97,384	0	0	0	0	0	0	0	0	0	0	0	0	97,384	
350-Material Issues-Major	446,384	0	0	0	0	0	0	0	0	0	0	0	0	446,384	
370-Outside Services	3,811,561	0	0	0	0	0	0	0	0	0	0	0	0	3,811,561	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	1,011	0	0	0	0	0	0	0	0	0	0	0	0	1,011	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	87,258	0	0	0	0	0	0	0	0	0	0	0	0	87,258	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-103,496	0	0	0	0	0	0	0	0	0	0	0	0	-103,496	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	69,040	0	0	0	0	0	0	0	0	0	0	0	0	69,040	
914-Pension and Benefits Load	242,053	0	0	0	0	0	0	0	0	0	0	0	0	242,053	
915-Injuries and Damages Load	68,132	0	0	0	0	0	0	0	0	0	0	0	0	68,132	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	28,830	0	0	0	0	0	0	0	0	0	0	0	0	28,830	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	220,647	0	0	0	0	0	0	0	0	0	0	0	0	220,647	
926-A and G Loads	441,667	0	0	0	0	0	0	0	0	0	0	0	0	441,667	
928-AFUDC Debt Reg	130,748	0	0	0	0	0	0	0	0	0	0	0	0	130,748	
929-AFUDC - Equity Regular	162,815	0	0	0	0	0	0	0	0	0	0	0	0	162,815	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	6,630,877	0	0	0	0	0	0	0	0	0	0	0	0	6,630,877	
825-Clearings	-6,630,875	0	0	0	0	0	0	0	0	0	0	0	0	-6,630,875	
Clr Sum	-6,630,875	0	0	0	0	0	0	0	0	0	0	0	0	-6,630,875	
Proj Net	2	0	0	0	0	0	0	0	0	0	0	0	0	2	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017
thereby reducing cost and implementation time.

Of the estimated cost, approximately 10% is internal labor including project management, engineering support, BTS support, and on-site inspection/coordination. Another 5% is associated with the PNM provided equipment (servers, etc.). The remaining funds are from vendor costs and include the vendor's time, equipment, programming, testing , and installation.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	64828113	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	38,247	5,000	5,000	5,000	10,000	10,000	10,000	10,000	0	0	93,247	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	91,687	0	0	150,000	150,000	150,000	150,000	128,000	0	0	819,687	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	984	0	0	0	0	0	0	0	0	0	984	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	23,935	0	0	0	0	0	0	0	0	0	23,935	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	8,387	882	919	1,323	2,113	2,922	3,735	4,499	4,865	4,887	34,532	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	2,513	350	350	350	700	700	700	700	0	0	6,363	
914-Pension and Benefits Load	9,496	1,116	1,116	1,116	2,232	2,232	2,232	2,232	0	0	21,772	
915-Injuries and Damages Load	2,528	337	337	337	673	673	673	673	0	0	6,230	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	776	0	0	0	0	0	0	0	0	0	776	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	12,877	416	416	12,896	13,312	13,312	13,312	11,482	0	0	78,023	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	191,430	8,101	8,137	171,021	179,030	179,839	180,652	157,585	4,865	4,887	1,085,548	
825-Clearings	0	0	0	0	0	0	0	0	0	0	0	
Clr Sum	0	0	0	0	0	0	0	0	0	0	0	
Proj Net	191,430	8,101	8,137	171,021	179,030	179,839	180,652	157,585	4,865	4,887	1,085,548	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	64828113	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	93,247	0	0	0	0	0	0	0	0	0	0	0	0	93,247	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	819,687	0	0	0	0	0	0	0	0	0	0	0	0	819,687	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	984	0	0	0	0	0	0	0	0	0	0	0	0	984	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	23,935	0	0	0	0	0	0	0	0	0	0	0	0	23,935	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	34,532	5,135	4,813	0	0	0	0	0	0	0	0	0	0	44,480	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	6,363	0	0	0	0	0	0	0	0	0	0	0	0	6,363	
914-Pension and Benefits Load	21,772	0	0	0	0	0	0	0	0	0	0	0	0	21,772	
915-Injuries and Damages Load	6,230	0	0	0	0	0	0	0	0	0	0	0	0	6,230	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	776	0	0	0	0	0	0	0	0	0	0	0	0	776	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	78,023	0	0	0	0	0	0	0	0	0	0	0	0	78,023	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,085,548	5,135	4,813	0	0	0	0	0	0	0	0	0	0	1,095,496	
825-Clearings	0	0	-1,095,496	0	0	0	0	0	0	0	0	0	0	-1,095,496	
Clr Sum	0	0	-1,095,496	0	0	0	0	0	0	0	0	0	0	-1,095,496	
Proj Net	1,085,548	5,135	-1,090,683	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	64828113	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	93,247	0	0	0	0	0	0	0	0	0	0	0	0	93,247	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	819,687	0	0	0	0	0	0	0	0	0	0	0	0	819,687	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	984	0	0	0	0	0	0	0	0	0	0	0	0	984	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	23,935	0	0	0	0	0	0	0	0	0	0	0	0	23,935	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	44,480	0	0	0	0	0	0	0	0	0	0	0	0	44,480	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	6,363	0	0	0	0	0	0	0	0	0	0	0	0	6,363	
914-Pension and Benefits Load	21,772	0	0	0	0	0	0	0	0	0	0	0	0	21,772	
915-Injuries and Damages Load	6,230	0	0	0	0	0	0	0	0	0	0	0	0	6,230	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	776	0	0	0	0	0	0	0	0	0	0	0	0	776	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	78,023	0	0	0	0	0	0	0	0	0	0	0	0	78,023	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,095,496	0	0	0	0	0	0	0	0	0	0	0	0	1,095,496	
825-Clearings	-1,095,496	0	0	0	0	0	0	0	0	0	0	0	0	-1,095,496	
Clr Sum	-1,095,496	0	0	0	0	0	0	0	0	0	0	0	0	-1,095,496	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65007115 EIP Purchase 40%

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 4/1/2015 Estimated Completion Date 4/30/2015

List Interim In-Service Dates

None

Project Need Justification

The EIP consists of a 216 mile, 345 kV transmission line between PNM's bulk power switching station north of Bernalillo, New Mexico ("BA Station") and a high voltage DC converter station, called Blackwater Station, located in the Clovis-Portales area of eastern New Mexico, plus associated switching equipment and the Blackwater Station's HVDC converter facilities.

Lack of full ownership of the EIP and thus the long term control of its use, has created a delay in the processing transmission service requests, and has created tension between PNM and customers requesting transmission service. On July 5, 2012, the FERC issued an Order in response to a complaint filed by one of PNM's Interconnection Customers against PNM and Tortoise, directing PNM and Tortoise (the 40% owner) to identify the party responsible for immediately providing long-term transmission service over the 40% owned portion of the EIP. PNM agreed to buy the 40% interest at book value from Tortoise by April 1, 2015. Full ownership provides the following benefits.

- PNM would exercise unfettered control of facilities. Full ownership would allow PNM to be in control of all decisions concerning the EIP facilities including its use and its operations and maintenance, and would remove cumbersome and time-consuming joint ownership issues. This is important for issues for the life extension or replacement of the Blackwater Station, a specialized station (very different from a typical substation), that requires substantial investment to maintain and operate.
- Ownership would enhance PNM's ability to sell the 400 MW of transmission service (as the sole transmission provider) from Blackwater to Four Corners under a single system rate, rather than trying to sell 400 MW from BA to Four Corners, that requires a separate deal, at a separate rate, for the portion of service from Blackwater to BA, with the owner of the 40% ownership interest in EIP. Acquisition will resolve previously stalled processing of the PNM transmission service queue by making the 400 MW available to customers via PNM's OASIS.
- PNM would pay net book value ("NBV") on the date of the lease termination, and there would be no acquisition premium, and therefore minimum risk of cost disallowance. The revenue requirement under a NBV buyout is no more than the cost of extending the lease under the lease agreement in year one, and is substantially less in future years.

- Acquisition of the 40% interest resolves the leasehold improvement accounting exposure (avoids write-off of \$5.5 million in April 2015), though leasehold improvements would transfer to the lessor if the lessor retains ownership. Acquisition also resolves the “severable” versus “non-severable” capital addition issue, which could result in additional write-offs if lessor retains ownership.
- PNM has the opportunity at this time to make a strategic move that could have long-term benefits from a financial perspective by having the EIP line and facilities in rate base, and would advance our posture within New Mexico and the region as a facilitator of clean, renewable energy.
- Ownership will also provide positive intangible benefits to PNM, the State and the region by ensuring this facility can be fully integrated with the “bigger picture” plans being considered for the regional delivery of renewable energy. It resolves the regional wholesale market issue by eliminating the uncertainty over how the transmission will be made available putting PNM in a favorable position with both the FERC and renewable energy community.

Project Alternatives

NMPRC approval is not required because approval was given in the original 1985 transaction authorization for PNM to exercise the End-of-Lease Options provided in the lease.

PNM considered exercising the End-of-Lease Options under the Lease Agreement (Extended Lease Term and FMV Purchase). The lease extension period is not long enough to provide service to an interconnecting generator. A FMV purchase, given the appraisal process and procedure proscribed in the lease, may likely result in a purchase price significantly higher than net book value. (Therefore, PNM negotiated that net book value, as of April 2015, will be FMV as provided for in the existing Lease Agreement and no appraisal process is required to determine FMV).

Technical Aspects

Purchase the remaining 40% of the Eastern Interconnection Project (“EIP”) lease (see above).

Project Estimate Approach

Field review and appraisals of current value were made to assist in documentation of fair pricing. The cost of the project is the net book value of the facilities.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007115	Year	2015										Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	7,678,246	0	0	0	0	0	0	0	0	0	7,678,246	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	0	7,678,246	0	0	0	0	0	0	0	0	0	7,678,246	
825-Clearings	0	-7,678,246	0	0	0	0	0	0	0	0	0	-7,678,246	
Clr Sum	0	-7,678,246	0	0	0	0	0	0	0	0	0	-7,678,246	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007115	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	7,678,246	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	7,678,246	
825-Clearings	-7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	-7,678,246	
Clr Sum	-7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	-7,678,246	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007115	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	7,678,246	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
914-Pension and Benefits Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
915-Injuries and Damages Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
926-A and G Loads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	7,678,246	
825-Clearings	-7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	-7,678,246	
Clr Sum	-7,678,246	0	0	0	0	0	0	0	0	0	0	0	0	-7,678,246	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65007220 San Juan Shunt Reactor Circuit Breaker

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 2/1/2011 Estimated Completion Date 12/15/2015

List Interim In-Service Dates

Project Need Justification

Reactors, which are used to control the voltage on transmission lines, are switched in and out of the circuit as system conditions warrant. The current switching devices for both the OJ and WW line reactors are not automated and cannot support the system with the response time needed. Additionally, transmission line outages are needed to switch the reactors in and out of service. As the system configuration and VAR support has changed over time, this situation is problematic in peak load periods and does not offer the ability to quickly place the reactor in or out of service that is needed to maintain system voltage. This project will install a circuit breaker to switch the OJ reactor and an RL switcher to switch the WW reactor. Purchase of equipment for the OJ line was completed prior to the rate case base year. The remainder of this write-up will focus on the WW reactor switching device and construction costs for both devices.

Project Alternatives

PNM evaluated the suitability of various reactor switching devices as part of the project design effort. Option included the use of a 345kV circuit breaker, or a specially designed device for this specific application. The required characteristics of the new reactor switching device include the ability to switch reactors given the significant electrical duty, use of automation such that the device could be operated easily and reliably from Power Control Centers, ability to fit into limited space, and vendor support. The RL switcher, although relatively new to market, is a device specifically designed for this application. It also has a smaller footprint which is a benefit given the limited space available without an extensive retrofit.

Technical Aspects

Shunt reactors are inserted in to transmission line circuits during times of low electrical loading to help keep the line voltage from going too high. This is especially important on long lines where the voltage increase is much more pronounced. Without the ability to control the voltage a transmission line that has tripped off line, might not be able to be reenergized, as the line voltage could exceed the capacity of the end equipment.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects and updated quotes are obtained from manufacturers for specialty devices. Labor and contractor estimates were created from past projects that are similar in nature, for this project breaker replacements in energized 345kV yards provided a good reference. All overhead costs are standard and calculated using the approved corporate software. The in-house labor for this project is approximately 15% of the project cost. With the project located in an energized yard, much of the controls and automation work was done by in-house crews. Purchase of the RLswitcher and minor equipment is about 25%. The contract

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

construction (for both projects) is about 60% of project costs. Contract work includes Contracted engineering support, relocation and/or retirement of existing equipment, new foundations, and mechanical construction. Work in energized facilities is often limited to off-peak hours or during outages. This increases the need for longer workdays and overtime.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007220	Year	2015								Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	120,754	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0	127,754
120-Overtime-General	14,329	0	0	0	0	0	0	0	0	0	14,329
350-Material Issues-Major	315,287	0	0	0	0	0	0	0	0	0	315,287
370-Outside Services	752,465	0	0	0	20,000	50,000	50,000	50,000	0	0	922,465
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	16,181	0	0	0	0	0	0	0	0	0	16,181
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	9,674	0	70	70	70	70	70	70	70	0	10,164
914-Pension and Benefits Load	38,822	0	223	223	223	223	223	223	223	0	40,384
915-Injuries and Damages Load	11,073	0	67	67	67	67	67	67	67	0	11,544
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	8,462	0	0	0	0	0	0	0	0	0	8,462
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	-6,996	0	41	41	641	1,541	1,541	1,541	41	0	-1,610
926-A and G Loads	35,718	0	83	83	1,747	4,243	4,243	4,243	83	0	50,445
928-AFUDC Debt Reg	94,533	1,389	1,410	1,422	1,464	1,577	1,734	1,892	1,980	1,994	109,406
929-AFUDC - Equity Regular	96,544	1,988	2,013	2,031	2,090	2,252	2,476	2,702	2,827	2,847	117,779
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	1,506,847	3,397	4,907	4,938	27,302	60,974	61,355	61,739	6,291	4,841	1,742,590
825-Clearings	-963,907	0	0	0	0	0	0	0	0	0	-963,907
Clr Sum	-963,907	0	0	0	0	0	0	0	0	0	-963,907
Proj Net	542,940	3,397	4,907	4,938	27,302	60,974	61,355	61,739	6,291	4,841	778,683

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007220	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	127,754	0	0	0	0	0	0	0	0	0	0	0	0	127,754	
120-Overtime-General	14,329	0	0	0	0	0	0	0	0	0	0	0	0	14,329	
350-Material Issues-Major	315,287	0	0	0	0	0	0	0	0	0	0	0	0	315,287	
370-Outside Services	922,465	0	0	0	0	0	0	0	0	0	0	0	0	922,465	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	16,181	0	0	0	0	0	0	0	0	0	0	0	0	16,181	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,164	0	0	0	0	0	0	0	0	0	0	0	0	10,164	
914-Pension and Benefits Load	40,384	0	0	0	0	0	0	0	0	0	0	0	0	40,384	
915-Injuries and Damages Load	11,544	0	0	0	0	0	0	0	0	0	0	0	0	11,544	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	8,462	0	0	0	0	0	0	0	0	0	0	0	0	8,462	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	-1,610	0	0	0	0	0	0	0	0	0	0	0	0	-1,610	
926-A and G Loads	50,445	0	0	0	0	0	0	0	0	0	0	0	0	50,445	
928-AFUDC Debt Reg	109,406	1,363	0	0	0	0	0	0	0	0	0	0	0	110,769	
929-AFUDC - Equity Regular	117,779	0	0	0	0	0	0	0	0	0	0	0	0	117,779	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,742,590	1,363	0	0	0	0	0	0	0	0	0	0	0	1,743,953	
825-Clearings	-963,907	-780,046	0	0	0	0	0	0	0	0	0	0	0	-1,743,953	
Clr Sum	-963,907	-780,046	0	0	0	0	0	0	0	0	0	0	0	-1,743,953	
Proj Net	778,683	-778,683	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007220	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	127,754	0	0	0	0	0	0	0	0	0	0	0	0	127,754	
120-Overtime-General	14,329	0	0	0	0	0	0	0	0	0	0	0	0	14,329	
350-Material Issues-Major	315,287	0	0	0	0	0	0	0	0	0	0	0	0	315,287	
370-Outside Services	922,465	0	0	0	0	0	0	0	0	0	0	0	0	922,465	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	16,181	0	0	0	0	0	0	0	0	0	0	0	0	16,181	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,164	0	0	0	0	0	0	0	0	0	0	0	0	10,164	
914-Pension and Benefits Load	40,384	0	0	0	0	0	0	0	0	0	0	0	0	40,384	
915-Injuries and Damages Load	11,544	0	0	0	0	0	0	0	0	0	0	0	0	11,544	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	8,462	0	0	0	0	0	0	0	0	0	0	0	0	8,462	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	-1,610	0	0	0	0	0	0	0	0	0	0	0	0	-1,610	
926-A and G Loads	50,445	0	0	0	0	0	0	0	0	0	0	0	0	50,445	
928-AFUDC Debt Reg	110,769	0	0	0	0	0	0	0	0	0	0	0	0	110,769	
929-AFUDC - Equity Regular	117,779	0	0	0	0	0	0	0	0	0	0	0	0	117,779	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,743,953	0	0	0	0	0	0	0	0	0	0	0	0	1,743,953	
825-Clearings	-1,743,953	0	0	0	0	0	0	0	0	0	0	0	0	-1,743,953	
Clr Sum	-1,743,953	0	0	0	0	0	0	0	0	0	0	0	0	-1,743,953	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65007315 WW Line Reactor Replacement at BA

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 12/2/2014 Estimated Completion Date 5/31/2015

List Interim In-Service Dates

Project Need Justification

The existing WW 345kV Line Reactor at B-A Station failed catastrophically and unexpectedly in the late fall of 2014. This reactor is critical to PNM's ability to maintain nominal system voltages on the transmission grid under various conditions from very light load to grid operating at full capacity. This piece of equipment is a very long lead item (up to a year) and is not readily available. The decision was made to redirect a reactor that was enroute to another project. The scope of work for this project included removal of the failed reactor, site modifications to accommodate the new reactor, installation of the reactor, new wiring and new controls.

Project Alternatives

PNM reviewed the fleet of 345kV reactors currently in-service. Relocation of one of these reactors would adversely affect other parts of the system and in some cases would mean moving an older piece of equipment. Relocation of older equipment can be problematic due to the age/condition of the used equipment. Typically a highly used reactor is evaluated and if needed, reconditioned, before being placed into a new location. This effort takes significant time. Used equipment does not offer the future years of service that newer equipment should provide. Used equipment from other service locations was not deemed a feasible alternative. System performance studies indicated that the long term operation of the transmission system without a reactor on the WW 345kV line at B-A station would result in the inability to maintain reasonable voltages and the loss of service. This is also not a viable alternative. Lead time for a new reactor is significant (over a year). Given the critical aspect of this site, and the overall timing of the other project, redirecting the equipment already enroute was selected. Equipment was then reordered for the other project.

Technical Aspects

The failed reactor was evaluated for potential of repair. Given the extreme damage and the significant age of this unit, repairs would not be effective. The failed unit was removed from service with oil and metals sold for salvage. A new unit planned for delivery to another PNM site in early 2015 was redirected to this site. Station modifications including foundation placement, moving of controls, and bus work were performed to accommodate the new unit. A reactor has since been re-ordered for the other project.

Project Estimate Approach

Prior to purchase, PNM had secured competitive bids for the purchase of the reactor that was redirected to this site. Based on this cost for the major equipment, recent similar installation work performed at another location, bids for the installation at the other project, and site specific design details, a

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

good quality estimate was prepared. This project was estimated with in-house engineering design and controls installation, which accounts for about 5% of the project. Minor materials such as fittings and control cable are less than 2% of the project. Construction services (the engineered equipment and construction) are the remaining 93%. By far the bulk of this is the reactor itself at \$1.1 million. The other large expense in this category is contract construction.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007315	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	33,256	5,000	0	0	0	0	0	0	0	0	38,256	
120-Overtime-General	8,356	0	0	0	0	0	0	0	0	0	8,356	
350-Material Issues-Major	16,979	0	0	0	0	0	0	0	0	0	16,979	
370-Outside Services	241,582	1,230,000	0	0	0	0	0	0	0	0	1,471,582	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,926	0	0	0	0	0	0	0	0	0	4,926	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	2,913	350	0	0	0	0	0	0	0	0	3,263	
914-Pension and Benefits Load	9,288	1,116	0	0	0	0	0	0	0	0	10,404	
915-Injuries and Damages Load	2,800	337	0	0	0	0	0	0	0	0	3,137	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	1,729	0	0	0	0	0	0	0	0	0	1,729	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	11,117	37,104	0	0	0	0	0	0	0	0	48,221	
926-A and G Loads	25,177	102,752	0	0	0	0	0	0	0	0	127,929	
928-AFUDC Debt Reg	1,216	2,704	4,495	0	0	0	0	0	0	0	8,416	
929-AFUDC - Equity Regular	1,830	3,861	6,418	0	0	0	0	0	0	0	12,110	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	361,169	1,383,224	10,913	0	0	0	0	0	0	0	1,755,307	
825-Clearings	0	0	-1,755,307	0	0	0	0	0	0	0	-1,755,307	
Clr Sum	0	0	-1,755,307	0	0	0	0	0	0	0	-1,755,307	
Proj Net	361,169	1,383,224	-1,744,394	0	0	0	0	0	0	0	0	

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007315	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	38,256	0	0	0	0	0	0	0	0	0	0	0	0	38,256	
120-Overtime-General	8,356	0	0	0	0	0	0	0	0	0	0	0	0	8,356	
350-Material Issues-Major	16,979	0	0	0	0	0	0	0	0	0	0	0	0	16,979	
370-Outside Services	1,471,582	0	0	0	0	0	0	0	0	0	0	0	0	1,471,582	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,926	0	0	0	0	0	0	0	0	0	0	0	0	4,926	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	3,263	0	0	0	0	0	0	0	0	0	0	0	0	3,263	
914-Pension and Benefits Load	10,404	0	0	0	0	0	0	0	0	0	0	0	0	10,404	
915-Injuries and Damages Load	3,137	0	0	0	0	0	0	0	0	0	0	0	0	3,137	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	1,729	0	0	0	0	0	0	0	0	0	0	0	0	1,729	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	48,221	0	0	0	0	0	0	0	0	0	0	0	0	48,221	
926-A and G Loads	127,929	0	0	0	0	0	0	0	0	0	0	0	0	127,929	
928-AFUDC Debt Reg	8,416	0	0	0	0	0	0	0	0	0	0	0	0	8,416	
929-AFUDC - Equity Regular	12,110	0	0	0	0	0	0	0	0	0	0	0	0	12,110	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,755,307	0	0	0	0	0	0	0	0	0	0	0	0	1,755,307	
825-Clearings	-1,755,307	0	0	0	0	0	0	0	0	0	0	0	0	-1,755,307	
Clr Sum	-1,755,307	0	0	0	0	0	0	0	0	0	0	0	0	-1,755,307	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007315	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	38,256	0	0	0	0	0	0	0	0	0	0	0	0	38,256	
120-Overtime-General	8,356	0	0	0	0	0	0	0	0	0	0	0	0	8,356	
350-Material Issues-Major	16,979	0	0	0	0	0	0	0	0	0	0	0	0	16,979	
370-Outside Services	1,471,582	0	0	0	0	0	0	0	0	0	0	0	0	1,471,582	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,926	0	0	0	0	0	0	0	0	0	0	0	0	4,926	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	3,263	0	0	0	0	0	0	0	0	0	0	0	0	3,263	
914-Pension and Benefits Load	10,404	0	0	0	0	0	0	0	0	0	0	0	0	10,404	
915-Injuries and Damages Load	3,137	0	0	0	0	0	0	0	0	0	0	0	0	3,137	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	1,729	0	0	0	0	0	0	0	0	0	0	0	0	1,729	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	48,221	0	0	0	0	0	0	0	0	0	0	0	0	48,221	
926-A and G Loads	127,929	0	0	0	0	0	0	0	0	0	0	0	0	127,929	
928-AFUDC Debt Reg	8,416	0	0	0	0	0	0	0	0	0	0	0	0	8,416	
929-AFUDC - Equity Regular	12,110	0	0	0	0	0	0	0	0	0	0	0	0	12,110	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,755,307	0	0	0	0	0	0	0	0	0	0	0	0	1,755,307	
825-Clearings	-1,755,307	0	0	0	0	0	0	0	0	0	0	0	0	-1,755,307	
Clr Sum	-1,755,307	0	0	0	0	0	0	0	0	0	0	0	0	-1,755,307	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65007514 Station hardening 2014-15

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 1/16/2015 Estimated Completion Date 12/15/2018

List Interim In-Service Dates

4 W.O>s per year, essentially one each quarter.

Project Need Justification

Many stations in the PNM service grid have experienced vandalism and/or metal theft. The damage to the station can result in an unsafe operating condition, ruin equipment, require equipment to be taken off line, and be a safety issue for utility crews. The cost of the metal replacement is typically minor compared to these other issues. The station Hardening effort is to detect and deter unauthorized entrance into switchyards. Since the initiation of this funding project, NERC has developed requirements for physical security and this Funding Project will help meet those requirements.

So far, two station security systems have been commissioned under a pilot program to determine best practices and are being operated by the SOC (Security Operations Center) under Corporate Security. As part of a longer-range program (this project), an additional two stations have a completed design / engineering solution but which has not yet been constructed / commissioned. Now that NERC-CIP standards are available and approved, we have a firm plan to roll out additional stations to address replacements due to vandalism/theft, but may address compliance requirements. This project will address the vulnerabilities identified at each specific station and appropriate mitigation measures will be applied. Examples of mitigation measures include alarms, video cameras, hardened perimeters, and enhanced station entry procedures.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

PNM has an obligation to meet NERC compliance requirements and to provide safe reliable service to customers. From the pilot project a selection of best practices mitigation measures has been identified that will become standards. Each station will be evaluated on a case-by-case basis. Those standards that are applicable and provide best protection for the specific site are chosen for implementation.

Other than the alternative process mentioned above, which is currently being implemented, there is no other alternative given NERC-CIP Compliance standards.

Technical Aspects

This project will improve security at substations through the installation of cameras that link directly to the PNM security center, install lights to deter unauthorized entrance, strengthen gates to protect the switchyard entrance, and install motion detectors to alert security of unauthorized entries. Additionally, automated data collection will be put into place to provide the security center with the monitored activity at each station.

In general, a standard program of improvements will be developed for both cyber protection and physical protection in this project.

Outside services used will follow substation architecture standards and all requirements (compliance and non-compliance) in any design, construction, and commissioning.

Operations Technology concurrence in design phases of all efforts will be included.

Project Estimate Approach

Using findings from the pilot project, it is anticipated that quality mitigation actions and reasonable cost estimates can be developed for the affected station. Every station's characteristics are different in which drive the costs to the mitigation of the defined vulnerability.

Average station cost estimates based on Rio Puerco station:

1. \$100k would cover architecture in a pre-design.
2. \$60K per station for Engineering Design in order to create drawings that can be issued for construction.
3. Construction, Material, and Labor may be as much as \$1.5M depending on the characteristics of each station.

This project will cover some or all of those types of improvements across the stations being evaluated. The cost of this work would then be secured and evaluated prior to commitment to the work.

The total cost of this project was estimate after evaluating the immediate needs across the 5 compliance rated Stations and other high profile sites, and will cover those initial improvements. All site will need architecture and design work as well as engineering design, but the required amount of construction varies from site to site. Future security improvements will fall under the 65007515 – NERC CIP Station Improvements project. The \$1.5 mil budgeted is based on estimates for the average sized station from previous work and the amount of work to be completed in the rate case time frame.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007514	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	30,000	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	0	15,000	15,000	15,000	15,000	15,000	0	75,000	
370-Outside Services	0	0	30,000	30,000	30,000	100,000	150,000	150,000	150,000	150,000	790,000	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	0	0	0	0	350	350	350	350	350	350	2,100	
914-Pension and Benefits Load	0	0	0	0	1,116	1,116	1,116	1,116	1,116	1,116	6,696	
915-Injuries and Damages Load	0	0	0	0	337	337	337	337	337	337	2,019	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	0	0	0	0	701	701	701	701	701	0	3,503	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	0	900	900	1,554	3,654	5,154	5,154	5,154	4,704	27,174	
926-A and G Loads	0	0	2,496	2,496	4,160	9,984	14,144	14,144	14,144	12,896	74,464	
928-AFUDC Debt Reg	0	0	43	129	248	500	926	1,426	1,929	2,413	7,614	
929-AFUDC - Equity Regular	0	0	61	185	354	714	1,322	2,036	2,754	3,445	10,872	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	0	0	33,500	33,710	58,820	137,355	194,049	195,263	196,484	180,261	1,029,442	
825-Clearings	0	0	0	0	0	0	0	0	0	-514,721	-514,721	
Clr Sum	0	0	0	0	0	0	0	0	0	-514,721	-514,721	
Proj Net	0	0	33,500	33,710	58,820	137,355	194,049	195,263	196,484	-334,460	514,721	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007514	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	30,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	90,000	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	75,000	0	0	25,000	0	25,000	25,000	0	0	25,000	25,000	0	25,000	225,000	
370-Outside Services	790,000	0	50,000	50,000	25,000	50,000	50,000	25,000	25,000	50,000	50,000	50,000	50,000	1,265,000	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	2,100	350	350	350	350	350	350	350	350	350	350	350	350	6,300	
914-Pension and Benefits Load	6,696	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	20,088	
915-Injuries and Damages Load	2,019	337	337	337	337	337	337	337	337	337	337	337	337	6,063	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	3,503	0	0	1,168	0	1,168	1,168	0	0	1,168	1,168	0	1,168	10,511	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	27,174	204	1,704	2,454	954	2,454	2,454	954	954	2,454	2,454	1,704	2,454	48,372	
926-A and G Loads	74,464	416	4,576	6,656	2,496	6,656	6,656	2,496	2,496	6,656	6,656	4,576	6,656	131,456	
928-AFUDC Debt Reg	7,614	907	971	1,108	1,221	1,335	1,498	822	885	998	1,161	1,298	1,436	21,254	
929-AFUDC - Equity Regular	10,872	0	0	0	0	0	0	0	0	0	0	0	0	10,872	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,029,442	8,330	64,054	93,189	36,474	93,416	93,579	36,075	36,138	93,079	93,242	64,381	93,517	1,834,916	
825-Clearings	-514,721	0	0	0	0	0	-451,880	0	0	0	0	0	-651,230	-1,617,831	
Clr Sum	-514,721	0	0	0	0	0	-451,880	0	0	0	0	0	-651,230	-1,617,831	
Proj Net	514,721	8,330	64,054	93,189	36,474	93,416	-358,301	36,075	36,138	93,079	93,242	64,381	-557,713	217,085	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007514	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	90,000	5,000	5,000	0	0	0	0	0	0	0	0	0	0	100,000	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	225,000	0	0	0	0	0	0	0	0	0	0	0	0	225,000	
370-Outside Services	1,265,000	30,000	30,000	0	0	0	0	0	0	0	0	0	0	1,325,000	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	6,300	350	350	0	0	0	0	0	0	0	0	0	0	7,000	
914-Pension and Benefits Load	20,088	1,116	1,116	0	0	0	0	0	0	0	0	0	0	22,320	
915-Injuries and Damages Load	6,063	337	337	0	0	0	0	0	0	0	0	0	0	6,737	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	10,511	0	0	0	0	0	0	0	0	0	0	0	0	10,511	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	48,372	1,104	1,104	0	0	0	0	0	0	0	0	0	0	50,580	
926-A and G Loads	131,456	2,912	2,912	0	0	0	0	0	0	0	0	0	0	137,280	
928-AFUDC Debt Reg	21,254	752	885	0	0	0	0	0	0	0	0	0	0	22,891	
929-AFUDC - Equity Regular	10,872	445	524	0	0	0	0	0	0	0	0	0	0	11,841	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,834,916	42,016	42,228	0	0	0	0	0	0	0	0	0	0	1,919,160	
825-Clearings	-1,617,831	0	0	0	0	0	0	0	0	0	0	0	0	-1,617,831	
Clr Sum	-1,617,831	0	0	0	0	0	0	0	0	0	0	0	0	-1,617,831	
Proj Net	217,085	42,016	42,228	0	0	0	0	0	0	0	0	0	0	301,329	

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Project No: 65007515 NERC CIP Station Improvements

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 3/2/2015 Estimated Completion Date 12/31/2017

List Interim In-Service Dates

In-service dates and clearings will occur as soon as work at an individual site is completed. About one clearing per quarter.

Project Need Justification

The North American Electric Reliability Corporation (NERC) has issued updated requirements for both physical security and cybersecurity at critical infrastructure (referred to as CIP V5). These requirements require significant improvements at certain facilities including switchyards and control centers.

Examples of improvements include increased physical and cyber access identification standards, enhanced physical barriers, increased alarms and cameras for remote observation, firewalls, and other related improvements. The timing to meet these requirements falls within the rate case future year time frame.

Examples above the type of work covered here address compliance in the following areas: CIP 14 (Station Security), CIP 6 (Physical Access), CIP-005 (Electronic Security Perimeter), and CIP-007 (Systems Security Management).

This funding will support these efforts into 2017. This funding is a blanket for supporting these projects. Examples include:

- CIP 6 - may address up to 25 stations that come in to scope.
- CIP -005 - Relays that need to be replaced due to inability to meet NERC requirements. Material order alone is \$10K per device for 60 plus devices, or equivalent to \$100K per relay (end to end solution – not just material).

Project Alternatives

“No action” is not a responsive alternative based on the NERC compliance obligations that must be met.

Each station will be evaluated on a case-by-case basis. Those standards that are applicable and provide best protection for the specific site are chosen for implementation.

PNM does evaluate the limited choice of vendors and in some cases the range of available solutions for implementation (which is dependent on station).

Much of the work must be outsourced (which is a significant portion of costs) as result of needed specialty skills and amount of resources required needed to meet compliance deadlines, programming, writing compliance procedures, and integration.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Through the CIP -002 BES (Bulk Electric System identification), stations (or equipment in a station), were identified with Corporate Compliance, New Mexico Operations, and Operations Technology group. Lack of meeting NERC requirements can result in significant penalties which far exceed the value of the needed improvements.

Technical Aspects

Project Estimate Approach

Two years ago, PNM entered into a pilot project to harden certain stations from increasing copper theft. Many of these same type improvements are now needed at other stations in order to address NERC CIP V5. Lessons learned for both design and cost estimating are used to develop the costs for this project. Vendor skills have been developed and cost savings were anticipated from the repetition of similar work.

Using findings from the 2014-2015 pilot projects, it is anticipated that quality mitigation actions and reasonable cost estimates can be developed for the affected station. Every station's characteristics are different in which drive the costs to the mitigation of the defined vulnerability and required work to be done for CIP requirements

This funding is a blanket project for supporting these projects:

Break Down of Costs per station referencing CIP requirement:

-CIP 6 Physical security - Hardening measures for stations and control centers. Range of cost per station is averaging \$150k - \$200k.

-CIP 14 - Physical Security - \$500k per station for 5 stations is a firm estimate based on pilot project. This consists of mechanical (conduits, firewalls, some hardening, and communications infrastructure upgrade)

CIP-005 - \$100K per device such as a relay replacement.

The estimate for this project was developed by referencing the average cost per station from the pilot program (65007514 – Station Hardening 2014-15), which was \$500K per site. This project will address the vulnerabilities defined at 5 stations. From initial estimates, not all site will require full improvements, so the estimate was scaled back based the anticipated amount of improvements for each site.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007515	Year	2015									Total
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0		1,000	5,000	5,000	71,215	76,215	76,215	76,215	76,215	76,215	463,289
120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0		0	0	40,000	80,000	80,000	80,000	80,000	80,000	40,000	480,000
370-Outside Services	0		0	0	0	170,000	170,000	170,000	170,000	169,560	70,000	919,560
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0		70	350	350	4,985	5,335	5,335	5,335	5,335	5,335	32,430
914-Pension and Benefits Load	0		223	1,116	1,116	15,895	17,011	17,011	17,011	17,011	17,011	103,406
915-Injuries and Damages Load	0		67	337	337	4,793	5,129	5,129	5,129	5,129	5,129	31,179
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0		0	0	1,868	3,736	3,736	3,736	3,736	3,736	1,868	22,416
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		41	204	1,404	10,407	10,611	10,611	10,611	10,598	6,411	60,896
926-A and G Loads	0		83	416	3,744	26,725	27,141	27,141	27,141	27,104	15,493	154,989
928-AFUDC Debt Reg	0		2	13	92	662	1,675	2,704	3,739	4,780	4,295	17,961
929-AFUDC - Equity Regular	0		3	19	132	945	2,391	3,860	5,338	6,825	6,132	25,645
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	0		1,489	7,455	54,043	389,362	399,244	401,742	404,255	406,293	247,889	2,311,772
825-Clearings	0		0	0	0	0	0	0	0	-515,971	0	-515,971
Clr Sum	0		0	0	0	0	0	0	0	-515,971	0	-515,971
Proj Net	0		1,489	7,455	54,043	389,362	399,244	401,742	404,255	-109,678	247,889	1,795,801

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007515	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	463,289	10,000	10,000	10,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	548,289	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	480,000	0	0	0	0	0	0	0	0	0	0	0	0	480,000	
370-Outside Services	919,560	250,000	350,000	420,000	400,000	20,000	20,000	20,000	20,000	20,000	40,000	40,000	20,000	2,539,560	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	32,430	700	700	700	700	700	350	350	350	350	350	350	350	38,380	
914-Pension and Benefits Load	103,406	2,232	2,232	2,232	2,232	2,232	1,116	1,116	1,116	1,116	1,116	1,116	1,116	122,378	
915-Injuries and Damages Load	31,179	673	673	673	673	673	337	337	337	337	337	337	337	36,903	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	22,416	0	0	0	0	0	0	0	0	0	0	0	0	22,416	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	60,896	7,908	10,908	13,008	12,408	1,008	804	804	804	804	1,404	1,404	804	112,964	
926-A and G Loads	154,989	21,632	29,952	35,776	34,112	2,496	2,080	2,080	2,080	2,080	3,744	3,744	2,080	296,845	
928-AFUDC Debt Reg	17,961	3,399	4,016	4,799	5,632	6,077	6,146	26	78	130	202	293	365	49,124	
929-AFUDC - Equity Regular	25,645	0	0	0	0	0	0	0	0	0	0	0	0	25,645	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,311,772	296,544	408,481	487,188	465,757	43,186	35,833	29,713	29,765	29,817	52,153	52,244	30,052	4,272,505	
825-Clearings	-515,971	0	0	0	0	0	-3,532,789	0	0	0	0	0	0	-4,048,760	
Clr Sum	-515,971	0	0	0	0	0	-3,532,789	0	0	0	0	0	0	-4,048,760	
Proj Net	1,795,801	296,544	408,481	487,188	465,757	43,186	-3,496,956	29,713	29,765	29,817	52,153	52,244	30,052	223,745	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007515	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	548,289	10,000	10,000	0	0	0	0	0	0	0	0	0	0	568,289	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	480,000	0	0	0	0	0	0	0	0	0	0	0	0	480,000	
370-Outside Services	2,539,560	40,000	50,000	0	0	0	0	0	0	0	0	0	0	2,629,560	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	38,380	700	700	0	0	0	0	0	0	0	0	0	0	39,780	
914-Pension and Benefits Load	122,378	2,232	2,232	0	0	0	0	0	0	0	0	0	0	126,842	
915-Injuries and Damages Load	36,903	673	673	0	0	0	0	0	0	0	0	0	0	38,249	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	22,416	0	0	0	0	0	0	0	0	0	0	0	0	22,416	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	112,964	1,608	1,908	0	0	0	0	0	0	0	0	0	0	116,480	
926-A and G Loads	296,845	4,160	4,992	0	0	0	0	0	0	0	0	0	0	305,997	
928-AFUDC Debt Reg	49,124	803	1,012	0	0	0	0	0	0	0	0	0	0	50,939	
929-AFUDC - Equity Regular	25,645	475	599	0	0	0	0	0	0	0	0	0	0	26,719	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,272,505	60,651	72,116	0	0	0	0	0	0	0	0	0	0	4,405,272	
825-Clearings	-4,048,760	0	0	0	0	0	0	0	0	0	0	0	0	-4,048,760	
Clr Sum	-4,048,760	0	0	0	0	0	0	0	0	0	0	0	0	-4,048,760	
Proj Net	223,745	60,651	72,116	0	0	0	0	0	0	0	0	0	0	356,512	

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Project No: 65007625 FW Reactor replacement

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 8/10/2012 Estimated Completion Date 8/31/2015

List Interim In-Service Dates

N/A

Project Need Justification

On August 21, 2011, the Four Corners to West Mesa (FW) 345kV line 65 MVAR, 345kV shunt reactor lock-out protection scheme in the Four Corners 345kV Switchyard initiated a trip of the FW 345kV line. Arizona Public Service (APS) determined that the reactor lockout was initiated by a reactor winding over-temperature condition caused by the loss of the AC power supply to the reactor's four cooler packages. APS provided annotated photos of the reactor identifying pre-existing oil leaks, a large tank wall seam leak, low oil level, and failed cooler pumps in need of re-conditioning. PNM's investigations of the APS-supplied operations and maintenance records pointed out past instances of operation being impacted by failed cooling packages. The replacement of this reactor included funds for in-house labor, materials, equipment, and external labor.

Project Alternatives

APS provided a quote of \$305,000 to re-condition the cooling packages; however, the ability to return the reactor to reliable long-term service has been compromised by the tank wall seam breach. The existing reactor is of a shell-form design that inhibits non-destructive core and coil removal for the proper repair of the tank. The fact that reconditioning would not resolve all the issues nor update the reactor to today's operating standards make this a less viable option. Studies of the system indicate that the system cannot operate reliably under all conditions with this reactor out-of-service.

Technical Aspects

PNM has a 35 MVAR oil-filled shunt reactor in storage with a 362kV, self-cooled rating; this unit has new windings, refurbished core packs, new cores in the bushings, and no cooling packages requiring AC power supply. PNM has consulted with General Electric Infrastructure, Energy to assess the use of the 35 MVAR reactor and the required de-energization of one of the reactors on the FW line when the FW line must be de-energized. General Electric has confirmed that parallel resonance, due to the WW 345kV line remaining energized, will be avoided with the de-energization procedure. On March 23, 2011, APS advised PNM to consider the replacement of the 345kV circuit switcher associated with the FW 345kV shunt reactor. The manufacturer no longer supports parts replacement for this early version of the circuit switcher and the available parts on the market are difficult to acquire. APS advised it would not be performing its scheduled major maintenance procedure on the circuit switcher as the process could possibly result in testing damages that could not be restored.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like circuit switchers we contacted our alliance vendor (Southern States) and requested information regarding the costs and schedules of these major items. A refurbished reactor that was not in service was used for this project to save on major equipment. Labor and contractor estimates were created from past projects that are similar in nature. All overhead costs are standard and calculated using the approved corporate software.

For this project, in-house labor is estimated at 14% of base costs (unloaded costs). This includes on-site work as well as some engineering design. It also includes coordination with APS. Materials are estimated at 43% and includes site modifications, the reactor, and purchase of new controls. Construction services is 43% with most of the construction being performed by APS or qualified utility contractors.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007625	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	109,777	5,000	5,000	7,500	7,500	0	0	0	0	0	134,777	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	382,309	5,000	18,166	18,166	0	0	0	0	0	0	423,641	
370-Outside Services	143,399	0	0	150,000	150,000	0	0	0	0	0	443,399	
374-Outside Svcs Legal	1,124	0	0	0	0	0	0	0	0	0	1,124	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	-5,983	0	0	0	0	0	0	0	0	0	-5,983	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	7,760	350	350	525	525	0	0	0	0	0	9,510	
914-Pension and Benefits Load	28,745	1,116	1,116	1,674	1,674	0	0	0	0	0	34,325	
915-Injuries and Damages Load	7,550	337	337	505	505	0	0	0	0	0	9,233	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	2,787	234	848	848	0	0	0	0	0	0	4,717	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	79,606	354	749	5,351	4,806	0	0	0	0	0	90,866	
926-A and G Loads	45,443	832	1,927	14,615	13,104	0	0	0	0	0	75,922	
928-AFUDC Debt Reg	52,550	2,402	2,470	2,779	3,283	3,533	0	0	0	0	67,016	
929-AFUDC - Equity Regular	70,331	3,429	3,527	3,968	4,687	5,044	0	0	0	0	90,987	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	925,397	19,053	34,491	205,932	186,084	8,577	0	0	0	0	1,379,533	
825-Clearings	0	0	0	0	0	-1,379,533	0	0	0	0	-1,379,533	
Clr Sum	0	0	0	0	0	-1,379,533	0	0	0	0	-1,379,533	
Proj Net	925,397	19,053	34,491	205,932	186,084	-1,370,956	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007625	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	134,777	0	0	0	0	0	0	0	0	0	0	0	0	134,777	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	423,641	0	0	0	0	0	0	0	0	0	0	0	0	423,641	
370-Outside Services	443,399	0	0	0	0	0	0	0	0	0	0	0	0	443,399	
374-Outside Svcs Legal	1,124	0	0	0	0	0	0	0	0	0	0	0	0	1,124	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	-5,983	0	0	0	0	0	0	0	0	0	0	0	0	-5,983	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	9,510	0	0	0	0	0	0	0	0	0	0	0	0	9,510	
914-Pension and Benefits Load	34,325	0	0	0	0	0	0	0	0	0	0	0	0	34,325	
915-Injuries and Damages Load	9,233	0	0	0	0	0	0	0	0	0	0	0	0	9,233	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	4,717	0	0	0	0	0	0	0	0	0	0	0	0	4,717	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	90,866	0	0	0	0	0	0	0	0	0	0	0	0	90,866	
926-A and G Loads	75,922	0	0	0	0	0	0	0	0	0	0	0	0	75,922	
928-AFUDC Debt Reg	67,016	0	0	0	0	0	0	0	0	0	0	0	0	67,016	
929-AFUDC - Equity Regular	90,987	0	0	0	0	0	0	0	0	0	0	0	0	90,987	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,379,533	0	0	0	0	0	0	0	0	0	0	0	0	1,379,533	
825-Clearings	-1,379,533	0	0	0	0	0	0	0	0	0	0	0	0	-1,379,533	
Clr Sum	-1,379,533	0	0	0	0	0	0	0	0	0	0	0	0	-1,379,533	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007625	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	134,777	0	0	0	0	0	0	0	0	0	0	0	0	134,777	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	423,641	0	0	0	0	0	0	0	0	0	0	0	0	423,641	
370-Outside Services	443,399	0	0	0	0	0	0	0	0	0	0	0	0	443,399	
374-Outside Svcs Legal	1,124	0	0	0	0	0	0	0	0	0	0	0	0	1,124	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	-5,983	0	0	0	0	0	0	0	0	0	0	0	0	-5,983	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	9,510	0	0	0	0	0	0	0	0	0	0	0	0	9,510	
914-Pension and Benefits Load	34,325	0	0	0	0	0	0	0	0	0	0	0	0	34,325	
915-Injuries and Damages Load	9,233	0	0	0	0	0	0	0	0	0	0	0	0	9,233	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	4,717	0	0	0	0	0	0	0	0	0	0	0	0	4,717	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	90,866	0	0	0	0	0	0	0	0	0	0	0	0	90,866	
926-A and G Loads	75,922	0	0	0	0	0	0	0	0	0	0	0	0	75,922	
928-AFUDC Debt Reg	67,016	0	0	0	0	0	0	0	0	0	0	0	0	67,016	
929-AFUDC - Equity Regular	90,987	0	0	0	0	0	0	0	0	0	0	0	0	90,987	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,379,533	0	0	0	0	0	0	0	0	0	0	0	0	1,379,533	
825-Clearings	-1,379,533	0	0	0	0	0	0	0	0	0	0	0	0	-1,379,533	
Clr Sum	-1,379,533	0	0	0	0	0	0	0	0	0	0	0	0	-1,379,533	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65007814 College Substation

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date 12/31/2015

List Interim In-Service Dates

NA

Project Need Justification

This project is to build a new transmission tap to connect the new College substation to the transmission system. The new substation is recommended due to existing demand and is expected to support growth along the Hwy 47 corridor and the Manzano Expressway. Tome, Manzano, and El Cerro Substations are currently providing the distribution delivery capacity for this area. College Substation will provide backup capacity to the aforementioned substations.

Currently a Manzano Substation outage during peak load periods would overload the adjacent area El Cerro and Tome Substation transformers by over 180 hours per year. This project will greatly simplify operation of the system, by eliminating several supplemental cascading load transfers presently utilized, minimize outage restoration times, and allow distribution operations more certainty that adjacent facilities, required to accomplish the proposed restoration, will be available when needed.

Project Alternatives

All substation location alternatives considered will connect to the 115 kV AT transmission line.

Two location alternatives were considered:

The first was to install a unit two transformer at the existing Manzano Substation. A Manzano Unit II option could be used to provide backup support for Manzano Unit I and Tome Substation. However, due to the length of the feeders from Tome Substation to the existing Manzano Substation, voltage levels will remain on the low side of the acceptable voltage range for contingency situations. Any additional load growth would require additional distribution feeder voltage support improvements. This option would also only allow two new feeders from a second unit at Manzano Substation that could be effectively used at this time to unload Manzano Feeder 11 and 13 and to provide backup support to the area.

The second alternative considered was to install a unit two transformer at the existing El Cerro Substation. An El Cerro Unit II option could be used to provide backup support for El Cerro Unit I and Manzano. The proposed feeders brought out of the substation do not help resolve issues associated with Tome Substation outages to the south which is a less efficient use of the new transformer capacity in comparison to the preferred alternative. This location does not alleviate the long length of the feeders between Tome Substation and Manzano substation, so voltage levels will initially be on the low

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

side of the acceptable voltage range for contingency situations. Any additional load growth would require additional distribution feeder voltage support improvements. Again, this alternative has only two feeders that could be effectively used to unload El Cerro 12 and Manzano 11 and to provide backup support to the area.

Technical Aspects

Provide transmission service to the new College Substation from the 115 kV AT line, which is adjacent and runs parallel to the west side of the College Substation site.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like transmission structures we contacted our alliance vendor (Trinity Meyer) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature, for this project past unit substations (Snow Vista and Scenic) were referenced. All overhead costs are standard and calculated using the approved corporate software. Internal labor accounts for 8%, material accounts for 45%, contract services accounts for 22%, and overhead costs account for 25% of the total cost.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65007814	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	14,438	7,266	7,266	0	0	0	15,000	51,097	15,000	51,408	161,475	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	144,384	0	50,000	0	0	0	5,000	55,000	23,166	5,000	282,550	
370-Outside Services	290,765	36,000	100,000	0	0	0	20,000	35,000	269,826	167,751	919,342	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	565	0	0	0	0	0	0	0	0	0	565	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	953	509	509	0	0	0	1,050	3,577	1,050	3,599	11,246	
914-Pension and Benefits Load	3,498	1,622	1,622	0	0	0	3,348	11,405	3,348	11,474	36,317	
915-Injuries and Damages Load	955	489	489	0	0	0	1,010	3,439	1,010	3,460	10,851	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	2,883	0	2,335	0	0	0	234	2,569	1,082	234	9,336	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	10,279	1,377	4,797	0	0	0	1,362	4,786	9,402	7,281	39,282	
926-A and G Loads	37,409	3,600	13,085	0	0	0	3,328	11,739	25,625	18,650	113,435	
928-AFUDC Debt Reg	5,063	1,402	1,708	1,951	1,963	1,975	2,053	2,360	3,056	3,872	25,403	
929-AFUDC - Equity Regular	7,410	2,002	2,439	2,786	2,803	2,821	2,931	3,370	4,363	5,528	36,452	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	518,603	54,265	184,249	4,737	4,766	4,796	55,315	184,342	356,927	278,255	1,646,254	
825-Clearings	0	0	0	0	0	0	0	0	0	-1,646,254	-1,646,254	
Clr Sum	0	0	0	0	0	0	0	0	0	-1,646,254	-1,646,254	
Proj Net	518,603	54,265	184,249	4,737	4,766	4,796	55,315	184,342	356,927	-1,367,999	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65007814	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	161,475	0	0	0	0	0	0	0	0	0	0	0	0	161,475	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	282,550	0	0	0	0	0	0	0	0	0	0	0	0	282,550	
370-Outside Services	919,342	0	0	0	0	0	0	0	0	0	0	0	0	919,342	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	565	0	0	0	0	0	0	0	0	0	0	0	0	565	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	11,246	0	0	0	0	0	0	0	0	0	0	0	0	11,246	
914-Pension and Benefits Load	36,317	0	0	0	0	0	0	0	0	0	0	0	0	36,317	
915-Injuries and Damages Load	10,851	0	0	0	0	0	0	0	0	0	0	0	0	10,851	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	9,336	0	0	0	0	0	0	0	0	0	0	0	0	9,336	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	39,282	0	0	0	0	0	0	0	0	0	0	0	0	39,282	
926-A and G Loads	113,435	0	0	0	0	0	0	0	0	0	0	0	0	113,435	
928-AFUDC Debt Reg	25,403	0	0	0	0	0	0	0	0	0	0	0	0	25,403	
929-AFUDC - Equity Regular	36,452	0	0	0	0	0	0	0	0	0	0	0	0	36,452	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,646,254	0	0	0	0	0	0	0	0	0	0	0	0	1,646,254	
825-Clearings	-1,646,254	0	0	0	0	0	0	0	0	0	0	0	0	-1,646,254	
Clr Sum	-1,646,254	0	0	0	0	0	0	0	0	0	0	0	0	-1,646,254	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65007814	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	161,475	0	0	0	0	0	0	0	0	0	0	0	0	161,475	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	282,550	0	0	0	0	0	0	0	0	0	0	0	0	282,550	
370-Outside Services	919,342	0	0	0	0	0	0	0	0	0	0	0	0	919,342	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	565	0	0	0	0	0	0	0	0	0	0	0	0	565	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	11,246	0	0	0	0	0	0	0	0	0	0	0	0	11,246	
914-Pension and Benefits Load	36,317	0	0	0	0	0	0	0	0	0	0	0	0	36,317	
915-Injuries and Damages Load	10,851	0	0	0	0	0	0	0	0	0	0	0	0	10,851	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	9,336	0	0	0	0	0	0	0	0	0	0	0	0	9,336	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	39,282	0	0	0	0	0	0	0	0	0	0	0	0	39,282	
926-A and G Loads	113,435	0	0	0	0	0	0	0	0	0	0	0	0	113,435	
928-AFUDC Debt Reg	25,403	0	0	0	0	0	0	0	0	0	0	0	0	25,403	
929-AFUDC - Equity Regular	36,452	0	0	0	0	0	0	0	0	0	0	0	0	36,452	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,646,254	0	0	0	0	0	0	0	0	0	0	0	0	1,646,254	
825-Clearings	-1,646,254	0	0	0	0	0	0	0	0	0	0	0	0	-1,646,254	
Clr Sum	-1,646,254	0	0	0	0	0	0	0	0	0	0	0	0	-1,646,254	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65008515 Rio Puerco Series Comp

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 12/1/2014 Estimated Completion Date 1/31/2016

List Interim In-Service Dates

Project Need Justification

The 345 kV series capacitors were installed in 1996 on the Four Corners-West Mesa 345 kV line and San Juan-BA 345 kV line to increase the transfer capability on the Northern New Mexico transmission system by shortening the electrical distance between the Four Corners area and the central New Mexico load center. An analysis of the Rio Puerco series capacitors has determined that the existing series capacitor protection is not sufficient to address the increase in fault duty that results after the completion of the Rio Puerco 345 kV Station Expansion. This project extends the life of the series capacitor banks by adding high-speed bypass breakers to increase the protection level and replacing obsolete and worn components of the series capacitor protection and controls.

Project Alternatives

Another considered option to adding high-speed bypass breakers is to install a triggered air gap (TAG) system. This technology has higher initial cost and higher ongoing operating and maintenance expenses. In addition outage times associated with maintaining the TAGs is much longer. Due to the higher costs and maintenance times associated this technology, installing high-speed breakers was the selected option.

Technical Aspects

Along with addition of the high-speed bypass breakers, the project includes replacing cracking fiber columns, replacing protection and control systems, and modifying existing control cabinets and equipment in order to support new equipment

Project Estimate Approach

This project was sourced to General Electric (GE) due to the complexity of the work and the proprietary equipment previously installed at the station. PNM requested GE evaluate the station and provide an estimate for the upgrade. This estimate and scope of work was then reviewed by an outside agency acting as the Owners Engineer. Based on the review and recommendation from the Owners Engineer, PNM awarded this work to GE. GE included all labor and material as part of their estimate. Internal support was used for engineering oversight, inspection, project management and substation crews to perform energization switching and checks. At the time of the estimate, the cost was based on 2% internal labor and 98% outside services.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65008515	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0		0	0	0	10,000	50,000	10,000	10,000	10,000	0	90,000
120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0		0	0	0	0	40,000	10,000	10,000	10,000	0	70,000
370-Outside Services	0		0	0	0	0	2,000,000	1,300,000	1,500,000	65,000	0	4,865,000
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0		0	0	0	700	3,500	700	700	700	0	6,300
914-Pension and Benefits Load	0		0	0	0	2,232	11,160	2,232	2,232	2,232	0	20,088
915-Injuries and Damages Load	0		0	0	0	673	3,365	673	673	673	0	6,057
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0		0	0	0	0	1,868	467	467	467	0	3,269
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		0	0	0	408	63,241	39,708	45,708	2,658	0	151,723
926-A and G Loads	0		0	0	0	832	173,888	109,824	126,464	7,072	0	418,080
928-AFUDC Debt Reg	0		0	0	0	19	3,062	8,004	12,138	14,527	14,745	52,496
929-AFUDC - Equity Regular	0		0	0	0	27	4,372	11,428	17,331	20,742	21,053	74,954
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	0		0	0	0	14,892	2,354,457	1,493,037	1,725,714	134,071	35,798	5,757,967
825-Clearings	0		0	0	0	0	0	0	0	0	-2,878,984	-2,878,984
Clr Sum	0		0	0	0	0	0	0	0	0	-2,878,984	-2,878,984
Proj Net	0		0	0	0	14,892	2,354,457	1,493,037	1,725,714	134,071	-2,843,186	2,878,984

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65008515	Year	2016												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	90,000	0	0	0	0	0	0	0	0	0	0	0	0	90,000	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	70,000	0	0	0	0	0	0	0	0	0	0	0	0	70,000	
370-Outside Services	4,865,000	0	0	0	0	0	0	0	0	0	0	0	0	4,865,000	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	6,300	0	0	0	0	0	0	0	0	0	0	0	0	6,300	
914-Pension and Benefits Load	20,088	0	0	0	0	0	0	0	0	0	0	0	0	20,088	
915-Injuries and Damages Load	6,057	0	0	0	0	0	0	0	0	0	0	0	0	6,057	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	3,269	0	0	0	0	0	0	0	0	0	0	0	0	3,269	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	151,723	0	0	0	0	0	0	0	0	0	0	0	0	151,723	
926-A and G Loads	418,080	0	0	0	0	0	0	0	0	0	0	0	0	418,080	
928-AFUDC Debt Reg	52,496	5,038	0	0	0	0	0	0	0	0	0	0	0	57,534	
929-AFUDC - Equity Regular	74,954	0	0	0	0	0	0	0	0	0	0	0	0	74,954	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,757,967	5,038	0	0	0	0	0	0	0	0	0	0	0	5,763,005	
825-Clearings	-2,878,984	-2,884,022	0	0	0	0	0	0	0	0	0	0	0	-5,763,006	
Clr Sum	-2,878,984	-2,884,022	0	0	0	0	0	0	0	0	0	0	0	-5,763,006	
Proj Net	2,878,984	-2,878,984	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65008515	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	90,000	0	0	0	0	0	0	0	0	0	0	0	0	90,000	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	70,000	0	0	0	0	0	0	0	0	0	0	0	0	70,000	
370-Outside Services	4,865,000	0	0	0	0	0	0	0	0	0	0	0	0	4,865,000	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	6,300	0	0	0	0	0	0	0	0	0	0	0	0	6,300	
914-Pension and Benefits Load	20,088	0	0	0	0	0	0	0	0	0	0	0	0	20,088	
915-Injuries and Damages Load	6,057	0	0	0	0	0	0	0	0	0	0	0	0	6,057	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	3,269	0	0	0	0	0	0	0	0	0	0	0	0	3,269	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	151,723	0	0	0	0	0	0	0	0	0	0	0	0	151,723	
926-A and G Loads	418,080	0	0	0	0	0	0	0	0	0	0	0	0	418,080	
928-AFUDC Debt Reg	57,534	0	0	0	0	0	0	0	0	0	0	0	0	57,534	
929-AFUDC - Equity Regular	74,954	0	0	0	0	0	0	0	0	0	0	0	0	74,954	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,763,005	0	0	0	0	0	0	0	0	0	0	0	0	5,763,005	
825-Clearings	-5,763,006	0	0	0	0	0	0	0	0	0	0	0	0	-5,763,006	
Clr Sum	-5,763,006	0	0	0	0	0	0	0	0	0	0	0	0	-5,763,006	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65008614 Northern Microwave Comm Upgrade

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 11/10/2014 Estimated Completion Date 12/31/2015

List Interim In-Service Dates

Each WO is closed as completed, with an estimated 4 clearings per year.

Project Need Justification

This project is an improvement authorization for overall capital replacement and betterment on the microwave system which provides transmission system communications for Northern New Mexico. This is an overall program to replace the legacy system with newer technology. The legacy platform was no longer supported by the manufacturer and spares are no longer available.

Project Alternatives

Continue to operate on the legacy microwave radio system and risk a failure requiring equipment or technical support that is no longer available. Loss of communications can adversely affect visibility of system conditions and result in inability to operate the system reliably. Loss of system communications could result in load shedding. The type of communications platform used at each location is considered on a case by case basis, depending connectivity available. Where possible, fiber optic technologies were used. In many cases microwave technologies were chosen as the most cost effective alternative.

Technical Aspects

Technical aspects are considered on a task by task basis, but might include improved communication network reliability, NERC requirements and the inclusion of new technologies into the communication platform.

Some examples of included projects:

- PNM upgraded the legacy NEC2600 platform on the Northeastern Corridor with new Ipasolink radio system, which included self-healing ring technology.
- PNM upgraded the legacy 2600 radio platform in the Northern NM system (Santa Fe, Las Vegas etc.) to both Ipasolink and Fujitsu platform, which replaced a single threaded communications platform with self-healing ring technology. This project also enabled us to meet new WECC requirements.

Project Estimate Approach

Cost estimates are prepared on a per task basis. Estimates typically include major equipment prices from vendor provided quotations, and minor material and construction costs from previous similar work or competitive bids. Actual performance of field work will be based on staff availability at the time of

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

construction. The total cost of the Northern Project was determined by reviewing the most appropriate technology for each communications location, getting appropriate vendor estimates for hardware and contract estimates for fiber/antenna work and adding internal resource cost for installation by PNM personnel.

Approximately 60% of the project was material, 10% of the project was contract from Collins Generator for Antenna/Waveguide installations , and Micronet frequency coordination and FCC licensing, and 20% of the project was in house labor for design, radio installation, and communications traffic cutover.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65008614	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	67,021	1,500	1,500	1,500	0	0	0	0	0	0	71,521	
120-Overtime-General	11,642	0	0	0	0	0	0	0	0	0	11,642	
350-Material Issues-Major	595,089	0	0	0	0	0	0	0	0	0	595,089	
370-Outside Services	30,826	2,000	2,000	2,000	0	0	0	0	0	0	36,826	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	11,607	0	0	0	0	0	0	0	0	0	11,607	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,078	105	105	105	0	0	0	0	0	0	5,393	
914-Pension and Benefits Load	19,612	335	335	335	0	0	0	0	0	0	20,617	
915-Injuries and Damages Load	5,171	101	101	101	0	0	0	0	0	0	5,473	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	4,016	0	0	0	0	0	0	0	0	0	4,016	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	21,931	121	121	121	0	0	0	0	0	0	22,294	
926-A and G Loads	59,270	291	291	291	0	0	0	0	0	0	60,144	
928-AFUDC Debt Reg	12,468	2,227	2,252	2,278	2,298	0	0	0	0	0	21,523	
929-AFUDC - Equity Regular	18,256	3,180	3,216	3,252	3,281	0	0	0	0	0	31,185	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	861,987	9,860	9,921	9,984	5,579	0	0	0	0	0	897,330	
825-Clearings	0	0	0	0	-897,330	0	0	0	0	0	-897,330	
Clr Sum	0	0	0	0	-897,330	0	0	0	0	0	-897,330	
Proj Net	861,987	9,860	9,921	9,984	-891,751	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65008614	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	71,521	0	0	0	0	0	0	0	0	0	0	0	0	71,521	
120-Overtime-General	11,642	0	0	0	0	0	0	0	0	0	0	0	0	11,642	
350-Material Issues-Major	595,089	0	0	0	0	0	0	0	0	0	0	0	0	595,089	
370-Outside Services	36,826	0	0	0	0	0	0	0	0	0	0	0	0	36,826	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	11,607	0	0	0	0	0	0	0	0	0	0	0	0	11,607	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,393	0	0	0	0	0	0	0	0	0	0	0	0	5,393	
914-Pension and Benefits Load	20,617	0	0	0	0	0	0	0	0	0	0	0	0	20,617	
915-Injuries and Damages Load	5,473	0	0	0	0	0	0	0	0	0	0	0	0	5,473	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	4,016	0	0	0	0	0	0	0	0	0	0	0	0	4,016	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	22,294	0	0	0	0	0	0	0	0	0	0	0	0	22,294	
926-A and G Loads	60,144	0	0	0	0	0	0	0	0	0	0	0	0	60,144	
928-AFUDC Debt Reg	21,523	0	0	0	0	0	0	0	0	0	0	0	0	21,523	
929-AFUDC - Equity Regular	31,185	0	0	0	0	0	0	0	0	0	0	0	0	31,185	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	897,330	0	0	0	0	0	0	0	0	0	0	0	0	897,330	
825-Clearings	-897,330	0	0	0	0	0	0	0	0	0	0	0	0	-897,330	
Clr Sum	-897,330	0	0	0	0	0	0	0	0	0	0	0	0	-897,330	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65008614	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	71,521	0	0	0	0	0	0	0	0	0	0	0	0	71,521	
120-Overtime-General	11,642	0	0	0	0	0	0	0	0	0	0	0	0	11,642	
350-Material Issues-Major	595,089	0	0	0	0	0	0	0	0	0	0	0	0	595,089	
370-Outside Services	36,826	0	0	0	0	0	0	0	0	0	0	0	0	36,826	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	11,607	0	0	0	0	0	0	0	0	0	0	0	0	11,607	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	5,393	0	0	0	0	0	0	0	0	0	0	0	0	5,393	
914-Pension and Benefits Load	20,617	0	0	0	0	0	0	0	0	0	0	0	0	20,617	
915-Injuries and Damages Load	5,473	0	0	0	0	0	0	0	0	0	0	0	0	5,473	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	4,016	0	0	0	0	0	0	0	0	0	0	0	0	4,016	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	22,294	0	0	0	0	0	0	0	0	0	0	0	0	22,294	
926-A and G Loads	60,144	0	0	0	0	0	0	0	0	0	0	0	0	60,144	
928-AFUDC Debt Reg	21,523	0	0	0	0	0	0	0	0	0	0	0	0	21,523	
929-AFUDC - Equity Regular	31,185	0	0	0	0	0	0	0	0	0	0	0	0	31,185	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	897,330	0	0	0	0	0	0	0	0	0	0	0	0	897,330	
825-Clearings	-897,330	0	0	0	0	0	0	0	0	0	0	0	0	-897,330	
Clr Sum	-897,330	0	0	0	0	0	0	0	0	0	0	0	0	-897,330	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 65009012 Rio Puerco 345kV Station Expansion

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 1/15/2015 Estimated Completion Date 6/1/2016

List Interim In-Service Dates

n/a

Project Need Justification

To eliminate a potential transformer overload, this project will tie the San Juan-BA 345 kV line into the Rio Puerco station providing an additional Rio Puerco-BA circuit as outlet capacity from BA station under contingencies of the existing Rio Puerco-BA line. Technical studies demonstrate that without this project PNM will be in violation of NERC Transmission Planning compliance standards (TPL). Non-compliance with NERC standards could subject PNM to fines that can range from a few thousand dollars to several hundred thousand dollars for each day PNM remains in violation. This fine could be adjusted upward to a maximum of one million dollars a day per violation depending on the degree of the violations, number of time of occurrence and other factors of the violation.

The requested funds will be allocated toward the purchase of equipment and contract labor.

Project Alternatives

Construction of one or more new transmission lines is a technically feasible solution but would be difficult to attain permits due to the necessary acquisition of new right-of-way which is subject to federal, state, and local load use regulations. A new line alternative would incur much higher construction costs due to the need for new or expanded switching stations at each end of the line and a minimum of 25 miles of 345 kV construction which exceeds \$1,000,000/mile. The estimated cost for this alternative is expected to exceed \$40 million or twice the cost of the chosen alternative.

Technical Aspects

The loss of the Rio Puerco-BA 345 kV line will overload the BA 345/115 kV transformer under heavy load condition and high power injection from San Juan and the line between BA and Blackwater. This overload is aggravated by the existing wind farms (Taiban Mesa and Aragonne Mesa) interconnected to the BA-Blackwater 345 kV line. When the Rio Puerco-BA line is out of service, only the BA and Norton 345/115 kV transformers provide outlet capability for the power flowing into BA from the east and from San Juan. The San Juan-BA 345 kV line will tie into the Rio Puerco station providing an additional Rio Puerco-BA circuit as outlet capacity from BA station under contingencies of the existing Rio Puerco-BA line.

New equipment installed at the station will include 345kV reactors, circuit breakers, hand operated switches, motor operated devices, batteries, a control house, a relaying capacitor voltage transformer, a relaying coupling capacitor voltage transformer, a heating ventilation and air conditioning unit, line traps, dead end towers and support structures, surge arrestors, current transformers, wire, control cable conduit and relays.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like reactors and circuit breakers we contacted our alliance vendors (HICO, HVB or Siemens respectively) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature; for this project, past switching station work (Rio Puerco Phase 1) was referenced. The construction work, testing, construction management, and engineering design was performed with outside vendors accounting for 37% of the cost of the project. 45% of the project was toward the purchase of material and equipment. Engineering oversight, inspection services, project management and some testing were performed with internal labor which contributed toward 2% of the total cost of the project. 16% of the cost for this project were in loads and allowance for funds used during construction.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65009012	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	400,419	50,000	25,000	15,000	12,000	10,000	27,000	50,000	20,000	20,000	629,419	
120-Overtime-General	30,919	0	0	0	0	0	0	0	0	0	30,919	
350-Material Issues-Major	5,096,812	670,021	147,804	12,749	48,740	0	169,000	0	0	0	6,145,126	
370-Outside Services	9,070,937	1,164,066	2,292,738	1,592,023	-1,000,000	-1,000,000	-800,000	0	923,747	274,185	12,517,696	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	102,870	0	0	0	0	0	0	0	0	0	102,870	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	29,217	3,500	1,750	1,050	840	700	1,890	3,500	1,400	1,400	45,247	
914-Pension and Benefits Load	103,838	11,160	5,580	3,348	2,678	2,232	6,026	11,160	4,464	4,464	154,951	
915-Injuries and Damages Load	28,796	3,365	1,683	1,010	808	673	1,817	3,365	1,346	1,346	44,208	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	87,272	31,290	6,902	595	2,276	0	7,892	0	0	0	136,229	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	532,540	57,063	74,237	48,755	-28,048	-29,592	-17,828	2,041	28,529	9,042	676,738	
926-A and G Loads	603,668	78,378	102,567	67,383	-39,073	-41,184	-25,126	2,080	39,260	12,238	800,209	
928-AFUDC Debt Reg	310,121	46,037	52,415	58,412	59,734	57,458	55,644	55,274	57,026	44,437	796,558	
929-AFUDC - Equity Regular	433,725	65,732	74,839	83,402	85,289	82,039	79,449	78,921	81,422	63,448	1,128,267	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	16,831,155	2,180,612	2,785,515	1,883,727	-854,756	-917,675	-494,235	206,342	1,157,193	430,560	23,208,438	
825-Clearings	0	0	0	0	0	0	0	0	-5,694,469	0	-5,694,469	
Clr Sum	0	0	0	0	0	0	0	0	-5,694,469	0	-5,694,469	
Proj Net	16,831,155	2,180,612	2,785,515	1,883,727	-854,756	-917,675	-494,235	206,342	-4,537,276	430,560	17,513,968	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65009012	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	629,419	20,000	20,000	20,000	50,000	50,000	4,000	0	0	0	0	0	0	793,419	
120-Overtime-General	30,919	0	0	0	0	0	0	0	0	0	0	0	0	30,919	
350-Material Issues-Major	6,145,126	0	0	0	0	0	0	0	0	0	0	0	0	6,145,126	
370-Outside Services	12,517,696	175,000	175,000	175,000	175,000	100,000	0	0	0	0	0	0	0	13,317,696	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	102,870	0	0	0	0	0	0	0	0	0	0	0	0	102,870	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	45,247	1,400	1,400	1,400	3,500	3,500	280	0	0	0	0	0	0	56,727	
914-Pension and Benefits Load	154,951	4,464	4,464	4,464	11,160	11,160	893	0	0	0	0	0	0	191,556	
915-Injuries and Damages Load	44,208	1,346	1,346	1,346	3,365	3,365	269	0	0	0	0	0	0	55,245	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	136,229	0	0	0	0	0	0	0	0	0	0	0	0	136,229	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	676,738	6,066	6,066	6,066	7,291	5,041	163	0	0	0	0	0	0	707,431	
926-A and G Loads	800,209	8,112	8,112	8,112	9,360	6,240	166	0	0	0	0	0	0	840,311	
928-AFUDC Debt Reg	796,558	30,839	31,271	31,705	32,177	32,617	32,836	0	0	0	0	0	0	988,003	
929-AFUDC - Equity Regular	1,128,267	0	0	0	0	0	0	0	0	0	0	0	0	1,128,267	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	23,208,438	247,227	247,659	248,093	291,853	211,923	38,607	0	0	0	0	0	0	24,493,800	
825-Clearings	-5,694,469	0	0	0	0	0	-18,799,332	0	0	0	0	0	0	-24,493,801	
Clr Sum	-5,694,469	0	0	0	0	0	-18,799,332	0	0	0	0	0	0	-24,493,801	
Proj Net	17,513,968	247,227	247,659	248,093	291,853	211,923	-18,760,725	0	0	0	0	0	0	-2	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65009012	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	793,419	0	0	0	0	0	0	0	0	0	0	0	0	793,419	
120-Overtime-General	30,919	0	0	0	0	0	0	0	0	0	0	0	0	30,919	
350-Material Issues-Major	6,145,126	0	0	0	0	0	0	0	0	0	0	0	0	6,145,126	
370-Outside Services	13,317,696	0	0	0	0	0	0	0	0	0	0	0	0	13,317,696	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	102,870	0	0	0	0	0	0	0	0	0	0	0	0	102,870	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	56,727	0	0	0	0	0	0	0	0	0	0	0	0	56,727	
914-Pension and Benefits Load	191,556	0	0	0	0	0	0	0	0	0	0	0	0	191,556	
915-Injuries and Damages Load	55,245	0	0	0	0	0	0	0	0	0	0	0	0	55,245	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	136,229	0	0	0	0	0	0	0	0	0	0	0	0	136,229	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	707,431	0	0	0	0	0	0	0	0	0	0	0	0	707,431	
926-A and G Loads	840,311	0	0	0	0	0	0	0	0	0	0	0	0	840,311	
928-AFUDC Debt Reg	988,003	0	0	0	0	0	0	0	0	0	0	0	0	988,003	
929-AFUDC - Equity Regular	1,128,267	0	0	0	0	0	0	0	0	0	0	0	0	1,128,267	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	24,493,800	0	0	0	0	0	0	0	0	0	0	0	0	24,493,800	
825-Clearings	-24,493,801	0	0	0	0	0	0	0	0	0	0	0	0	-24,493,801	
Clr Sum	-24,493,801	0	0	0	0	0	0	0	0	0	0	0	0	-24,493,801	
Proj Net	-2	0	0	0	0	0	0	0	0	0	0	0	0	-2	

Project No: 65009013 Richmond Switching Station

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 9/23/2015 Estimated Completion Date 12/31/2015

List Interim In-Service Dates

Project Need Justification

Recent technical studies indicate that load growth will cause overloads on parts of the Albuquerque transmission system. To mitigate this particular issue, a switching station will be constructed to allow the reconfiguring of the existing system to create a line from North to Sandia. Technical studies demonstrate that without this project PNM will be in violation of NERC Transmission Planning compliance standards (TPL). Non-compliance with NERC standards could subject PNM to fines that can range from a few thousand dollars to several hundred thousand dollars for each day PNM remains in violation. This fine could be adjusted upward to a maximum of one million dollars a day per violation depending on the degree of the violations, number of time of occurrence and other factors of the violation.

The requested funds will be allocated toward the purchase of the land for the station site, material to include breakers, switches, steel, and control house and other equipment to complete and energize the installation.

Project Alternatives

Transmission Planning examined the possibility of upgrading several Albuquerque 115 kV lines. The cost of this alternative is \$12.8 million.

Transmission Planning examined the possibility of building a line between North and Sandia 115 kV stations by reconfiguring the existing system and constructing a new portion of line between Montano and North which will require new ROW. The cost of this alternative is \$16.4 million.

Technical Aspects

The recent technical studies of the Albuquerque transmission system have shown that load growth will cause overloads on the Albuquerque 115 kV transmission system following a loss of the 345 kV source to Sandia. These overloads are a violation of NERC standard TPL-002. Transmission Planning has determined that the most cost effective mitigation of the overload will be to create a direct path between North and Sandia 115 kV stations by building a new 115 kV station on the CG 115 kV line and reconfiguring the existing system to create a line from North to Sandia.

This project will include the installation of breakers, control house, hand operated switches, motor operated switches, station bus, wire, insulators, structures, fiber, relays, conductor and controls wire.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. A market value analysis is conducted to determine the land costs. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like circuit breakers, we contacted our alliance vendors (HVB or Siemens) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature, for this project past switching stations (Britton and Rio Puerco) were referenced. All overhead costs are standard and calculated using the approved corporate software. Labor contributed to 2% of the estimate, material was 11% of the total estimate, 47% was outside services which included, engineering, construction, testing and commissioning, and the final 40% included right-of-way costs, land purchase, environmental, permitting, company loads and allowance for funds used during construction.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65009013	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	119,225	7,500	7,500	11,200	11,200	11,200	11,200	11,200	11,200	11,200	212,625	
120-Overtime-General	108	0	0	0	0	0	0	0	0	0	108	
350-Material Issues-Major	916,689	126,314	52,463	0	0	0	0	0	0	0	1,095,466	
370-Outside Services	430,770	84,452	87,477	90,879	91,345	212,243	236,016	505,915	345,300	505,852	2,590,249	
374-Outside Svcs Legal	1,083	0	0	0	0	0	0	0	0	0	1,083	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	5,892	0	0	100	0	0	100	0	0	0	6,092	
805-Land and Land Rights	2,929,009	0	0	0	0	0	0	0	0	0	2,929,009	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	7,984	525	525	784	784	784	784	784	784	784	14,522	
914-Pension and Benefits Load	29,888	1,674	1,674	2,500	2,500	2,500	2,500	2,500	2,500	2,500	50,735	
915-Injuries and Damages Load	8,006	505	505	754	754	754	754	754	754	754	14,292	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	8,615	5,899	2,450	0	0	0	0	0	0	0	16,964	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	40,142	6,629	4,504	3,186	3,197	6,824	7,541	15,635	10,816	15,633	114,108	
926-A and G Loads	185,902	9,080	6,134	4,251	4,266	9,295	10,288	21,512	14,830	21,509	287,068	
928-AFUDC Debt Reg	10,963	5,252	5,807	6,200	6,533	7,034	7,739	8,854	10,126	11,406	79,914	
929-AFUDC - Equity Regular	16,049	7,498	8,292	8,853	9,327	10,044	11,050	12,641	14,458	16,286	114,498	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,710,326	255,328	177,331	128,707	129,906	260,678	287,971	579,794	410,768	585,923	7,526,732	
825-Clearings	-2,793,585	0	0	0	0	0	0	0	0	0	-2,793,585	
Clr Sum	-2,793,585	0	0	0	0	0	0	0	0	0	-2,793,585	
Proj Net	1,916,741	255,328	177,331	128,707	129,906	260,678	287,971	579,794	410,768	585,923	4,733,147	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65009013	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	212,625	11,200	11,700	11,700	11,200	11,700	15,000	25,000	25,000	25,000	20,000	10,000	5,000	395,125	
120-Overtime-General	108	0	0	0	0	0	0	0	0	0	0	0	0	108	
350-Material Issues-Major	1,095,466	75,000	95,000	121,717	235,931	0	100,000	0	0	0	0	0	0	1,723,114	
370-Outside Services	2,590,249	48,750	48,750	48,750	48,750	48,750	48,750	48,750	48,750	48,750	48,750	48,750	48,750	3,175,249	
374-Outside Svcs Legal	1,083	0	0	0	0	0	0	0	0	0	0	0	0	1,083	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	6,092	0	0	0	0	0	0	0	0	0	0	0	0	6,092	
805-Land and Land Rights	2,929,009	0	0	0	0	0	0	0	0	0	0	0	0	2,929,009	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	14,522	784	819	819	784	819	1,050	1,750	1,750	1,750	1,400	700	350	27,297	
914-Pension and Benefits Load	50,735	2,500	2,611	2,611	2,500	2,611	3,348	5,580	5,580	5,580	4,464	2,232	1,116	91,468	
915-Injuries and Damages Load	14,292	754	787	787	754	787	1,010	1,683	1,683	1,683	1,346	673	337	26,576	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	16,964	3,503	4,437	5,684	11,018	0	4,670	0	0	0	0	0	0	46,276	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	114,108	4,170	4,790	5,592	8,998	1,940	5,075	2,483	2,483	2,483	2,279	1,871	1,667	157,939	
926-A and G Loads	287,068	5,614	6,467	7,578	12,309	2,515	6,812	3,068	3,068	3,068	2,860	2,444	2,236	345,107	
928-AFUDC Debt Reg	79,914	8,416	8,718	9,066	9,552	9,920	10,160	10,418	10,591	10,764	10,931	11,079	11,209	200,738	
929-AFUDC - Equity Regular	114,498	0	0	0	0	0	0	0	0	0	0	0	0	114,498	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	7,526,732	160,691	184,079	214,304	341,796	79,042	195,875	98,732	98,905	99,078	92,030	77,749	70,665	9,239,678	
825-Clearings	-2,793,585	0	0	0	0	0	0	0	0	0	0	0	-6,446,087	-9,239,672	
Clr Sum	-2,793,585	0	0	0	0	0	0	0	0	0	0	0	-6,446,087	-9,239,672	
Proj Net	4,733,147	160,691	184,079	214,304	341,796	79,042	195,875	98,732	98,905	99,078	92,030	77,749	-6,375,422	6	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65009013	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	395,125	11,200	11,200	0	0	0	0	0	0	0	0	0	0	417,525	
120-Overtime-General	108	0	0	0	0	0	0	0	0	0	0	0	0	108	
350-Material Issues-Major	1,723,114	0	0	0	0	0	0	0	0	0	0	0	0	1,723,114	
370-Outside Services	3,175,249	280,000	330,000	0	0	0	0	0	0	0	0	0	0	3,785,249	
374-Outside Svcs Legal	1,083	0	0	0	0	0	0	0	0	0	0	0	0	1,083	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	6,092	0	0	0	0	0	0	0	0	0	0	0	0	6,092	
805-Land and Land Rights	2,929,009	0	0	0	0	0	0	0	0	0	0	0	0	2,929,009	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	27,297	784	784	0	0	0	0	0	0	0	0	0	0	28,865	
914-Pension and Benefits Load	91,468	2,500	2,500	0	0	0	0	0	0	0	0	0	0	96,468	
915-Injuries and Damages Load	26,576	754	754	0	0	0	0	0	0	0	0	0	0	28,084	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	46,276	0	0	0	0	0	0	0	0	0	0	0	0	46,276	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	157,939	8,857	10,357	0	0	0	0	0	0	0	0	0	0	177,153	
926-A and G Loads	345,107	12,114	14,194	0	0	0	0	0	0	0	0	0	0	371,415	
928-AFUDC Debt Reg	200,738	501	1,589	0	0	0	0	0	0	0	0	0	0	202,828	
929-AFUDC - Equity Regular	114,498	296	941	0	0	0	0	0	0	0	0	0	0	115,735	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	9,239,678	317,006	372,319	0	0	0	0	0	0	0	0	0	0	9,929,003	
825-Clearings	-9,239,672	0	0	0	0	0	0	0	0	0	0	0	0	-9,239,672	
Clr Sum	-9,239,672	0	0	0	0	0	0	0	0	0	0	0	0	-9,239,672	
Proj Net	6	317,006	372,319	0	0	0	0	0	0	0	0	0	0	689,331	

Project No: 65009014 Second 345/115 KV Transformer at Yah-Ta-Hey

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 5/1/2015 Estimated Completion Date 12/31/2016

List Interim In-Service Dates

Project Need Justification

The Yah-Ta-Hey 345/115 kV transformer serves as a major bulk power interconnection for the northwestern New Mexico 115 kV system. The northwestern New Mexico load area includes NTUA, City of Gallup and the Tristate Generation and Transmission Association, Inc. (TSGT) member cooperative loads serving numerous communities including Gallup and Grants.

Technical studies identify overloads of the Yah-Ta-Hey 345/115 kV transformer for outages of major 345 kV and 230 kV transmission facilities and unacceptable voltage levels in the Gallup area when the existing transformer is out of service. Outages of the Yah-Ta-Hey 345/115 kV transformer also significantly reduce PNM's import capability into northern New Mexico and would substantially increase the need for gas-fired generation utilized in the Albuquerque area.

Without this project PNM will be in violation of NERC Transmission Planning compliance standards (TPL).

Project Alternatives

There are two options to most directly address this know issue:

- 1) Replacing the existing transformer with a larger unit would address the overload issues, but fails to mitigate voltage performance issues, especially under Yah-Ta-Hey transformer maintenance and outage situations.
- 2) Install a second transformer to address both the overload and voltage performance issues.

Technical Aspects

PNM will install a second 345/115 kV transformer in the Yah-Ta-Hey 115 kV Switching Station and facilitate completion of associated station work in the Yah-Ta-Hey and McKinley switchyards. Tucson Electric Power Company (TEP) will be responsible to complete all necessary improvements for the new 345 kV bay position at the McKinley 345 kV Switching Station which requires installation of a new 345 kV breaker.

PNM will rebuild the existing Yah-Ta-Hey 115 kV ring bus. The existing station was designed with a 2000 ampere bus which is below the 2600 ampere output capacity from the 345 kV source with the second transformer addition. The second transformer addition will also increase short-circuit duty at the Yah-Ta-Hey 115 kV station beyond the capability of the six existing breakers requiring that the breakers be replaced. The increase short-circuit rating also exceeds the rating of the existing 115 kV bus. A complete rebuild of the bus along with replacement of the breakers would involve a series of outages while individual components are replaced and the remaining facility remained energized. This would be time consuming as the work would need to be

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

performed in close proximity to energized equipment. As a result, the 115 kV ring bus will be rebuilt adjacent to the existing ring bus within the existing fenced Yah-Ta-Hey property. This will allow the existing station to remain energized during construction eliminating safety and outage concerns.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Due to the complexity of the project, PNM engaged a consultant to prepare a draft layout and construction cost estimate. The 345/115kV autotransformer was competitively bid. For major equipment like circuit breakers we contacted our alliance vendors (HVB or Siemens) and requested information regarding the costs and schedules of these major items. All overhead costs are standard and calculated using the approved corporate software.

TEP provided an estimated cost for the interconnection facilities at McKinley which were reviewed and agreed to by PNM.

Internal labor accounts for 5%, material accounts for 15%, contract services accounts for 65%, and overhead costs account for 15% of the total cost.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65009014	Year	2015								Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	48,373	4,000	4,000	4,000	4,000	1,780	4,780	9,780	9,780	4,780	95,274
120-Overtime-General	342	0	0	0	0	0	0	0	0	0	342
350-Material Issues-Major	107,756	0	0	16,000	66,000	474,845	356,618	458,618	460,568	528,736	2,469,141
370-Outside Services	3,064,623	30,000	0	150,000	80,000	277,505	429,395	1,384,196	1,782,578	637,739	7,836,036
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	101,303	0	0	0	0	0	0	0	0	0	101,303
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	3,248	280	280	280	280	125	335	685	685	335	6,531
914-Pension and Benefits Load	12,133	893	893	893	893	397	1,067	2,183	2,183	1,067	22,601
915-Injuries and Damages Load	3,236	269	269	269	269	120	322	658	658	322	6,393
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	21,268	0	0	747	3,082	22,175	16,654	21,417	21,509	24,692	131,544
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	33,724	1,063	163	5,143	4,543	22,643	23,775	55,684	67,694	35,189	249,622
926-A and G Loads	134,917	1,414	166	7,072	6,240	31,372	32,897	77,068	93,722	48,724	433,592
928-AFUDC Debt Reg	38,269	9,389	9,504	9,808	10,320	11,669	13,928	17,721	23,564	28,506	172,679
929-AFUDC - Equity Regular	55,438	13,406	13,570	14,005	14,736	16,661	19,886	25,302	33,646	40,701	247,350
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,624,631	60,714	28,846	208,218	190,363	859,291	899,657	2,053,311	2,496,586	1,350,791	11,772,408
825-Clearings	0	0	0	0	0	0	0	0	0	0	0
Clr Sum	0	0	0	0	0	0	0	0	0	0	0
Proj Net	3,624,631	60,714	28,846	208,218	190,363	859,291	899,657	2,053,311	2,496,586	1,350,791	11,772,408

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65009014	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	95,274	181,480	181,480	180,480	180,480	180,480	180,480	180,480	180,480	191,480	191,480	191,480	165,480	2,281,034	
120-Overtime-General	342	0	0	0	0	0	0	0	0	0	0	0	0	342	
350-Material Issues-Major	2,469,141	236,946	198,005	333,428	265,132	18,618	63,070	18,618	18,618	18,418	18,618	18,618	0	3,677,230	
370-Outside Services	7,836,036	100,000	160,000	361,615	150,000	200,000	200,000	200,000	350,000	250,000	250,000	160,000	0	10,217,651	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	101,303	0	0	0	0	0	0	0	0	0	0	0	0	101,303	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	6,531	12,704	12,704	12,634	12,634	12,634	12,634	12,634	12,634	13,404	13,404	13,404	11,584	159,539	
914-Pension and Benefits Load	22,601	40,506	40,506	40,283	40,283	40,283	40,283	40,283	40,283	42,738	42,738	42,738	36,935	510,460	
915-Injuries and Damages Load	6,393	12,214	12,214	12,146	12,146	12,146	12,146	12,146	12,146	12,887	12,887	12,887	11,137	153,495	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	131,544	11,065	9,247	15,571	12,382	869	2,945	869	869	860	869	869	0	187,959	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	249,622	17,515	18,147	28,218	19,820	13,925	15,258	13,925	18,425	15,868	15,874	13,174	6,754	446,525	
926-A and G Loads	433,592	21,567	22,443	36,422	24,777	16,602	18,452	16,602	22,842	19,132	19,140	15,396	6,884	673,851	
928-AFUDC Debt Reg	172,679	21,156	22,321	23,826	13,009	14,093	15,028	15,965	17,001	18,099	19,120	20,057	20,711	393,065	
929-AFUDC - Equity Regular	247,350	0	0	0	0	0	0	0	0	0	0	0	0	247,350	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	11,772,408	655,153	677,067	1,044,623	730,663	509,650	560,296	511,522	673,298	582,886	584,130	488,623	259,485	19,049,804	
825-Clearings	0	0	0	-7,074,625	0	0	0	0	0	0	0	0	-11,975,177	-19,049,802	
Clr Sum	0	0	0	-7,074,625	0	0	0	0	0	0	0	0	-11,975,177	-19,049,802	
Proj Net	11,772,408	655,153	677,067	-6,030,002	730,663	509,650	560,296	511,522	673,298	582,886	584,130	488,623	-11,715,692	2	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65009014	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	2,281,034	0	0	0	0	0	0	0	0	0	0	0	0	2,281,034	
120-Overtime-General	342	0	0	0	0	0	0	0	0	0	0	0	0	342	
350-Material Issues-Major	3,677,230	0	0	0	0	0	0	0	0	0	0	0	0	3,677,230	
370-Outside Services	10,217,651	0	0	0	0	0	0	0	0	0	0	0	0	10,217,651	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	101,303	0	0	0	0	0	0	0	0	0	0	0	0	101,303	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	159,539	0	0	0	0	0	0	0	0	0	0	0	0	159,539	
914-Pension and Benefits Load	510,460	0	0	0	0	0	0	0	0	0	0	0	0	510,460	
915-Injuries and Damages Load	153,495	0	0	0	0	0	0	0	0	0	0	0	0	153,495	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	187,959	0	0	0	0	0	0	0	0	0	0	0	0	187,959	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	446,525	0	0	0	0	0	0	0	0	0	0	0	0	446,525	
926-A and G Loads	673,851	0	0	0	0	0	0	0	0	0	0	0	0	673,851	
928-AFUDC Debt Reg	393,065	0	0	0	0	0	0	0	0	0	0	0	0	393,065	
929-AFUDC - Equity Regular	247,350	0	0	0	0	0	0	0	0	0	0	0	0	247,350	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	19,049,804	0	0	0	0	0	0	0	0	0	0	0	0	19,049,804	
825-Clearings	-19,049,802	0	0	0	0	0	0	0	0	0	0	0	0	-19,049,802	
Clr Sum	-19,049,802	0	0	0	0	0	0	0	0	0	0	0	0	-19,049,802	
Proj Net	2	0	0	0	0	0	0	0	0	0	0	0	0	2	

Project No: 65009214 Sandia 345/115kV Spare Transformer

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 9/14/2015 Estimated Completion Date 1/31/2017

List Interim In-Service Dates
none

Project Need Justification

This project will improve reliability. Several 345/115 kV transformers on the PNM system are over 30 years old. Both the original West Mesa and Sandia transformers have had some tap change problems and the loss of either of these transformers would put the system at a reliability risk for several months. There is always the possibility that catastrophic failure of a transformer could damage adjacent equipment and further exasperate the contingency condition. While the transformers are well maintained, there is never certainty on the health of the units.

Project Alternatives

The alternative would be to continue with current equipment and no spares, which poses a reliability risk until a replacement could be purchases, delivered, and installed, approximately 18 to 24 months.

Technical Aspects

Each location on PNM's transmission system presents its own unique issues for a failure of a bulk transformer. However, these are some general concerns that would apply to most locations:



--In most locations, PNM would anticipate the need to operate load-side generating resources out of economic order for an extended period of time while a replacement transfer is ordered, delivered and installed. If a spare transformer is available, the period for operating such generation would be significantly reduced.

--If the failure is in a location remote from any generation on the load-side of the autotransformer, PNM and nay third-party users of PNM's transmission can be directed to curtail or trip load to meeting operating performance criteria.

--With a transformer out of service, the outage of an additional transformer or transmission line would leave the system with insufficient capacity to serve peak demand requiring substantial additional commitment of load-side resources out of economic order and load curtailments over peak hours.

As part of the Edison Electric Institute ("EEI"), a group of transmission owners have signed an agreement to establish the Spare Transformer Equipment Program ("STEP"). PNM participate in this program for the 345/115 kV autotransformer class. STEP is a coordinated, industry-wide effort to assure that spare

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transformer capacity can be made available, if needed, to participating utilities following a triggering event of one of more coordinated acts of deliberate terrorism, as defined in the Homeland Securities Act, resulting in both the destruction or long-term disabling of electric transmission station(s) and a declaration of a state of emergency by the President pursuant to the Nation Emergencies Act. For a triggering event, the STEP participating utility can request from other STEP utilities their spare transformer(s) after taking all action necessary to use all its spare transformer first. The STEP participation commits PNM to maintain adequate spare transformer capacity based on a defined industry-wide worst case scenario and specifies related to each participating utility's size, existing transformer capacity, and PNM's needs.

This spare transformer will be used to meet the requirements of PNM's obligation under the STEP program as well as provide needed support to the PNM system.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like transformers and circuit breakers we contacted our alliance vendors (SPX/Waukesha, HVB or Siemens respectively) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature, for this project past Switching Stations (Ojo and Rio Puerco) were referenced. The estimate for this project was broken down by the following percentages. Internal labor including engineering, Project Management, Construction Management and station crews contribute to 4% of the project spend. Station material and equipment are 64% of the project total with 16% for installation of this material and station construction. Company loads and allowance for funds used during construction contribute to the final 16% of the spend.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65009214	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	5,045		6,800	7,800	7,800	14,800	14,800	14,800	25,000	13,000	13,000	122,845
120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
370-Outside Services	1,269,942		0	634,971	0	0	0	136,000	1,113,956	70,000	10,000	3,234,869
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	999		0	0	0	5,000	0	0	0	0	0	5,999
805-Land and Land Rights	0		0	0	0	5,000	0	0	0	0	0	5,000
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	350		476	546	546	1,036	1,036	1,036	1,750	910	910	8,596
914-Pension and Benefits Load	1,246		1,518	1,741	1,741	3,303	3,303	3,303	5,580	2,902	2,902	27,539
915-Injuries and Damages Load	340		458	525	525	996	996	996	1,683	875	875	8,268
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	8,526		0	0	0	0	0	0	0	0	0	8,526
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
925-E and S Loads	6,419		278	19,367	318	754	604	4,684	34,439	2,631	831	70,325
926-A and G Loads	53,077		283	26,739	324	1,032	616	6,273	47,381	3,453	957	140,134
928-AFUDC Debt Reg	19,655		3,606	4,532	5,466	5,556	5,559	5,937	7,774	9,528	9,747	77,460
929-AFUDC - Equity Regular	28,708		5,148	6,471	7,804	7,933	8,080	8,478	11,100	13,605	13,916	111,242
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	1,394,306		18,565	702,692	24,525	45,410	35,095	181,508	1,248,663	116,903	53,137	3,820,803
825-Clearings	0		0	0	0	0	0	0	0	0	0	0
Clr Sum	0		0	0	0	0	0	0	0	0	0	0
Proj Net	1,394,306		18,565	702,692	24,525	45,410	35,095	181,508	1,248,663	116,903	53,137	3,820,803

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65009214	Year 2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	122,845	4,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	185,445
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000
370-Outside Services	3,234,869	424,654	52,000	10,000	30,000	30,000	30,000	30,000	30,000	10,000	0	0	0	3,881,523
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	5,999	0	100	100	100	100	100	100	100	100	100	100	100	7,099
805-Land and Land Rights	5,000	0	0	0	0	0	0	0	0	0	0	0	0	5,000
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	8,596	301	371	371	371	371	371	371	371	371	371	371	371	12,978
914-Pension and Benefits Load	27,539	960	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	41,512
915-Injuries and Damages Load	8,268	289	357	357	357	357	357	357	357	357	357	357	357	12,484
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	8,526	934	0	0	0	0	0	0	0	0	0	0	0	9,460
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	70,325	13,515	1,779	519	1,119	1,119	1,119	1,119	1,119	519	219	219	219	92,909
926-A and G Loads	140,134	18,676	2,388	641	1,473	1,473	1,473	1,473	1,473	641	225	225	225	170,520
928-AFUDC Debt Reg	77,460	7,110	7,601	16	67	137	207	277	348	399	423	437	452	94,934
929-AFUDC - Equity Regular	111,242	0	0	0	0	0	0	0	0	0	0	0	0	111,242
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,820,803	490,739	71,079	18,487	39,970	40,040	40,110	40,180	40,251	18,870	8,178	8,192	8,207	4,645,106
825-Clearings	0	0	-4,382,621	0	0	0	0	0	0	0	0	0	0	-4,382,621
Clr Sum	0	0	-4,382,621	0	0	0	0	0	0	0	0	0	0	-4,382,621
Proj Net	3,820,803	490,739	-4,311,542	18,487	39,970	40,040	40,110	40,180	40,251	18,870	8,178	8,192	8,207	262,485

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65009214	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	185,445	5,300	8,300	0	0	0	0	0	0	0	0	0	0	199,045	
120-Overtime-General	0	14,886	12,471	0	0	0	0	0	0	0	0	0	0	27,357	
350-Material Issues-Major	20,000	20,000	250,000	0	0	0	0	0	0	0	0	0	0	290,000	
370-Outside Services	3,881,523	330,000	575,000	0	0	0	0	0	0	0	0	0	0	4,786,523	
374-Outside Svcs Legal	0	48,510	40,225	0	0	0	0	0	0	0	0	0	0	88,735	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	7,251	8,129	0	0	0	0	0	0	0	0	0	0	15,380	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	7,099	0	0	0	0	0	0	0	0	0	0	0	0	7,099	
805-Land and Land Rights	5,000	0	0	0	0	0	0	0	0	0	0	0	0	5,000	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	12,978	1,413	1,454	0	0	0	0	0	0	0	0	0	0	15,845	
914-Pension and Benefits Load	41,512	4,506	4,636	0	0	0	0	0	0	0	0	0	0	50,654	
915-Injuries and Damages Load	12,484	1,359	1,398	0	0	0	0	0	0	0	0	0	0	15,241	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	9,460	934	11,675	0	0	0	0	0	0	0	0	0	0	22,069	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	92,909	12,997	27,048	0	0	0	0	0	0	0	0	0	0	132,954	
926-A and G Loads	170,520	17,719	37,196	0	0	0	0	0	0	0	0	0	0	225,435	
928-AFUDC Debt Reg	94,934	1,567	3,859	0	0	0	0	0	0	0	0	0	0	100,360	
929-AFUDC - Equity Regular	111,242	928	2,285	0	0	0	0	0	0	0	0	0	0	114,455	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,645,106	467,370	983,676	0	0	0	0	0	0	0	0	0	0	6,096,152	
825-Clearings	-4,382,621	0	0	0	0	0	0	0	0	0	0	0	0	-4,382,621	
Clr Sum	-4,382,621	0	0	0	0	0	0	0	0	0	0	0	0	-4,382,621	
Proj Net	262,485	467,370	983,676	0	0	0	0	0	0	0	0	0	0	1,713,531	

Project No: 65009313 Rio Puerco SVC \$30,150,820 \$0 \$30,150,820

Company: 002-Transmission Services
Location: 650 Transmission

Project Information

Construction Start Date 3/19/2015 Estimated Completion Date 2/1/2017

List Interim In-Service Dates

n/a

Project Need Justification

The Project provides a more efficient and cost effective means of controlling voltage on the PNM transmission system that serves the City of Albuquerque and surrounding area through installation of a SVC at Rio Puerco substation. The Project will significantly improve voltage control during forced or planned outages of a major transmission line and in the rare event of a simultaneous loss of two lines. During periods when a major line is out-of-service, PNM relies on large amounts of load-side generation, automated load shedding and operator action to maintain system stability if another system element is lost. The Project will provide stability to the system allowing for reduced or more effective use of automated load shedding and less dependence on operator actions and load-side generation.

The Project will lead to reduced operational complexity which reduces risks of NERC reliability standards violations and associated fines for non-compliance. Frequent daily actions are required by the System Operators to ensure that adequate voltage support devices are in service to support Path 48 transfer levels while maintaining voltages within acceptable ranges. With completion of the Project, the majority of system adjustments for Path 48 voltage support will no longer be necessary. The development of operating procedures will also be greatly simplified leading to a substantially reduced and manageable effort to factor system changes into real-time operating limit calculations.

The Project is the most efficient and cost effective way to maximize utilization of existing transmission assets to maintain transmission system reliability and compliance with NERC/WECC reliability standards.

The requested funds will be allocated toward the purchase of equipment and contract labor to install and energize the equipment.

Project Alternatives

Construction of new backbone transmission lines with costs expected to exceed \$70M and construction schedules which would exceed the Project by several years.

Technical Aspects

Install a SVC at Rio Puerco 345 kV station. An SVC provides continuously, fast-acting voltage support control under various system conditions and thereby

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

improve the power system transmission performance. The project also includes the expansion of the 345 kV station associated with the installation of the SVC.

The project will include the installation of equipment to include transformers, capacitors, a cooling system, disconnect switches, reactors, surge arrestors, surge capacitors, thyristor valves, switchgear, electrical, and control and protection equipment.

Project Estimate Approach

Initially PNM contacted consultants familiar with SVC projects and other utilities that had recently completed similar projects. From this information, Requests for Information (RFI) were sent to leading SVC firms to understand their available expertise, project history and footprint in the U.S., typical subcontractors and vendors, technical approach, range of pricing, and ability to meet desired schedule. From this information a short list was developed and Request for Proposal (RFP) issued. Secured competitive bids from firms (ABB, Siemens, Mitsubishi) specializing in design, installation, and construction of this type of equipment. The project scope was based on an EPC (Engineer, Procure, and Construct) approach. The estimate was based on 9% of the costs for external engineering oversight and design, equipment training and maintenance. 57% of the project total was estimated for material, construction and testing. External Project Management and construction oversight accounted for 10% of the estimate. Internal engineering, project management and construction management were 1% of the total project cost. Company loads, vendor taxes and allowance for funds used during construction accounted for the final 23% of the estimate.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	65009313	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	153,461	15,000	15,000	15,000	15,000	10,500	25,500	25,500	25,500	11,500	311,961	
120-Overtime-General	806	0	0	0	0	0	0	0	0	0	806	
350-Material Issues-Major	245,757	0	0	0	0	0	0	0	0	225,000	470,757	
370-Outside Services	5,305,530	40,000	4,600,000	2,347,496	6,866,488	57,000	57,000	66,000	81,000	3,481,000	22,901,514	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	54,952	10,000	15,000	20,000	10,000	5,000	100	100	100	100	115,352	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,364	1,050	1,050	1,050	1,050	735	1,785	1,785	1,785	805	21,459	
914-Pension and Benefits Load	39,180	3,348	3,348	3,348	3,348	2,344	5,692	5,692	5,692	2,567	74,557	
915-Injuries and Damages Load	10,292	1,010	1,010	1,010	1,010	707	1,716	1,716	1,716	774	20,959	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	37,293	0	0	0	0	0	0	0	0	10,508	47,801	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	261,259	2,112	139,062	71,637	206,907	2,289	2,754	3,024	3,474	111,652	804,170	
926-A and G Loads	240,932	2,704	192,608	99,112	286,686	3,016	3,436	3,811	4,435	154,652	991,391	
928-AFUDC Debt Reg	122,943	17,259	23,864	33,709	46,739	56,659	57,244	57,867	58,527	64,205	539,017	
929-AFUDC - Equity Regular	177,454	24,643	34,073	48,131	66,735	80,898	81,734	82,624	83,566	91,673	771,531	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	6,660,222	117,126	5,025,015	2,640,493	7,503,962	219,146	236,961	248,119	265,795	4,154,435	27,071,274	
825-Clearings	0	0	0	0	0	0	0	0	0	0	0	
Clr Sum	0	0	0	0	0	0	0	0	0	0	0	
Proj Net	6,660,222	117,126	5,025,015	2,640,493	7,503,962	219,146	236,961	248,119	265,795	4,154,435	27,071,274	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	65009313	Year	2016												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	311,961	10,200	5,700	4,000	0	0	0	0	0	0	0	0	0	331,861	
120-Overtime-General	806	0	0	0	0	0	0	0	0	0	0	0	0	806	
350-Material Issues-Major	470,757	327,114	0	0	0	0	0	0	0	0	0	0	0	797,871	
370-Outside Services	22,901,514	1,050,000	50,000	0	1,169,248	0	0	0	0	0	0	0	0	25,170,762	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	115,352	0	0	0	0	0	0	0	0	0	0	0	0	115,352	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	21,459	714	399	280	0	0	0	0	0	0	0	0	0	22,852	
914-Pension and Benefits Load	74,557	2,277	1,272	893	0	0	0	0	0	0	0	0	0	78,999	
915-Injuries and Damages Load	20,959	686	384	269	0	0	0	0	0	0	0	0	0	22,298	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	47,801	15,276	0	0	0	0	0	0	0	0	0	0	0	63,077	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	804,170	41,730	1,733	163	35,077	0	0	0	0	0	0	0	0	882,873	
926-A and G Loads	991,391	57,712	2,317	166	48,641	0	0	0	0	0	0	0	0	1,100,227	
928-AFUDC Debt Reg	539,017	48,692	50,149	50,296	51,485	52,672	0	0	0	0	0	0	0	792,311	
929-AFUDC - Equity Regular	771,531	0	0	0	0	0	0	0	0	0	0	0	0	771,531	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	27,071,274	1,554,401	111,954	56,067	1,304,451	52,672	0	0	0	0	0	0	0	30,150,819	
825-Clearings	0	0	0	0	0	-30,150,820	0	0	0	0	0	0	0	-30,150,820	
Clr Sum	0	0	0	0	0	-30,150,820	0	0	0	0	0	0	0	-30,150,820	
Proj Net	27,071,274	1,554,401	111,954	56,067	1,304,451	-30,098,148	0	0	0	0	0	0	0	-1	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	65009313	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	331,861	0	0	0	0	0	0	0	0	0	0	0	0	331,861	
120-Overtime-General	806	0	0	0	0	0	0	0	0	0	0	0	0	806	
350-Material Issues-Major	797,871	0	0	0	0	0	0	0	0	0	0	0	0	797,871	
370-Outside Services	25,170,762	0	0	0	0	0	0	0	0	0	0	0	0	25,170,762	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	115,352	0	0	0	0	0	0	0	0	0	0	0	0	115,352	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	22,852	0	0	0	0	0	0	0	0	0	0	0	0	22,852	
914-Pension and Benefits Load	78,999	0	0	0	0	0	0	0	0	0	0	0	0	78,999	
915-Injuries and Damages Load	22,298	0	0	0	0	0	0	0	0	0	0	0	0	22,298	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	63,077	0	0	0	0	0	0	0	0	0	0	0	0	63,077	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	882,873	0	0	0	0	0	0	0	0	0	0	0	0	882,873	
926-A and G Loads	1,100,227	0	0	0	0	0	0	0	0	0	0	0	0	1,100,227	
928-AFUDC Debt Reg	792,311	0	0	0	0	0	0	0	0	0	0	0	0	792,311	
929-AFUDC - Equity Regular	771,531	0	0	0	0	0	0	0	0	0	0	0	0	771,531	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	30,150,819	0	0	0	0	0	0	0	0	0	0	0	0	30,150,819	
825-Clearings	-30,150,820	0	0	0	0	0	0	0	0	0	0	0	0	-30,150,820	
Clr Sum	-30,150,820	0	0	0	0	0	0	0	0	0	0	0	0	-30,150,820	
Proj Net	-1	0	0	0	0	0	0	0	0	0	0	0	0	-1	

Distribution Tier 1 Capital Projects

PNM Exhibit AAJ-4

Is contained in the following 175 pages.

Electronic Instructions:

To view detailed costs for each project, click project to highlight then Press "CTRL" and left click on mouse.
To return back to index from detailed costs, click "CTRL" and "Home"

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PNM EXHIBIT AAJ-4-Distribution Tier 1 Capital Projects

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Project No:20000607	Distr. Remove & Replace	\$1,061,436	\$91,030	\$1,152,466.....	58
Project No:41000207	Line Extensions - Commercial	\$830,281	\$0.....	\$830,281.....	63
Project No:41000607	Distr. Remove & Replace	\$936,781	\$134,117	\$1,070,898.....	67

Project No:41000707	Distr. System Improvements	\$2,482,001	\$51,749	\$2,533,750	72
Project No:41000807	Services	\$1,784,939	\$344,237	\$2,129,177	77
Project No:41001307	Cable Replacement	\$875,269	\$79,567	\$954,835	81
Project No:50000707	Distr. System Improvements	\$794,790	\$54,582	\$849,371	86
Project No:60002010	Misc Substation Improvements	\$1,015,181	\$89,801	\$1,104,982	91
Project No:60005910	Substation Equipment Replacement IA	\$1,100,324	\$4,317	\$1,104,641	95
Project No:89900607	Distr. Remove & Replace	\$1,103,529	\$136,375	\$1,239,904	100
Project No:89900707	Distr. system Improvements	\$625,240	\$161,311	\$786,551	105
Specifics		\$27,433,394	\$1,078,445	\$28,511,839	110
Project No:10001715	COA ART Project	\$670,022	\$269,342	\$939,365	111
Project No:10001912	Wayne Feeder 23	\$909,415	\$0	\$909,415	116
Project No:10002314	Albuquerque Feeder testing and repl	\$1,344,718	\$0	\$1,344,718	121
Project No:15001715	Tularosa/Alamo Transformer	\$2,709,028	\$0	\$2,709,028	126
Project No:41001915	Mejia 14 Estrada Calabasa Line Extension	\$1,142,178	\$0	\$1,142,178	131
Project No:41002113	Downtown Manhattan Feeder phase 1	\$1,336,152	\$0	\$1,336,152	136
Project No:60001713	SF Switchgear Replacements	\$601,807	\$186,722	\$788,529	140
Project No:60001714	College Substation	\$3,676,238	\$0	\$3,676,238	144
Project No:60001814	La Morada Substation	\$4,345,292	\$0	\$4,345,292	149
Project No:60002313	Emergency and Aging Equip Distr	\$2,220,253	\$0	\$2,220,253	153
Project No:60002315	Zamora Substation Upgrade	\$3,249,909	\$0	\$3,249,909	158
Project No:60002715	12.5kV breaker replacement	\$1,064,681	\$7,567	\$1,072,249	162

Project No:60003114	Prager Substation	\$1,436,466	\$0	\$1,436,466....	167
Project No:60003115	Distr Cable Testing and Replace 2015	\$2,727,235	\$614,813	\$3,342,048....	171
Totals for Report		\$70,251,825	\$4,391,630	\$74,643,454	

Blanket

Project No: 10000107 Line Extensions - Residential

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual customer work orders which are placed in service at various times throughout the year.

Project Need Justification

This project provides for the installation cost of electric line extensions for new residential customers, apartment complexes, and residential subdivisions. The project includes the costs of labor for engineering, design, right-of-way acquisition, environmental review, and construction. The costs also include materials for the installation of the overhead or underground distribution extensions.

Project Alternatives

Line extension options for each new service request are evaluated individually taking into account many factors such as available capacity on existing lines, route distances, customer preferences, and right-of-way requirements. The optimal design is chosen and installed. The project is required to meet PNM's obligation to serve new customers.

Technical Aspects

Line extensions are designed to the minimum system requirements in accordance with PNM Rule 15. Physical components include but are not limited to primary wires, secondary wires, wood or steel poles and other supporting structures, trenches, switchgear, and conduit systems. Customers are responsible for these costs less credits they are allowed under PNM's Rule 15 Line Extension Policy approved by the New Mexico Public Regulatory Commission. This project provides for PNM's portion of the cost of these line extensions. Per Rule 15, customers have the option to have the line extension built by PNM (PNM Built) or by a qualified contractor employed by the customer (Customer Built Option). Under the Customer Built Option, PNM purchases the system from the customer for \$1 and pays the customer for the entitled credits less PNM's cost to design and energize the system. Many residential subdivision projects are built under the Customer Built Option.

Project Estimate Approach

Customers are responsible for line extension costs less credits they are allowed under PNM's Rule 15. This project provides for PNM's portion of the cost of these line extensions. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying escalation factors to the actual 12 months spend ending May 2014. Forecasted spend is adjusted quarterly as appropriate for trends in new service activity.

The typical breakdown of total cost by high level cost categories is as follows: customer built purchases (52%), contract labor (22%), material (14%), PNM labor (11%), and PNM transportation & equipment (1%). This breakdown typically fluctuates for each project depending on the specifics and complexity of the project and whether or customers elect the PNM Built or Customer Built Option.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10000107	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	1,232,270	19,353	19,785	13,607	-28,196	23,535	19,475	14,558	12,934	5,581	1,332,902	
120-Overtime-General	21,141	95	643	135	-511	80	85	367	406	142	22,583	
350-Material Issues-Major	1,522,163	64,801	23,804	18,483	-37,748	32,951	29,449	51,967	1,423	52,865	1,760,158	
370-Outside Services	1,392,449	52,686	8,748	39,808	41,389	13,731	29,722	18,367	14,026	28,066	1,638,992	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	102,802	0	0	0	0	0	0	0	0	0	102,802	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,995,252	77,259	34,320	20,397	-6,677	6,120	42,647	10,353	44,597	17,970	2,242,238	
805-Land and Land Rights	125	0	0	0	0	0	0	0	0	0	125	
807-Non Refundable Contribution	-3,379,764	-45,433	-51,055	-7,145	72,573	-12,815	-12,072	-13,251	-22,619	-1,300	-3,472,881	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	90,476	1,361	1,430	962	-2,009	1,653	1,369	1,045	934	401	97,621	
914-Pension and Benefits Load	350,784	4,341	4,560	3,067	-6,407	5,271	4,366	3,331	2,977	1,277	373,567	
915-Injuries and Damages Load	90,333	1,309	1,375	925	-1,932	1,589	1,316	1,004	898	385	97,202	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	136,853	8,534	3,135	2,434	-4,971	4,340	3,878	6,844	187	6,962	168,197	
922-Minor Material Load	90,601	0	0	0	0	0	0	0	0	0	90,601	
925-E and S Loads	764,841	35,393	15,146	15,581	-6,735	13,589	20,549	16,159	12,511	17,070	904,104	
926-A and G Loads	292,213	17,821	7,263	7,690	-2,641	6,358	10,099	7,955	6,106	8,705	361,568	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,702,538	237,520	69,154	115,945	16,134	96,402	150,883	118,699	74,380	138,124	5,719,780	
825-Clearings	-4,447,239	-93,636	-88,984	-94,107	-79,292	-82,543	-95,527	-99,930	-95,076	-103,255	-5,279,588	
Clr Sum	-4,447,239	-93,636	-88,984	-94,107	-79,292	-82,543	-95,527	-99,930	-95,076	-103,255	-5,279,588	
Proj Net	255,300	143,884	-19,830	21,838	-63,158	13,859	55,356	18,769	-20,695	34,869	440,192	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10000107	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	1,332,902	25,006	17,691	25,026	24,177	18,991	15,303	10,786	25,307	23,000	16,455	12,785	6,495	1,553,924
120-Overtime-General	22,583	330	119	1	119	617	152	196	87	100	414	401	165	25,284
350-Material Issues-Major	1,760,158	64,582	18,363	11,368	80,401	22,693	20,645	14,343	35,188	34,543	58,335	1,397	61,099	2,183,115
370-Outside Services	1,638,992	43,770	38,475	51,916	65,499	8,355	44,550	-15,756	14,691	34,930	20,658	13,797	32,501	1,992,378
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	102,802	0	0	0	0	0	0	0	0	0	0	0	0	102,802
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	2,242,238	9,804	54,959	3,909	96,047	32,781	22,827	2,542	6,549	50,121	11,645	43,871	20,810	2,598,103
805-Land and Land Rights	125	0	0	0	0	0	0	0	0	0	0	0	0	125
807-Non Refundable Contribution	-3,472,881	-17,105	-9,459	-28,247	-56,482	-48,765	-7,997	-27,628	-13,713	-14,187	-14,904	-22,250	-1,506	-3,735,124
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	97,621	1,774	1,247	1,752	1,701	1,373	1,082	769	1,778	1,617	1,181	923	466	113,284
914-Pension and Benefits Load	373,567	5,655	3,975	5,586	5,423	4,377	3,450	2,451	5,668	5,156	3,765	2,943	1,487	423,503
915-Injuries and Damages Load	97,202	1,705	1,199	1,684	1,635	1,320	1,040	739	1,709	1,555	1,135	887	448	112,258
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	168,197	8,505	2,418	1,497	10,589	2,989	2,719	1,889	4,634	4,549	7,683	184	8,047	223,900
922-Minor Material Load	90,601	0	0	0	0	0	0	0	0	0	0	0	0	90,601
925-E and S Loads	904,104	24,420	21,764	16,199	44,000	14,481	17,448	2,571	14,556	24,163	18,174	12,321	19,755	1,133,956
926-A and G Loads	361,568	11,938	10,783	7,673	22,151	6,942	8,609	1,008	6,808	11,872	8,945	6,011	10,073	474,381
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	5,719,780	180,384	161,534	98,364	295,260	66,154	129,828	-6,090	103,262	177,419	133,486	73,270	159,840	7,292,491
825-Clearings	-5,279,588	-117,909	-126,198	-120,910	-154,036	-137,338	-135,912	-108,931	-107,854	-121,071	-123,430	-113,900	-122,629	-6,769,706
Clr Sum	-5,279,588	-117,909	-126,198	-120,910	-154,036	-137,338	-135,912	-108,931	-107,854	-121,071	-123,430	-113,900	-122,629	-6,769,706
Proj Net	440,192	62,475	35,336	-22,546	141,224	-71,184	-6,084	-115,021	-4,592	56,348	10,056	-40,630	37,211	522,785

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10000107	Year 2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	1,553,924	32,136	22,735	0	0	0	0	0	0	0	0	0	0	1,608,795
120-Overtime-General	25,284	424	153	0	0	0	0	0	0	0	0	0	0	25,861
350-Material Issues-Major	2,183,115	82,346	23,414	0	0	0	0	0	0	0	0	0	0	2,288,875
370-Outside Services	1,992,378	55,975	49,204	0	0	0	0	0	0	0	0	0	0	2,097,557
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	102,802	0	0	0	0	0	0	0	0	0	0	0	0	102,802
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	2,598,103	12,538	70,285	0	0	0	0	0	0	0	0	0	0	2,680,926
805-Land and Land Rights	125	0	0	0	0	0	0	0	0	0	0	0	0	125
807-Non Refundable Contribution	-3,735,124	-21,875	-12,097	0	0	0	0	0	0	0	0	0	0	-3,769,096
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	113,284	2,279	1,602	0	0	0	0	0	0	0	0	0	0	117,165
914-Pension and Benefits Load	423,503	7,267	5,109	0	0	0	0	0	0	0	0	0	0	435,879
915-Injuries and Damages Load	112,258	2,191	1,540	0	0	0	0	0	0	0	0	0	0	115,989
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	223,900	10,845	3,084	0	0	0	0	0	0	0	0	0	0	237,829
922-Minor Material Load	90,601	0	0	0	0	0	0	0	0	0	0	0	0	90,601
925-E and S Loads	1,133,956	31,225	27,847	0	0	0	0	0	0	0	0	0	0	1,193,028
926-A and G Loads	474,381	15,260	13,794	0	0	0	0	0	0	0	0	0	0	503,435
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	7,292,491	230,611	206,670	0	0	0	0	0	0	0	0	0	0	7,729,772
825-Clearings	-6,769,706	-143,146	-155,215	0	0	0	0	0	0	0	0	0	0	-7,068,067
Clr Sum	-6,769,706	-143,146	-155,215	0	0	0	0	0	0	0	0	0	0	-7,068,067
Proj Net	522,785	87,465	51,455	0	0	0	0	0	0	0	0	0	0	661,705

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Project No: 1000207 Line Extension - Commercial

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual customer work orders which are placed in service at various times throughout the year.

Project Need Justification

This project provides for the installation of distribution line extensions necessary to serve new or expanding non-residential customers. The funds for this project includes the costs associated with labor for engineering, design, right-of-way acquisition, environmental review, and construction. The costs also include materials for the installation of the overhead or underground distribution extensions.

Project Alternatives

This project has no alternatives. The project is required to meet PNM's obligation to serve new customers. Line extensions are designed to the minimum system requirements in accordance with PNM Rule 15.

Technical Aspects

The Physical components for these projects include but are not limited to primary wires, secondary wires, wood or steel poles and other supporting structures, trenches, switchgear, and duct-bank systems. Customers are responsible for these costs less credits they are allowed under PNM's Rule 15 Line Extension Policy approved by the New Mexico Public Regulatory Commission. This project provides for PNM's portion of the cost of these line extensions.

Project Estimate Approach

This project funds PNM's portion of the cost of installing distribution line extensions necessary to serve new or expanding non-residential customers. The project includes the costs of labor for engineering, design, right-of-way acquisition, environmental review, and construction. The costs also include materials for the installation of the overhead or underground distribution extensions.

The specific work items for this blanket will not be known until after the customer requests are received. As a result, much of the work and the associated budget line items are identified during the year of spend. To develop budgeted spending levels, historical spend in this funding project is analyzed, escalation factors are applied as required, and the resulting forecasted spend is adjusted quarterly as appropriate consistent with the trends in new service activity.

The initial budget for this project was developed by applying escalation factors to the actual 12 months spend ending May 2014. For example, historical labor costs are adjusted for changes in wage rates, and materials costs may be adjusted for changes in certain commodity costs like poles and conductors.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

The typical breakdown of total cost by high level cost categories is as follows: outside services including contract labor (45%), material (45%), PNM labor (12%), and PNM transportation & equipment (1%). This breakdown typically fluctuates for each project depending on the specifics and complexity of the project and whether or not PNM or contract construction crews are used and also varies for the entire project from year-to-year depending on the conditions and events that occur during that period.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10000207	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	3,197,020	36,415	29,276	30,000	25,310	35,000	35,000	25,000	17,822	17,500	3,448,343	
120-Overtime-General	131,950	1,354	3,000	246	3,000	3,500	2,358	2,500	2,461	567	150,936	
350-Material Issues-Major	6,937,738	60,000	115,000	120,000	110,000	117,500	85,000	79,577	70,000	66,886	7,761,701	
370-Outside Services	4,382,245	75,000	110,000	75,000	75,000	95,000	70,000	70,000	60,000	50,000	5,062,245	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	283,198	0	0	0	-5	5	0	0	1	157	283,356	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	665,719	10,245	13,587	6,373	7,289	10,749	4,200	9,422	4,044	19,208	750,836	
805-Land and Land Rights	4,253	0	0	0	0	0	0	0	0	0	4,253	
807-Non Refundable Contribution	-12,912,327	-300,000	-250,000	-187,015	-230,000	-198,275	-130,000	-125,000	-70,000	-81,664	-14,484,281	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	241,589	2,644	2,259	2,117	1,982	2,695	2,615	1,925	1,420	1,265	260,510	
914-Pension and Benefits Load	927,103	8,430	7,204	6,751	6,319	8,593	8,338	6,138	4,527	4,033	987,436	
915-Injuries and Damages Load	237,871	2,542	2,172	2,036	1,905	2,591	2,514	1,851	1,365	1,216	256,062	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	709,297	7,902	15,146	15,804	14,487	15,475	11,195	10,480	9,219	8,809	817,813	
922-Minor Material Load	436,401	0	0	0	0	0	0	0	0	0	436,401	
925-E and S Loads	2,879,922	31,461	45,200	38,804	36,928	44,101	33,604	31,426	25,862	25,733	3,193,041	
926-A and G Loads	978,562	15,227	22,536	19,271	18,353	21,778	16,354	15,517	12,840	12,839	1,133,276	
928-AFUDC Debt Reg	241	0	0	0	0	0	0	0	0	0	241	
929-AFUDC - Equity Regular	211	0	0	0	0	0	0	0	0	0	211	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	9,100,994	-48,781	115,380	129,386	70,568	158,712	141,178	128,836	139,562	126,548	10,062,382	
825-Clearings	-8,772,707	-72,672	-83,776	-95,634	-89,117	-107,212	-116,043	-119,369	-124,619	-125,121	-9,706,269	
Clr Sum	-8,772,707	-72,672	-83,776	-95,634	-89,117	-107,212	-116,043	-119,369	-124,619	-125,121	-9,706,269	
Proj Net	328,287	-121,452	31,604	33,752	-18,549	51,500	25,135	9,467	14,942	1,428	356,113	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10000207	Year 2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	3,448,343	31,555	26,816	52,384	40,949	32,921	42,996	21,799	59,235	42,168	37,309	20,041	24,652	3,881,168
120-Overtime-General	150,936	488	7,371	1,392	1,523	7,853	276	8,579	12,434	2,652	7,170	2,768	637	204,079
350-Material Issues-Major	7,761,701	80,296	128,750	190,913	66,089	268,213	142,549	86,887	141,278	52,844	88,870	153,318	74,696	9,236,404
370-Outside Services	5,062,245	149,305	47,212	105,122	105,948	140,518	65,913	75,381	111,162	43,437	97,439	41,821	198,650	6,244,153
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	283,356	0	0	-1	0	0	0	-5	5	0	0	1	175	283,531
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	750,836	16,154	5,108	11,374	11,463	15,204	7,132	8,156	12,028	4,700	10,543	4,525	21,494	878,717
805-Land and Land Rights	4,253	0	0	0	0	0	0	0	0	0	0	0	0	4,253
807-Non Refundable Contribution	-14,484,281	-100,862	-443,708	-362,791	-416,030	-583,680	-209,265	-370,070	-221,865	-141,493	-310,003	121,930	-91,380	-17,613,498
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	260,510	2,243	2,393	3,764	2,973	2,854	3,029	2,126	5,017	3,137	3,114	1,597	1,770	294,527
914-Pension and Benefits Load	987,436	7,152	7,631	12,003	9,480	9,101	9,658	6,780	15,997	10,004	9,928	5,091	5,645	1,095,906
915-Injuries and Damages Load	256,062	2,156	2,301	3,619	2,858	2,744	2,912	2,044	4,823	3,016	2,993	1,535	1,702	288,765
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	817,813	10,575	16,956	25,143	8,704	35,324	18,774	11,443	18,606	6,960	11,704	20,192	9,837	1,012,031
922-Minor Material Load	436,401	0	0	0	0	0	0	0	0	0	0	0	0	436,401
925-E and S Loads	3,193,041	46,296	36,413	60,891	38,605	76,705	43,914	33,880	57,917	25,913	41,179	36,911	52,707	3,744,372
926-A and G Loads	1,133,276	23,113	17,909	30,051	18,801	38,664	21,538	16,706	27,967	12,131	20,079	18,510	26,649	1,405,394
928-AFUDC Debt Reg	241	0	0	0	0	0	0	0	0	0	0	0	0	241
929-AFUDC - Equity Regular	211	0	0	0	0	0	0	0	0	0	0	0	0	211
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	10,062,382	268,471	-144,848	133,864	-108,637	46,421	149,426	-96,294	244,604	65,469	20,325	428,240	327,234	11,396,657
825-Clearings	-9,706,269	-162,392	-82,510	-95,862	-42,692	-43,662	-71,160	-27,623	-84,038	-79,210	-63,900	-158,628	-202,466	-10,820,412
Clr Sum	-9,706,269	-162,392	-82,510	-95,862	-42,692	-43,662	-71,160	-27,623	-84,038	-79,210	-63,900	-158,628	-202,466	-10,820,412
Proj Net	356,113	106,079	-227,358	38,002	-151,329	2,759	78,266	-123,917	160,566	-13,741	-43,575	269,612	124,768	576,245

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10000207	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	3,881,168	32,566	27,675	0	0	0	0	0	0	0	0	0	0	3,941,409	
120-Overtime-General	204,079	504	7,607	0	0	0	0	0	0	0	0	0	0	212,190	
350-Material Issues-Major	9,236,404	82,218	131,832	0	0	0	0	0	0	0	0	0	0	9,450,454	
370-Outside Services	6,244,153	153,332	48,486	0	0	0	0	0	0	0	0	0	0	6,445,971	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	283,531	0	0	0	0	0	0	0	0	0	0	0	0	283,531	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	878,717	16,590	5,246	0	0	0	0	0	0	0	0	0	0	900,553	
805-Land and Land Rights	4,253	0	0	0	0	0	0	0	0	0	0	0	0	4,253	
807-Non Refundable Contribution	-17,613,498	-103,583	-455,677	0	0	0	0	0	0	0	0	0	0	-18,172,758	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	294,527	2,315	2,470	0	0	0	0	0	0	0	0	0	0	299,312	
914-Pension and Benefits Load	1,095,906	7,381	7,875	0	0	0	0	0	0	0	0	0	0	1,111,162	
915-Injuries and Damages Load	288,765	2,226	2,374	0	0	0	0	0	0	0	0	0	0	293,365	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	1,012,031	10,828	17,362	0	0	0	0	0	0	0	0	0	0	1,040,221	
922-Minor Material Load	436,401	0	0	0	0	0	0	0	0	0	0	0	0	436,401	
925-E and S Loads	3,744,372	47,541	37,370	0	0	0	0	0	0	0	0	0	0	3,829,283	
926-A and G Loads	1,405,394	23,729	18,374	0	0	0	0	0	0	0	0	0	0	1,447,497	
928-AFUDC Debt Reg	241	0	0	0	0	0	0	0	0	0	0	0	0	241	
929-AFUDC - Equity Regular	211	0	0	0	0	0	0	0	0	0	0	0	0	211	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	11,396,657	275,647	-149,006	0	0	0	0	0	0	0	0	0	0	11,523,298	
825-Clearings	-10,820,412	-221,493	-125,164	0	0	0	0	0	0	0	0	0	0	-11,167,069	
Clr Sum	-10,820,412	-221,493	-125,164	0	0	0	0	0	0	0	0	0	0	-11,167,069	
Proj Net	576,245	54,154	-274,170	0	0	0	0	0	0	0	0	0	0	356,229	

Project No: 1000607 Distr. Remove & Replace

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

This project consists of many individual work orders which are placed in service at various times throughout the year the timing of which are determined by governmental road widening schedules and the occurrence of significant storms.

Project Need Justification

This project includes relocations of electric distribution facilities in road rights-of-way for road re-alignments or widening projects. The project also includes the removal and replacement of existing electric distribution facilities that have been damaged during storms or deteriorated through normal aging. Generally the work under this project involves the replacement of like for like equipment. Costs include the labor, either internal or contract (outside services), material, and equipment necessary for the removal and replacement work. Project drivers include the need to replace failed equipment and governmental roadway improvement projects.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

For storm restoration or replacement of aging equipment the work under this project generally involves the replacement of like for like equipment. For relocation situations involving road widening projects, alternative routes and configuration are considered on a case-by-case basis taking into account new road and sidewalk alignments, traffic signals and other structure elements as well as availability of easements from adjacent lands to determine the optimum relocation. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Technical Aspects

Removal and replacement of electric distribution facilities include the design, installation, and removal of wire, poles, pole hardware including insulators, cross arms, cut outs, anchor assemblies, overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

Project Estimate Approach

The activities for this project include governmental roadway improvement projects and replacement of storm damaged facilities. Thus the work required is largely unknown at the time when the spend forecast is developed. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying escalators to the actual 12 month spend ending May 2014. The annual spend rate ending in May 2014 was much higher than usual due to a large storm event in 2013 and large roadway improvement projects during that time period. Thus the initial budget was adjusted to reflect a more moderate spend rate experienced in years prior to 2014.

The typical breakdown of cost by categories is as follows: outside services (49%), company labor (20%), materials (27%), and company transportation (4%). This breakdown can fluctuate depending on the nature of the removals and replacement facilities including whether they are overhead construction or underground facilities.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10000607	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	4,528,415	3,108	9,611	4,546	17,709	6,957	3,675	8,466	6,488	1,780	4,590,755	
120-Overtime-General	2,091,034	6,338	10,637	19,850	27,271	21,664	14,710	592	14,529	6,135	2,212,761	
350-Material Issues-Major	5,334,896	37,130	37,131	28,815	193,683	28,265	64,253	36,578	80,000	4,351	5,845,101	
370-Outside Services	5,594,419	114,595	64,297	99,749	345,122	130,000	117,450	130,000	212,000	142,112	6,949,743	
374-Outside Svcs Legal	24,302	314	880	0	1,458	1,105	1,027	2,412	3,785	663	35,946	
377-Outside Services-Temp Labor	263,166	626	-201	0	82	62	303	951	1,323	359	266,670	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,423,342	14,233	10,906	21,954	68,448	28,656	-163	17,033	14,432	6,037	2,604,876	
805-Land and Land Rights	9,052	0	1,477	0	0	0	0	0	0	0	10,529	
807-Non Refundable Contribution	-6,715,375	-49,069	-15,475	-11,029	-135,562	-160,836	-96,698	-23,150	-153,920	-175,915	-7,537,029	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	481,783	661	1,417	1,708	3,149	2,003	1,287	634	1,471	554	494,668	
914-Pension and Benefits Load	1,827,798	2,108	4,519	5,445	10,040	6,388	4,104	2,022	4,691	1,767	1,868,882	
915-Injuries and Damages Load	492,486	636	1,363	1,642	3,027	1,926	1,237	610	1,414	533	504,873	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	612,060	4,890	4,890	3,795	25,508	3,723	8,462	4,817	10,536	573	679,254	
922-Minor Material Load	325,430	0	0	0	0	0	0	0	0	0	325,430	
925-E and S Loads	3,356,354	28,760	22,490	29,393	107,198	36,324	33,261	31,887	54,421	26,287	3,726,376	
926-A and G Loads	1,253,936	14,672	11,210	14,553	54,394	18,030	16,744	16,310	27,669	13,432	1,440,950	
928-AFUDC Debt Reg	399	0	0	0	0	0	0	0	0	0	399	
929-AFUDC - Equity Regular	509	0	0	0	0	0	0	0	0	0	509	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	21,904,003	179,002	165,152	220,421	721,527	124,268	169,652	229,160	278,841	28,668	24,020,693	
825-Clearings	-21,258,440	-263,861	-232,274	-228,481	-386,256	-302,420	-259,934	-781,520	-89,229	-69,849	-23,872,263	
Clr Sum	-21,258,440	-263,861	-232,274	-228,481	-386,256	-302,420	-259,934	-781,520	-89,229	-69,849	-23,872,263	
Proj Net	645,563	-84,859	-67,122	-8,060	335,271	-178,152	-90,282	-552,359	189,612	-41,182	148,430	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10000607	Year 2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	4,590,755	-2,932	5,988	9,422	22,543	14,859	23,491	27,631	71,196	34,033	21,190	18,772	24,524	4,861,472
120-Overtime-General	2,212,761	-2,615	6,028	16,140	13,625	4,776	22,070	16,665	133,330	11,667	-4,200	5,355	14,277	2,449,879
350-Material Issues-Major	5,845,101	37,342	18,567	18,190	18,002	16,402	16,719	84,764	40,832	50,432	25,047	70,404	10,037	6,251,839
370-Outside Services	6,949,743	-35,137	197,802	107,181	13,972	15,943	16,643	-24,474	225,395	123,846	-3,625	47,053	376,573	8,010,915
374-Outside Svcs Legal	35,946	0	693	97	153	391	0	-180	1,600	808	1,372	2,081	1,534	44,495
377-Outside Services-Temp Labor	266,670	2,734	-479	-747	304	-89	0	-10	90	239	468	632	830	270,642
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	2,604,876	-484	7,278	6,937	6,930	4,840	12,783	12,878	41,497	-129	8,666	5,322	13,960	2,725,354
805-Land and Land Rights	10,529	2,661	0	0	0	1,549	0	0	0	0	0	0	0	14,739
807-Non Refundable Contribution	-7,537,029	37,490	-27,512	-149,950	-23,891	-6,867	-6,421	-77,194	-88,870	-59,528	-14,500	-92,325	-108,087	-8,154,684
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	494,668	-388	841	1,789	2,532	1,374	3,189	3,101	14,317	3,199	1,189	1,689	2,716	530,216
914-Pension and Benefits Load	1,868,882	-1,238	2,682	5,705	8,073	4,382	10,169	9,887	45,650	10,200	3,792	5,385	8,660	1,982,229
915-Injuries and Damages Load	504,873	-373	809	1,720	2,434	1,321	3,066	2,981	13,765	3,076	1,143	1,624	2,611	539,050
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	679,254	4,918	2,445	2,396	2,371	2,160	2,202	11,163	5,378	6,642	3,299	9,272	1,322	732,822
922-Minor Material Load	325,430	0	0	0	0	0	0	0	0	0	0	0	0	325,430
925-E and S Loads	3,726,376	-495	38,434	26,630	14,171	10,272	17,301	21,319	94,027	37,979	8,807	25,331	72,915	4,093,067
926-A and G Loads	1,440,950	131	19,625	13,081	6,284	4,881	7,630	9,757	42,760	18,379	4,070	12,448	36,752	1,616,748
928-AFUDC Debt Reg	399	0	0	0	0	0	0	0	0	0	0	0	0	399
929-AFUDC - Equity Regular	509	0	0	0	0	0	0	0	0	0	0	0	0	509
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	24,020,693	41,614	273,201	58,591	87,503	76,194	128,842	98,288	640,967	240,843	56,718	113,043	458,624	26,295,121
825-Clearings	-23,872,263	-60,814	-128,778	-106,318	-100,297	-92,585	-104,187	-102,298	-274,672	-263,846	-197,565	-170,518	-262,712	-25,736,853
Clr Sum	-23,872,263	-60,814	-128,778	-106,318	-100,297	-92,585	-104,187	-102,298	-274,672	-263,846	-197,565	-170,518	-262,712	-25,736,853
Proj Net	148,430	-19,200	144,423	-47,727	-12,794	-16,391	24,655	-4,010	366,295	-23,003	-140,847	-57,475	195,912	558,268

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10000607	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	4,861,472	28,625	32,797	0	0	0	0	0	0	0	0	0	0	4,922,894	
120-Overtime-General	2,449,879	12,000	15,984	0	0	0	0	0	0	0	0	0	0	2,477,863	
350-Material Issues-Major	6,251,839	72,007	68,635	0	0	0	0	0	0	0	0	0	0	6,392,481	
370-Outside Services	8,010,915	-51,319	166,941	0	0	0	0	0	0	0	0	0	0	8,126,537	
374-Outside Svcs Legal	44,495	0	696	0	0	0	0	0	0	0	0	0	0	45,191	
377-Outside Services-Temp Labor	270,642	2,748	-332	0	0	0	0	0	0	0	0	0	0	273,058	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,725,354	13,804	19,231	0	0	0	0	0	0	0	0	0	0	2,758,389	
805-Land and Land Rights	14,739	2,674	0	0	0	0	0	0	0	0	0	0	0	17,413	
807-Non Refundable Contribution	-8,154,684	17,224	-28,911	0	0	0	0	0	0	0	0	0	0	-8,166,371	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	530,216	2,844	3,415	0	0	0	0	0	0	0	0	0	0	536,475	
914-Pension and Benefits Load	1,982,229	9,068	10,888	0	0	0	0	0	0	0	0	0	0	2,002,185	
915-Injuries and Damages Load	539,050	2,734	3,283	0	0	0	0	0	0	0	0	0	0	545,067	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	732,822	9,483	9,039	0	0	0	0	0	0	0	0	0	0	751,344	
922-Minor Material Load	325,430	0	0	0	0	0	0	0	0	0	0	0	0	325,430	
925-E and S Loads	4,093,067	14,802	51,446	0	0	0	0	0	0	0	0	0	0	4,159,315	
926-A and G Loads	1,616,748	6,701	25,289	0	0	0	0	0	0	0	0	0	0	1,648,738	
928-AFUDC Debt Reg	399	0	0	0	0	0	0	0	0	0	0	0	0	399	
929-AFUDC - Equity Regular	509	0	0	0	0	0	0	0	0	0	0	0	0	509	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	26,295,121	143,395	378,401	0	0	0	0	0	0	0	0	0	0	26,816,917	
825-Clearings	-25,736,853	-224,530	-273,769	0	0	0	0	0	0	0	0	0	0	-26,235,152	
Clr Sum	-25,736,853	-224,530	-273,769	0	0	0	0	0	0	0	0	0	0	-26,235,152	
Proj Net	558,268	-81,135	104,632	0	0	0	0	0	0	0	0	0	0	581,765	

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Project No: 10000707 System Improvements

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

This project consists of many individual work orders which are placed in service at various times throughout the year.

Project Need Justification

This project provides for numerous small miscellaneous distribution facility improvements to improve service and operation by providing voltage support, enhancing system protection, and maintaining or improving system reliability. System improvements can include the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. This project includes replacement of vandalized copper pole grounds with copper clad steel grounds which are less susceptible to theft. The project also includes installation of insulating covers to prevent wildlife from contacting energized equipment causing outages by birds and other small animals. Cost components include labor, materials, outside services (contractors), and transportation and equipment necessary to install the improvements. This project supports required standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

The need for the improvements are identified in several ways including; annual load analysis and system modeling of the distribution system to identify operational issues caused by normal load growth, during design of line extensions to serve new customers, operating problems that may arise during the year such as customer low voltage complaints, and the need for replacement of obsolete or problematic equipment.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Alternatives are evaluated on a case-by case basis. This usually involves analysis by PNM's Distribution Planning or Distribution Protection departments using simulation models of the distribution system. With these distribution models the engineers can evaluate different equipment or configuration alternatives to arrive at the best solutions for maintaining adequate voltage to all customers or for enhancing reliability. For example, the engineer might evaluate multiple options for correcting a low voltage issue such as installation of voltage regulators, increasing wire size to reduce voltage drop, or adding additional wires (phases) to split load and reduce voltage drop. The engineer will select the most cost effective and practical solution.

Technical Aspects

Distribution system improvements can include the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor controlling devices, and protection equipment. Examples include the installation of: capacitor banks; voltage regulators; protective devices such as fusing, sectionalizers, or reclosures; increased wire sizes or adding additional wire (such as changing single phase circuits to three phase); switches; and supervisory control and data acquisitions for monitoring and operating above devices (aka SCADA systems). System improvements can also include replacing obsolete or problematic equipment with better alternatives such as the replacement of vandalized copper pole grounds with copper clad steel grounds which are less susceptible to theft or vandalism. This project also includes the installation of electrically insulated guarding materials to prevent wildlife from making contact with energized equipment that can cause outages. This includes covers for transformer bushings, wire and insulator covers, and covers for cutouts and lightning arresters.

Project Estimate Approach

Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. The annual spend rate ending in May 2014 was higher than usual due to the need to replace vandalized pole grounds during that time period. Thus the initial budget was adjusted to reflect a spend rate more consistent with that in years prior to 2014.

The typical breakdown of cost by categories is as follows: company labor (45%), outside services (30%), materials (16%), and company transportation (8%). This breakdown can fluctuate depending on the nature of the system improvement work.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10000707	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	1,152,724		2,063	7,908	3,516	1,922	7,111	7,021	3,389	6,618	7,635	1,199,909
120-Overtime-General	1,182,207		1,471	5,083	798	216	559	1,236	276	12,309	26,825	1,230,979
350-Material Issues-Major	1,840,177		1,165	16,197	6,785	973	51,609	36,463	-24,919	2,809	23,573	1,954,832
370-Outside Services	2,777,276		2,793	20,726	13,368	2,778	15,742	21,381	71,570	39,439	73,879	3,038,953
374-Outside Svcs Legal	0		0	0	0	0	0	531	-450	0	0	80
377-Outside Services-Temp Labor	22,384		0	0	0	0	0	0	0	0	0	22,384
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	692,885		2,263	7,540	2,515	1,114	2,204	5,538	2,810	11,600	10,484	738,952
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-662,523		-3,342	-2,757	-1,518	-425	-4,446	-7,840	-20,026	-21,325	1,945	-722,257
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	161,057		247	909	302	150	537	578	257	1,325	2,412	167,773
914-Pension and Benefits Load	616,055		789	2,900	963	477	1,712	1,843	818	4,225	7,692	637,473
915-Injuries and Damages Load	163,305		238	874	290	144	516	556	247	1,274	2,319	169,763
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	207,448		153	2,133	894	128	6,797	4,802	-3,282	370	3,105	222,548
922-Minor Material Load	113,789		0	0	0	0	0	0	0	0	0	113,789
925-E and S Loads	1,147,189		1,765	9,942	4,566	1,244	12,798	12,023	8,640	12,736	24,771	1,235,673
926-A and G Loads	535,795		812	4,780	2,245	583	6,425	6,005	4,383	6,055	11,847	578,929
928-AFUDC Debt Reg	63,585		1,215	802	561	359	344	388	345	330	499	68,428
929-AFUDC - Equity Regular	63,968		1,734	1,146	801	513	491	554	493	471	713	70,882
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	10,077,320		13,366	78,184	36,087	10,174	102,399	91,078	44,550	78,235	197,698	10,729,091
825-Clearings	-9,611,196		-206,181	-151,142	-101,668	-62,326	-79,557	-84,511	-67,328	-72,018	-126,060	-10,561,988
Clr Sum	-9,611,196		-206,181	-151,142	-101,668	-62,326	-79,557	-84,511	-67,328	-72,018	-126,060	-10,561,988
Proj Net	466,124		-192,814	-72,958	-65,581	-52,152	22,842	6,567	-22,778	6,217	71,638	167,103

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10000707	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	1,199,909	10,033	7,340	13,666	7,321	12,914	7,054	7,438	11,024	11,092	6,310	10,743	10,951	1,315,795
120-Overtime-General	1,230,979	64,311	19,459	13,338	11,861	18,865	3,640	1,897	1,970	4,438	1,169	45,411	87,440	1,504,778
350-Material Issues-Major	1,954,832	4,560	15,452	15,326	4,107	26,266	13,521	3,739	79,464	57,207	-46,076	4,528	33,577	2,166,503
370-Outside Services	3,038,953	27,459	72,588	111,165	9,864	33,678	26,690	10,701	24,287	33,611	132,596	63,706	105,441	3,690,739
374-Outside Svcs Legal	80	0	22	0	0	0	0	0	0	0	-843	0	0	-741
377-Outside Services-Temp Labor	22,384	28	13	45	0	0	0	0	0	0	0	0	0	22,470
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	738,952	15,695	9,056	10,207	7,990	12,252	5,022	4,290	3,400	8,705	5,206	18,738	14,963	854,476
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-722,257	0	-7,510	-5,397	-9,207	-3,496	-2,365	-1,278	-5,352	-9,617	-28,949	-26,878	0	-822,306
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	167,773	5,204	1,876	1,890	1,343	2,225	749	653	910	1,087	524	3,931	6,887	195,052
914-Pension and Benefits Load	637,473	16,594	5,982	6,027	4,281	7,093	2,387	2,084	2,900	3,466	1,669	12,534	21,961	724,451
915-Injuries and Damages Load	169,763	5,003	1,804	1,817	1,291	2,139	720	628	874	1,045	503	3,779	6,622	195,988
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	222,548	601	2,035	2,018	541	3,459	1,781	492	10,465	7,534	-6,068	596	4,422	250,424
922-Minor Material Load	113,789	0	0	0	0	0	0	0	0	0	0	0	0	113,789
925-E and S Loads	1,235,673	23,822	21,375	27,757	7,689	18,469	9,565	5,029	19,973	19,304	16,169	26,139	46,055	1,477,019
926-A and G Loads	578,929	10,158	10,311	13,624	3,423	8,651	4,653	2,335	9,996	9,572	8,184	11,908	20,997	692,741
928-AFUDC Debt Reg	68,428	453	490	545	461	413	371	282	320	391	376	413	638	73,581
929-AFUDC - Equity Regular	70,882	0	0	0	0	0	0	0	0	0	0	0	0	70,882
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	10,729,091	183,921	160,293	212,028	50,965	142,928	73,788	38,290	160,231	147,835	90,770	175,548	359,954	12,525,642
825-Clearings	-10,561,988	-150,940	-154,961	-179,500	-124,230	-132,270	-107,122	-77,525	-113,088	-128,030	-112,008	-139,330	-234,198	-12,215,190
Clr Sum	-10,561,988	-150,940	-154,961	-179,500	-124,230	-132,270	-107,122	-77,525	-113,088	-128,030	-112,008	-139,330	-234,198	-12,215,190
Proj Net	167,103	32,981	5,332	32,528	-73,265	10,658	-33,334	-39,235	47,143	19,805	-21,238	36,218	125,756	310,452

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10000707	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	1,315,795	10,292	7,529	0	0	0	0	0	0	0	0	0	0	0	1,333,616
120-Overtime-General	1,504,778	65,974	19,962	0	0	0	0	0	0	0	0	0	0	0	1,590,714
350-Material Issues-Major	2,166,503	4,641	15,727	0	0	0	0	0	0	0	0	0	0	0	2,186,871
370-Outside Services	3,690,739	28,031	74,100	0	0	0	0	0	0	0	0	0	0	0	3,792,870
374-Outside Svcs Legal	-741	0	23	0	0	0	0	0	0	0	0	0	0	0	-718
377-Outside Services-Temp Labor	22,470	29	14	0	0	0	0	0	0	0	0	0	0	0	22,513
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	854,476	16,022	9,244	0	0	0	0	0	0	0	0	0	0	0	879,742
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-822,306	0	-7,666	0	0	0	0	0	0	0	0	0	0	0	-829,972
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	195,052	5,339	1,924	0	0	0	0	0	0	0	0	0	0	0	202,315
914-Pension and Benefits Load	724,451	17,023	6,136	0	0	0	0	0	0	0	0	0	0	0	747,610
915-Injuries and Damages Load	195,988	5,133	1,850	0	0	0	0	0	0	0	0	0	0	0	202,971
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	250,424	611	2,071	0	0	0	0	0	0	0	0	0	0	0	253,106
922-Minor Material Load	113,789	0	0	0	0	0	0	0	0	0	0	0	0	0	113,789
925-E and S Loads	1,477,019	24,397	21,842	0	0	0	0	0	0	0	0	0	0	0	1,523,258
926-A and G Loads	692,741	10,399	10,533	0	0	0	0	0	0	0	0	0	0	0	713,673
928-AFUDC Debt Reg	73,581	1,281	1,162	0	0	0	0	0	0	0	0	0	0	0	76,024
929-AFUDC - Equity Regular	70,882	758	688	0	0	0	0	0	0	0	0	0	0	0	72,328
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	12,525,642	189,930	165,139	0	0	0	0	0	0	0	0	0	0	0	12,880,711
825-Clearings	-12,215,190	-215,163	-193,652	0	0	0	0	0	0	0	0	0	0	0	-12,624,005
Clr Sum	-12,215,190	-215,163	-193,652	0	0	0	0	0	0	0	0	0	0	0	-12,624,005
Proj Net	310,452	-25,233	-28,513	0	0	0	0	0	0	0	0	0	0	0	256,706

Project No: 10000807 Services

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Generally, this blanket work order is cleared quarterly; 04-15,07-15,10-15,12-15

Project Need Justification

This project provides for the electrical connection of residential and non-residential customers' facilities to PNM's distribution system primarily within Bernalillo County. The project includes the cost of PNM labor, materials, outside services (contractors), and PNM transportation costs. PNM is obligated to serve customers within its service territory. PNM and the customer's service requirements are defined within PNM's Rules and Regulations, specifically Rules 15, 16, & 18 filed with the New Mexico Public Regulatory Commission (NMPRC) pursuant to NMPRC Rule 210.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Customers may be served from either an overhead or underground service depending on the distribution system configuration from which they will be served and in some cases depending upon the customer preference. For each service to a new residential customer or a non-residential customer served with an overhead service, the point of service location, service wire length and route are defined to maintain service voltage within regulatory requirements. Non-residential customers located in underground electric distribution areas, or residential or non-residential customers located in an overhead electric distribution areas but requesting and underground service, are required to provide the service wires per PNM rules. This project is required to provide service to new and upgrading customers.

Technical Aspects

This project includes the installation and, in the case of service retirement, removal costs of overhead and underground conductors leading from the point where PNM wires leave the last pole or distribution box to the point of connection with the residential or non-residential customer. Materials include overhead and underground service wires and associated connecting or terminating parts. Service related materials for the entire Albuquerque metro area (Bernalillo, Sandoval and Valencia counties) are included within this project.

Project Estimate Approach

The budget for this blanket is estimated by applying escalation factors to historical spend. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. Customer growth rates expected at the time of the 2015 budget development have since been revised downward. Spend for 2016 was subsequently adjusted lower based on expected lower customer growth.

The typical breakdown of cost by categories is as follows: company labor (45%), outside services (29%), materials (19%), and company transportation (7%). This breakdown can fluctuate by individual service and depending on the amount of work assigned to contractors.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10000807	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	4,940,453	28,806	27,139	12,602	7,760	28,248	16,429	10,969	14,342	20,393	5,107,143	
120-Overtime-General	523,185	16,507	16,968	7,365	15,147	13,875	11,490	9,448	16,851	12,579	643,416	
350-Material Issues-Major	3,352,589	40,008	43,651	37,389	26,257	62,189	41,366	34,388	39,575	44,508	3,721,921	
370-Outside Services	3,493,220	100,000	60,000	100,000	100,000	100,000	100,000	100,000	100,000	192,441	4,445,661	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	327,087	0	0	0	0	0	0	0	0	0	327,087	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,256,106	30,303	27,423	14,260	14,013	11,559	24,023	16,385	16,687	19,361	1,430,118	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-19,530	0	-2,409	0	0	-403	-597	0	-196	0	-23,135	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	393,048	3,172	3,088	1,398	1,604	2,949	1,954	1,429	2,184	2,308	413,133	
914-Pension and Benefits Load	1,500,924	10,114	9,845	4,457	5,113	9,402	6,232	4,557	6,962	7,359	1,564,965	
915-Injuries and Damages Load	395,791	3,050	2,968	1,344	1,542	2,835	1,879	1,374	2,099	2,219	415,101	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	87,795	5,269	5,749	4,924	3,458	8,190	5,448	4,529	5,212	5,862	136,436	
922-Minor Material Load	18,286	0	0	0	0	0	0	0	0	0	18,286	
925-E and S Loads	2,299,765	37,114	30,573	28,610	27,430	36,969	32,540	28,568	31,792	48,187	2,601,547	
926-A and G Loads	834,869	17,940	14,575	14,278	13,576	17,960	16,083	14,243	15,596	24,068	983,190	
928-AFUDC Debt Reg	192,743	0	0	0	0	0	0	0	0	0	192,743	
929-AFUDC - Equity Regular	42,825	0	0	0	0	0	0	0	0	0	42,825	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	19,639,157	292,283	239,570	226,627	215,900	293,773	256,847	225,891	251,106	379,284	22,020,437	
825-Clearings	-19,091,279	-672,129	0	0	-680,103	0	0	-757,229	0	-819,697	-22,020,437	
Clr Sum	-19,091,279	-672,129	0	0	-680,103	0	0	-757,229	0	-819,697	-22,020,437	
Proj Net	547,878	-379,846	239,570	226,627	-464,204	293,773	256,847	-531,338	251,106	-440,413	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10000807	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	5,107,143	9,523	16,126	36,314	16,013	13,911	2,446	4,311	15,798	2,621	3,171	105	7,362	5,234,844	
120-Overtime-General	643,416	15,804	17,843	16,735	18,045	18,476	2,446	4,311	15,248	12,589	3,171	18,390	13,866	800,340	
350-Material Issues-Major	3,721,921	30,334	34,193	37,118	43,434	47,206	39,675	28,109	67,876	45,010	37,046	42,893	48,724	4,223,539	
370-Outside Services	4,445,661	100,884	109,285	96,902	135,010	180,000	180,000	112,049	122,554	138,304	123,191	124,838	167,054	6,035,732	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	327,087	0	0	0	0	0	0	0	0	0	0	0	0	327,087	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,430,118	24,539	30,840	25,507	32,962	29,715	15,161	15,031	12,641	26,191	17,686	18,122	21,236	1,699,749	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-23,135	-568	0	0	0	-3,279	0	0	-549	-813	0	-267	0	-28,611	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	413,133	1,773	2,378	3,713	2,384	2,267	342	603	2,173	1,065	444	1,295	1,486	433,056	
914-Pension and Benefits Load	1,564,965	5,653	7,582	11,840	7,602	7,229	1,092	1,924	6,930	3,395	1,416	4,128	4,738	1,628,494	
915-Injuries and Damages Load	415,101	1,704	2,286	3,570	2,292	2,180	329	580	2,089	1,024	427	1,245	1,429	434,256	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	136,436	3,995	4,503	4,888	5,720	6,217	5,225	3,702	8,939	5,928	4,879	5,649	6,417	202,498	
922-Minor Material Load	18,286	0	0	0	0	0	0	0	0	0	0	0	0	18,286	
925-E and S Loads	2,601,547	30,434	35,285	37,072	41,239	48,157	38,639	26,707	39,250	36,832	29,848	33,762	42,543	3,041,315	
926-A and G Loads	983,190	15,066	17,329	17,686	20,423	24,070	19,945	13,629	19,479	18,696	15,331	17,002	21,486	1,203,332	
928-AFUDC Debt Reg	192,743	0	0	0	0	0	0	0	0	0	0	0	0	192,743	
929-AFUDC - Equity Regular	42,825	0	0	0	0	0	0	0	0	0	0	0	0	42,825	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	22,020,437	239,141	277,650	291,345	325,124	376,149	305,300	210,956	312,428	290,842	236,610	267,162	336,341	25,489,485	
825-Clearings	-22,020,437	0	0	0	-906,609	0	0	-895,247	0	0	-850,954	0	-816,240	-25,489,487	
Clr Sum	-22,020,437	0	0	0	-906,609	0	0	-895,247	0	0	-850,954	0	-816,240	-25,489,487	
Proj Net	0	239,141	277,650	291,345	-581,485	376,149	305,300	-684,291	312,428	290,842	-614,344	267,162	-479,899	-2	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10000807	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	5,234,844	78,901	86,580	0	0	0	0	0	0	0	0	0	0	0	5,400,325
120-Overtime-General	800,340	18,380	20,751	0	0	0	0	0	0	0	0	0	0	0	839,471
350-Material Issues-Major	4,223,539	35,001	39,453	0	0	0	0	0	0	0	0	0	0	0	4,297,993
370-Outside Services	6,035,732	49,255	58,977	0	0	0	0	0	0	0	0	0	0	0	6,143,964
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	327,087	0	0	0	0	0	0	0	0	0	0	0	0	0	327,087
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	1,699,749	28,398	35,690	0	0	0	0	0	0	0	0	0	0	0	1,763,837
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-28,611	-552	0	0	0	0	0	0	0	0	0	0	0	0	-29,163
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	433,056	6,810	7,513	0	0	0	0	0	0	0	0	0	0	0	447,379
914-Pension and Benefits Load	1,628,494	21,713	23,956	0	0	0	0	0	0	0	0	0	0	0	1,674,163
915-Injuries and Damages Load	434,256	6,547	7,223	0	0	0	0	0	0	0	0	0	0	0	448,026
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	202,498	4,610	5,196	0	0	0	0	0	0	0	0	0	0	0	212,304
922-Minor Material Load	18,286	0	0	0	0	0	0	0	0	0	0	0	0	0	18,286
925-E and S Loads	3,041,315	39,201	44,823	0	0	0	0	0	0	0	0	0	0	0	3,125,339
926-A and G Loads	1,203,332	17,467	20,089	0	0	0	0	0	0	0	0	0	0	0	1,240,888
928-AFUDC Debt Reg	192,743	0	0	0	0	0	0	0	0	0	0	0	0	0	192,743
929-AFUDC - Equity Regular	42,825	0	0	0	0	0	0	0	0	0	0	0	0	0	42,825
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	25,489,485	305,731	350,251	0	0	0	0	0	0	0	0	0	0	0	26,145,467
825-Clearings	-25,489,487	0	0	0	0	0	0	0	0	0	0	0	0	0	-25,489,487
Clr Sum	-25,489,487	0	0	0	0	0	0	0	0	0	0	0	0	0	-25,489,487
Proj Net	-2	305,731	350,251	0	0	0	0	0	0	0	0	0	0	0	655,980

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Project No: 10000907 Transformers

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

This blanket work order is generally cleared quarterly; 04-15,07-15,10-15,12-15. Quarterly clearings occur every year thereafter.

Project Need Justification

This project enables the purchase of transformers for providing service to new customers, upgrading customers' service when electric load is added, and to replace failed transformers. The project includes the cost of purchasing transformers and the labor for their installation either by PNM crews or PNM contractor crews (outside services).

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

This project has no alternatives. This project is necessary to replace failed equipment and meet new or growing customer needs. For service to new customers consideration is given to serving customers from existing transformers or installing a new transformer for the customer requested voltage and sized appropriately from the customer provided electric load information.

Technical Aspects

This project provides for the purchasing and installation of distribution transformers. These transformers reduce the primary distribution voltage levels to a usable level required for residential and business customers. Primary voltages range from 7,200 volts to 13,800 volts while secondary, customer, voltages generally range from 120 volts to 480 volts.

Project Estimate Approach

This project includes the cost of distribution transformers purchased to serve new and expanding customers and to replace failed transformers. The specific work items for this blanket will not be known until customer requests for new or upgraded service are received or transformers fail or become

overloaded during the budget year. As a result, forecasted spend is developed from historical activity. Transformer install quantities are tracked annually and future year purchases are estimated based on past year's requirements adjusted for known non-recurring larger projects. The project includes labor associated with the installation or exchange of transformers. The initial budget for this project was developed by applying escalation factors to the actual 12 months spend ending May 2014. The resulting forecasted spend is adjusted quarterly as appropriate consistent with the trends in new service and replacement activity.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10000907	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	2,352,182	24,687	21,579	5,161	5,161	5,161	5,161	5,161	5,161	5,161	2,434,576	
120-Overtime-General	1,160,744	10,625	13,056	5,161	5,161	5,161	5,161	5,161	5,161	5,161	1,220,553	
350-Material Issues-Major	26,953,692	207,413	185,843	339,299	188,912	189,254	188,452	204,142	212,265	238,833	28,908,106	
370-Outside Services	1,584,104	6,640	9,969	72,720	112,010	131,165	94,713	57,850	59,140	90,661	2,218,973	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	19,395	0	-1,091	0	3,181	1,693	0	1,907	91	4,243	29,419	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,059,362	13,587	13,560	25,968	32,809	26,909	28,919	16,457	10,060	9,691	2,237,321	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-1,248,904	-4,893	-4,545	-14,934	-25,280	-25,593	-12,039	-11,265	-39,844	-50,371	-1,437,668	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	254,457	2,472	2,424	723	723	723	723	723	723	723	264,411	
914-Pension and Benefits Load	952,144	7,882	7,730	2,304	2,304	2,304	2,304	2,304	2,304	2,304	983,883	
915-Injuries and Damages Load	273,657	2,377	2,331	695	695	695	695	695	695	695	283,228	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	2,239,967	27,316	24,476	44,686	24,880	24,925	24,819	26,885	27,955	31,454	2,497,364	
922-Minor Material Load	17,975	0	0	0	0	0	0	0	0	0	17,975	
925-E and S Loads	5,519,772	44,109	40,864	72,325	56,153	58,090	52,180	47,104	47,296	57,195	5,995,089	
926-A and G Loads	2,096,496	21,878	20,211	37,299	28,890	29,897	26,824	24,184	24,284	29,432	2,339,396	
928-AFUDC Debt Reg	232	0	0	0	0	0	0	0	0	0	232	
929-AFUDC - Equity Regular	208	0	0	0	0	0	0	0	0	0	208	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	44,235,482	364,093	336,408	591,406	435,597	450,383	417,913	381,308	355,292	425,183	47,993,064	
825-Clearings	-43,898,218	-561,086	-381,343	-549,394	-458,356	-451,978	-424,726	-487,489	-284,233	-496,241	-47,993,064	
Clr Sum	-43,898,218	-561,086	-381,343	-549,394	-458,356	-451,978	-424,726	-487,489	-284,233	-496,241	-47,993,064	
Proj Net	337,264	-196,993	-44,936	42,013	-22,759	-1,595	-6,813	-106,182	71,058	-71,058	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10000907	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	2,434,576	14,154	14,025	23,286	16,787	14,752	19,860	26,959	33,022	25,597	19,487	19,774	21,827	2,684,106
120-Overtime-General	1,220,553	11,377	4,232	10,256	7,225	8,926	20,016	22,966	23,588	17,997	7,038	6,562	9,197	1,369,933
350-Material Issues-Major	28,908,106	310,935	211,599	250,017	259,551	279,514	437,440	368,521	305,022	307,452	254,683	265,938	295,948	32,454,726
370-Outside Services	2,218,973	10,931	9,031	14,663	4,493	6,782	4,031	17,806	21,556	14,824	13,057	14,388	28,734	2,379,269
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	29,419	1,533	0	417	0	-742	0	2,129	1,131	0	1,286	62	2,843	38,078
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	2,237,321	10,778	6,185	9,315	9,194	9,225	17,127	21,958	17,976	19,402	11,102	6,816	6,493	2,382,892
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-1,437,668	-2,296	-2,214	-17,199	-3,094	-2,873	-9,441	-15,981	-16,179	-7,610	-7,121	-25,188	-31,842	-1,578,706
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	264,411	1,787	1,278	2,348	1,681	1,657	2,791	3,495	3,963	3,052	1,857	1,844	2,172	292,336
914-Pension and Benefits Load	983,883	5,699	4,075	7,487	5,359	5,285	8,900	11,143	12,635	9,730	5,920	5,878	6,925	1,072,919
915-Injuries and Damages Load	283,228	1,718	1,229	2,257	1,616	1,594	2,684	3,360	3,810	2,934	1,785	1,772	2,088	310,075
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	2,497,364	40,950	27,868	32,927	34,183	36,812	57,611	48,534	40,171	40,491	33,542	35,024	38,976	2,964,453
922-Minor Material Load	17,975	0	0	0	0	0	0	0	0	0	0	0	0	17,975
925-E and S Loads	5,995,089	59,026	40,265	51,207	48,945	52,319	82,056	76,534	67,632	64,158	50,594	51,685	60,196	6,699,706
926-A and G Loads	2,339,396	29,928	20,390	25,622	24,731	26,496	41,473	38,300	33,471	32,055	25,514	26,086	30,371	2,693,833
928-AFUDC Debt Reg	232	0	0	0	0	0	0	0	0	0	0	0	0	232
929-AFUDC - Equity Regular	208	0	0	0	0	0	0	0	0	0	0	0	0	208
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	47,993,064	496,520	337,963	412,603	410,671	439,747	684,548	625,724	547,798	530,082	418,744	410,641	473,928	53,782,033
825-Clearings	-47,993,064	-397,216	-349,813	-400,045	-408,546	-433,507	-634,339	-627,448	-563,728	-536,811	-442,358	-416,985	-578,174	-53,782,034
Clr Sum	-47,993,064	-397,216	-349,813	-400,045	-408,546	-433,507	-634,339	-627,448	-563,728	-536,811	-442,358	-416,985	-578,174	-53,782,034
Proj Net	0	99,304	-11,850	12,558	2,125	6,240	50,209	-1,724	-15,930	-6,729	-23,614	-6,344	-104,246	-1

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10000907	Year 2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	2,684,106	21,671	21,474	0	0	0	0	0	0	0	0	0	0	2,727,251
120-Overtime-General	1,369,933	17,420	6,479	0	0	0	0	0	0	0	0	0	0	1,393,832
350-Material Issues-Major	32,454,726	355,905	242,202	0	0	0	0	0	0	0	0	0	0	33,052,833
370-Outside Services	2,379,269	16,655	13,759	0	0	0	0	0	0	0	0	0	0	2,409,683
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	38,078	2,335	0	0	0	0	0	0	0	0	0	0	0	40,413
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	2,382,892	16,423	9,423	0	0	0	0	0	0	0	0	0	0	2,408,738
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-1,578,706	-3,499	-3,373	0	0	0	0	0	0	0	0	0	0	-1,585,578
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	292,336	2,736	1,957	0	0	0	0	0	0	0	0	0	0	297,029
914-Pension and Benefits Load	1,072,919	8,725	6,239	0	0	0	0	0	0	0	0	0	0	1,087,883
915-Injuries and Damages Load	310,075	2,631	1,881	0	0	0	0	0	0	0	0	0	0	314,587
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	2,964,453	46,873	31,898	0	0	0	0	0	0	0	0	0	0	3,043,224
922-Minor Material Load	17,975	0	0	0	0	0	0	0	0	0	0	0	0	17,975
925-E and S Loads	6,699,706	71,120	48,546	0	0	0	0	0	0	0	0	0	0	6,819,372
926-A and G Loads	2,693,833	35,810	24,406	0	0	0	0	0	0	0	0	0	0	2,754,049
928-AFUDC Debt Reg	232	0	0	0	0	0	0	0	0	0	0	0	0	232
929-AFUDC - Equity Regular	208	0	0	0	0	0	0	0	0	0	0	0	0	208
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	53,782,033	594,805	404,891	0	0	0	0	0	0	0	0	0	0	54,781,729
825-Clearings	-53,782,034	-475,844	-419,081	0	0	0	0	0	0	0	0	0	0	-54,676,959
Clr Sum	-53,782,034	-475,844	-419,081	0	0	0	0	0	0	0	0	0	0	-54,676,959
Proj Net	-1	118,961	-14,190	0	0	0	0	0	0	0	0	0	0	104,770

Project No: 10001007 Meter Equipment

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

n/a

Project Need Justification

This project involves metering equipment purchases for normal work (new service, maintenance, routine replacement), meter retirement (planned and unplanned due to vintage, damage, requirements of New Mexico Administrative Code Title 17, Chapter 9, Part 560 (NMAC 17.9.560 Section 14, Paragraphs A, D, F, E & G), and meter replacement (due to failure of in service sample testing (NMAC 17.9.560.14 (E)) in the regions of the Albuquerque metro area, Santa Fe, Las Vegas, Clayton, Deming, Blackwater Station (Clovis) and San Juan Plant. This project ensures that we are accurately monitoring energy consumption to provide customers with timely and accurate bills. Requested funds are for purchasing equipment (residential meters, commercial meters, substation meters, current transformers, voltage transformers, wire, test switches, and other associated material), labor associated with wiring transformers, and the labor and transportation associated with removal and testing of units that are retired from service.

Project Alternatives

To be able to meet PNM's obligation to its customers and to maintain system reliability there is not an alternative to purchasing metering equipment. We currently refurbish material that continues to meet our accuracy parameters as long as we have not found a pervasive indication of error in similar items through our testing programs (In-Service Performance Testing of Revenue Meters Periodic and Statistical Sampling Plan (Superseding Application and Stipulation of Case 2124 10/09/1987)). PNM has two meter vendors approved for single phase meters with one serving as the preferred vendor based on lower meter costs (the price delta is on average a \$1.00 per unit difference between vendors) and one as a back-up. For three phase meters we have two vendors approved, we purchase these meters based on functional capability and ease of use by field personnel. For instrument transformers we have a preferred vendor and an alternate, we purchase based on ability to meet lead time and functional capability.

Technical Aspects

This project involves the purchasing of single and three phase solid state meters. Some of the meters will have remote communication capabilities, current and voltage transformers that provide safe and accurate monitoring of higher voltage loads, test switches that can interrupt the flow of current to safely allow testing of equipment on site, and wire, lugs and nuts to securely connect transformer equipment to metering equipment. As equipment is removed from service and tested, the accuracy and condition is investigated. If equipment does not meet the required accuracy, condition, or current standards, the equipment is retired from the plant.

Project Estimate Approach

The estimated costs for this project are based on the three categories. Normal work is classified as new service, maintenance, routines. Retirements include planned and unplanned removal of meter equipment due to damage, NMAC 17.9.560 required replacements and equipment failures. Replacements are meters that fail the in-service performance testing criteria (NMAC 17.9.560.14 (E)).

The estimates for all three categories are based on labor and non-labor costs. For the Normal category the preceding 12 month actual charges for labor and materials for this type of work are calculated then they are escalated by negotiated labor increase percentage and projected growth rate provide by Financial Planning and Business Analysis group, below are the rates used:

Yr.	New Cust.	Labor	Non-labor	Material
2015	0.6%	2.0%	0.0%	2.4%
2016	34%	2.0%	1.5%	1.3%
2017	26%	2.0%	1.5%	1.2%
2018	1.0%	2.0%	1.5%	1.0%
2019	1.0%	2.0%	1.5%	0.9%

The retirements are calculated based on an average number of retirements (based on the past 5 years of actual retirement data) that are not part of the required replacement plan (Qty. 2000 was used per year) and ¼ of the replacement meters (meters are on a four year removal plan- total number of in-service meter to be removed are identified then divided by four to give a per year quantity to be removed and retired) these quantities are multiplied by an average cost per meter for labor and transportation.

The Replacement category includes a specific quantity of meters that failed to meet acceptable accuracy criteria during an in-service performance testing plan (meters are on a four year removal plan- total number of in-service meter to be removed are identified then divided by four to give a per year quantity to be removed). All estimates for this category are for non-labor (material), the estimate is the quantity of meters to be replaced multiplied by the expected cost of the meter.

Meter cost is based on the preferred vendor quotes of current year.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10001007	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	2,901,202	11,846	12,567	191,034	12,567	12,567	194,218	12,567	9,552	9,552	3,367,672	
120-Overtime-General	22,032	0	0	0	0	0	0	0	0	0	22,032	
350-Material Issues-Major	9,498,248	50,000	146,010	234,976	200,785	60,000	181,665	50,000	93,300	105,655	10,620,640	
370-Outside Services	860	0	0	0	0	0	0	0	0	0	860	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,205,632	0	0	0	0	0	0	0	0	0	1,205,632	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-26,396	0	0	0	0	0	0	0	0	0	-26,396	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	207,954	829	880	13,372	880	880	13,595	880	669	669	240,607	
914-Pension and Benefits Load	781,477	2,644	2,805	42,639	2,805	2,805	43,349	2,805	2,132	2,132	885,593	
915-Injuries and Damages Load	215,445	797	846	12,857	846	846	13,071	846	643	643	246,839	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	681,529	6,585	19,230	30,946	26,443	7,902	23,925	6,585	12,288	13,915	829,348	
922-Minor Material Load	23,752	0	0	0	0	0	0	0	0	0	23,752	
925-E and S Loads	2,122,621	10,579	26,097	79,180	34,861	12,336	71,344	10,736	17,007	18,984	2,403,745	
926-A and G Loads	879,776	5,146	13,194	35,444	17,751	6,038	31,273	5,206	8,557	9,585	1,011,969	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	18,514,133	88,426	221,628	640,449	296,938	103,373	572,441	89,624	144,148	161,135	20,832,293	
825-Clearings	-18,146,535	-364,819	-250,266	-562,412	-350,033	-152,705	-488,494	-169,398	-149,198	-198,434	-20,832,293	
Clr Sum	-18,146,535	-364,819	-250,266	-562,412	-350,033	-152,705	-488,494	-169,398	-149,198	-198,434	-20,832,293	
Proj Net	367,598	-276,393	-28,638	78,037	-53,095	-49,332	83,947	-79,774	-5,050	-37,299	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10001007	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	3,367,672	0	0	0	0	0	0	0	0	0	0	0	0	3,367,672	
120-Overtime-General	22,032	0	0	0	0	0	0	0	0	0	0	0	0	22,032	
350-Material Issues-Major	10,620,640	0	0	0	0	0	0	0	0	0	0	0	0	10,620,640	
370-Outside Services	860	0	0	0	0	0	0	0	0	0	0	0	0	860	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,205,632	0	0	0	0	0	0	0	0	0	0	0	0	1,205,632	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-26,396	0	0	0	0	0	0	0	0	0	0	0	0	-26,396	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	240,607	0	0	0	0	0	0	0	0	0	0	0	0	240,607	
914-Pension and Benefits Load	885,593	0	0	0	0	0	0	0	0	0	0	0	0	885,593	
915-Injuries and Damages Load	246,839	0	0	0	0	0	0	0	0	0	0	0	0	246,839	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	829,348	0	0	0	0	0	0	0	0	0	0	0	0	829,348	
922-Minor Material Load	23,752	0	0	0	0	0	0	0	0	0	0	0	0	23,752	
925-E and S Loads	2,403,745	0	0	0	0	0	0	0	0	0	0	0	0	2,403,745	
926-A and G Loads	1,011,969	0	0	0	0	0	0	0	0	0	0	0	0	1,011,969	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	20,832,293	0	0	0	0	0	0	0	0	0	0	0	0	20,832,293	
825-Clearings	-20,832,293	0	0	0	0	0	0	0	0	0	0	0	0	-20,832,293	
Clr Sum	-20,832,293	0	0	0	0	0	0	0	0	0	0	0	0	-20,832,293	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10001007	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	3,367,672	0	0	0	0	0	0	0	0	0	0	0	0	3,367,672	
120-Overtime-General	22,032	0	0	0	0	0	0	0	0	0	0	0	0	22,032	
350-Material Issues-Major	10,620,640	0	0	0	0	0	0	0	0	0	0	0	0	10,620,640	
370-Outside Services	860	0	0	0	0	0	0	0	0	0	0	0	0	860	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,205,632	0	0	0	0	0	0	0	0	0	0	0	0	1,205,632	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-26,396	0	0	0	0	0	0	0	0	0	0	0	0	-26,396	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	240,607	0	0	0	0	0	0	0	0	0	0	0	0	240,607	
914-Pension and Benefits Load	885,593	0	0	0	0	0	0	0	0	0	0	0	0	885,593	
915-Injuries and Damages Load	246,839	0	0	0	0	0	0	0	0	0	0	0	0	246,839	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	829,348	0	0	0	0	0	0	0	0	0	0	0	0	829,348	
922-Minor Material Load	23,752	0	0	0	0	0	0	0	0	0	0	0	0	23,752	
925-E and S Loads	2,403,745	0	0	0	0	0	0	0	0	0	0	0	0	2,403,745	
926-A and G Loads	1,011,969	0	0	0	0	0	0	0	0	0	0	0	0	1,011,969	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	20,832,293	0	0	0	0	0	0	0	0	0	0	0	0	20,832,293	
825-Clearings	-20,832,293	0	0	0	0	0	0	0	0	0	0	0	0	-20,832,293	
Clr Sum	-20,832,293	0	0	0	0	0	0	0	0	0	0	0	0	-20,832,293	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 10001207 Pole Replacement

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual work orders which are placed in service at various times throughout the year.

Project Need Justification

The New Mexico Public Regulatory Commission regulations state that PNM shall keep electric infrastructure in good repair based on industry standards. To comply with the regulations, PNM performs ground line tests on its distribution wood pole infrastructure to ensure that they are kept in good repair. This project is necessary to ensure the integrity of wood poles in PNM's distribution system.

Wood poles are support structures for overhead wires, transformers, and other equipment. Compromised integrity of these structures can affect reliability of service as well as public safety and the safety of PNM employees who may need to climb poles for maintenance and new service reasons. Furthermore, New Mexico Public Regulatory Commission Rule 17.9.560 requires PNM to determine the necessity for replacement and repairs and to exercise reasonable care to protect our employees and our customers. Distribution wood poles that fail the testing are replaced or reinforced based on the testing results. This project covers the labor and material costs associated with the testing, replacement and repair of defective poles.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

The testing of each pole determines the condition of the pole and identifies the appropriate alternative for repairing a defective pole. The alternatives include replacing the pole, structurally reinforcing the pole, and fumigating and/or applying an internal void treatment.

Technical Aspects

This project includes the cost of pole replacement, pole reinforcement, and fumigation. This capital blanket assures that the distribution wood pole infrastructure is replaced or reinforced based on ground line testing results. Poles are given a series of tests including visual, sounding, and bore hole inspections to determine the condition of the pole and the requisite treatment or replacement. Poles are inspected with a targeted cycle of inspecting

Projects with clearings in 2015 and 2016, Budget data for 2015 – 2017
each pole approximately every twenty-five years.

Project Estimate Approach

This project budget is based upon a targeted 25 year pole inspection cycle and assumed approximate 2% failure rate of poles inspected based on past test results. Of the poles estimated to fail the inspection, the budget assumes 60% of those failed poles will need to be replaced while 40% can be reinforced. Costs for replacement and reinforcement are based on past approximate average costs increased 2% per year for cost escalations.

The typical breakdown of cost by categories is as follows: outside services (75%), company labor (6%), materials (17%), and company transportation (2%). This breakdown can fluctuate depending on the use of PNM line crews vs. contract crews for the work, the actual percentage of poles that need replacement vs. reinforcement, and the types & configuration of the poles requiring work. Poles that support four or more wires are more costly to work than are poles supporting only two wires. Similarly angle or corner poles are more expensive to replace than are in-line tangent poles. Location and access to the poles, such as backyard vs. roadside, also affects costs.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10001207	Year	2015										
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
110-Straight Time-General	441,329	10,671	874	1,531	568	216	2,115	407	2,417	841	460,969		
120-Overtime-General	46,377	500	1,204	104	13	9	1,814	0	151	43	50,216		
350-Material Issues-Major	462,730	8,247	3,260	1,145	350	95	2,660	229	1,642	566	480,924		
370-Outside Services	1,952,363	-27,647	15,528	7,950	1,437	-47	19,906	580	2,121	8,639	1,980,831		
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0		
377-Outside Services-Temp Labor	51,960	2,229	1,105	0	0	0	0	0	0	0	55,293		
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0		
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0		
610-Expenses - General	152,178	5,418	1,024	944	132	66	1,266	38	1,002	293	162,361		
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0		
807-Non Refundable Contribution	-3,974	0	0	0	0	0	0	0	0	0	-3,974		
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0		
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0		
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0		
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0		
913-Payroll Taxes Load	34,998	782	145	114	41	16	275	29	180	62	36,642		
914-Pension and Benefits Load	133,511	2,493	464	365	130	50	877	91	573	197	138,752		
915-Injuries and Damages Load	36,795	752	140	110	39	15	264	27	173	60	38,375		
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0		
921-Stores / Purchasing Load	65,862	1,086	429	151	46	13	350	30	216	75	68,258		
922-Minor Material Load	30,398	0	0	0	0	0	0	0	0	0	30,398		
925-E and S Loads	438,120	551	3,799	1,962	433	67	4,668	224	1,321	1,712	452,860		
926-A and G Loads	220,498	-48	1,913	971	208	28	2,310	104	610	864	227,458		
928-AFUDC Debt Reg	46,394	3,341	2,868	2,476	2,114	1,791	1,562	1,362	1,166	1,014	64,088		
929-AFUDC - Equity Regular	51,781	4,770	4,095	3,536	3,018	2,558	2,230	1,944	1,665	1,448	77,046		
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0		
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0		
Cost Sum	4,161,319	13,146	36,847	21,360	8,529	4,878	40,297	5,066	13,238	15,814	4,320,495		
825-Clearings	-2,867,318	-209,144	-181,576	-155,942	-132,356	-111,959	-100,493	-85,225	-73,707	-64,444	-3,982,164		
Clr Sum	-2,867,318	-209,144	-181,576	-155,942	-132,356	-111,959	-100,493	-85,225	-73,707	-64,444	-3,982,164		
Proj Net	1,294,002	-195,998	-144,729	-134,581	-123,826	-107,081	-60,196	-80,159	-60,469	-48,630	338,332		

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10001207	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	460,969	2,928	4,254	5,366	10,925	1,503	3,066	2,106	3,004	3,379	2,220	5,190	2,790	507,700	
120-Overtime-General	50,216	400	739	751	512	2,072	209	49	130	2,897	0	324	144	58,443	
350-Material Issues-Major	480,924	11,145	1,971	1,460	8,386	5,572	2,276	1,288	1,314	4,221	1,239	3,500	1,864	525,160	
370-Outside Services	1,980,831	23,415	13,188	96,189	-28,167	26,591	15,839	5,304	-652	31,645	3,148	4,532	28,507	2,200,370	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	55,293	151	433	1,831	2,271	1,892	0	0	0	0	0	0	0	61,871	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	162,361	750	2,229	1,780	5,519	1,754	1,880	487	911	2,013	207	2,140	966	182,997	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-3,974	0	0	0	0	0	0	0	0	0	0	0	0	-3,974	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	36,642	233	350	428	801	250	229	151	219	439	155	386	205	40,488	
914-Pension and Benefits Load	138,752	743	1,114	1,365	2,553	798	731	481	700	1,401	496	1,231	655	151,020	
915-Injuries and Damages Load	38,375	224	336	412	770	241	220	145	211	422	149	371	197	42,073	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	68,258	1,468	260	192	1,104	734	300	170	173	556	163	461	245	74,084	
922-Minor Material Load	30,398	0	0	0	0	0	0	0	0	0	0	0	0	30,398	
925-E and S Loads	452,860	6,398	3,938	17,533	571	6,508	3,912	1,602	934	7,427	1,218	2,828	5,653	511,382	
926-A and G Loads	227,458	3,227	1,898	8,934	-46	3,277	1,936	768	392	3,674	567	1,305	2,851	256,241	
928-AFUDC Debt Reg	64,088	637	600	647	649	595	565	509	444	430	413	374	369	70,320	
929-AFUDC - Equity Regular	77,046	0	0	0	0	0	0	0	0	0	0	0	0	77,046	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,320,495	51,719	31,310	136,888	5,848	51,787	31,163	13,060	7,780	58,504	9,975	22,642	44,446	4,785,617	
825-Clearings	-3,982,164	-62,408	-57,432	-70,145	-59,858	-58,566	-54,182	-47,602	-41,230	-43,994	-38,551	-36,006	-37,356	-4,589,494	
Clr Sum	-3,982,164	-62,408	-57,432	-70,145	-59,858	-58,566	-54,182	-47,602	-41,230	-43,994	-38,551	-36,006	-37,356	-4,589,494	
Proj Net	338,332	-10,689	-26,122	66,743	-54,010	-6,779	-23,019	-34,542	-33,450	14,510	-28,576	-13,364	7,090	196,124	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10001207	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	507,700	3,648	5,300	0	0	0	0	0	0	0	0	0	0	516,648	
120-Overtime-General	58,443	499	920	0	0	0	0	0	0	0	0	0	0	59,862	
350-Material Issues-Major	525,160	13,775	2,436	0	0	0	0	0	0	0	0	0	0	541,371	
370-Outside Services	2,200,370	29,025	16,347	0	0	0	0	0	0	0	0	0	0	2,245,742	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	61,871	188	537	0	0	0	0	0	0	0	0	0	0	62,596	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	182,997	930	2,763	0	0	0	0	0	0	0	0	0	0	186,690	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-3,974	0	0	0	0	0	0	0	0	0	0	0	0	-3,974	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	40,488	290	435	0	0	0	0	0	0	0	0	0	0	41,213	
914-Pension and Benefits Load	151,020	926	1,388	0	0	0	0	0	0	0	0	0	0	153,334	
915-Injuries and Damages Load	42,073	279	419	0	0	0	0	0	0	0	0	0	0	42,771	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	74,084	1,814	321	0	0	0	0	0	0	0	0	0	0	76,219	
922-Minor Material Load	30,398	0	0	0	0	0	0	0	0	0	0	0	0	30,398	
925-E and S Loads	511,382	7,930	4,887	0	0	0	0	0	0	0	0	0	0	524,199	
926-A and G Loads	256,241	3,999	2,355	0	0	0	0	0	0	0	0	0	0	262,595	
928-AFUDC Debt Reg	70,320	721	753	0	0	0	0	0	0	0	0	0	0	71,794	
929-AFUDC - Equity Regular	77,046	427	446	0	0	0	0	0	0	0	0	0	0	77,919	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,785,617	64,451	39,307	0	0	0	0	0	0	0	0	0	0	4,889,375	
825-Clearings	-4,589,494	-41,691	-41,310	0	0	0	0	0	0	0	0	0	0	-4,672,495	
Clr Sum	-4,589,494	-41,691	-41,310	0	0	0	0	0	0	0	0	0	0	-4,672,495	
Proj Net	196,124	22,760	-2,003	0	0	0	0	0	0	0	0	0	0	216,881	

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Project No: 10001707 Albuquerque Pure Project

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Continuous throughout the year. Work orders are written by feeder.

Project Need Justification

This work is identified through the Automated Line Patrols (ALPS) process and provides funding for repairing and replacing aging overhead distribution construction components. There is a substantial quantity of work identified from past ALPS inspections and on-going inspections. This work is necessary to maintain reliable service and reduce hazards to the public and PNM line crews. NMPRC Rule 17.9.560, Service Standards for Electric Utilities Rules, outlines requirements for following electrical and safety standards (National Electric Safety Code), minimizing interruption of service, and protective safety measures. Not performing this work may decrease reliability and increase hazards to PNM personnel and the public.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

The project is necessary to ensure system reliability and minimize hazardous risks to PNM personnel and the public. All projects are sorted by priority in terms of condition and immediate impact to the system upon failure. High risk projects that would greatly impact the system if there is a failure are addressed immediately. The work identified that does not create an immediate hazard or pose imminent failure risk is scheduled based upon the level of deterioration or condition of the equipment and also the overall circuit performance in terms of number of outages and customers affected. As this work is not of immediate priority, work can be reasonably delayed if higher priority work exists or internal or contractor crews are limited.

Technical Aspects

This project involves the like-for-like replacement of aging/obsolete or damaged equipment on distribution poles. Physical items identified for replacement include lightning arrestors, cross-arms, cut-outs, capacitors, and insulators.

Project Estimate Approach

Project work is identified through line patrols and estimates of the work are developed through the database where the information is collected. The Projects with clearings in 2015 and 2016, Budget data for 2015 – 2017

project's annual spend was initially established to complete the backlog of work over a five year period but is adjusted annually and quarterly as necessary based upon variability in other distribution line construction work and availability of line crews. The work is identified by distribution lines (feeders). Those feeders which experience higher numbers of outages and impact the greatest number of customers are given higher priority scheduling.

The typical breakdown of cost by categories is as follows: company labor (13%), outside services (75%), materials (10%), and company transportation (2%).

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10001707	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	151,502	405	731	985	985	731	405	1,306	754	854	158,658	
120-Overtime-General	308,411	349	407	672	672	407	349	710	373	669	313,018	
350-Material Issues-Major	323,385	515	4,493	2,859	2,859	4,493	515	4,975	2,492	1,625	348,211	
370-Outside Services	3,243,218	12,750	27,995	49,506	49,506	27,995	12,750	65,180	11,775	7,194	3,507,870	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	112,665	0	0	0	0	0	0	0	0	0	112,665	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	29,809	53	80	116	116	80	53	141	79	107	30,632	
914-Pension and Benefits Load	114,093	168	254	370	370	254	168	450	252	340	116,719	
915-Injuries and Damages Load	30,265	51	77	112	112	77	51	136	76	102	31,057	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	99,843	68	592	377	377	592	68	655	328	214	103,112	
922-Minor Material Load	22,283	0	0	0	0	0	0	0	0	0	22,283	
925-E and S Loads	484,194	2,287	5,446	8,739	8,739	5,446	2,287	11,664	2,528	1,743	533,071	
926-A and G Loads	337,225	1,166	2,798	4,495	4,495	2,798	1,166	6,005	1,281	860	362,288	
928-AFUDC Debt Reg	2,295	0	0	0	0	0	0	0	0	0	2,295	
929-AFUDC - Equity Regular	3,434	0	0	0	0	0	0	0	0	0	3,434	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,262,622	17,812	42,870	68,230	68,230	42,870	17,812	91,221	19,937	13,708	5,645,313	
825-Clearings	-4,774,778	-404,524	-115,201	-77,625	-70,109	-48,318	-23,913	-77,760	-31,501	-17,267	-5,640,997	
Clr Sum	-4,774,778	-404,524	-115,201	-77,625	-70,109	-48,318	-23,913	-77,760	-31,501	-17,267	-5,640,997	
Proj Net	487,844	-386,713	-72,331	-9,394	-1,879	-5,448	-6,101	13,462	-11,565	-3,559	4,317	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10001707	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	158,658	2,662	1,889	1,887	1,080	1,301	1,521	1,521	1,301	1,080	1,887	1,889	2,662	179,338	
120-Overtime-General	313,018	0	0	0	0	0	0	0	0	0	0	0	0	313,018	
350-Material Issues-Major	348,211	5,036	6,197	7,139	1,362	7,937	4,386	4,386	7,937	1,362	7,139	6,197	5,036	412,325	
370-Outside Services	3,507,870	22,333	29,337	93,719	33,819	49,557	76,098	76,098	49,557	33,819	93,719	29,337	22,333	4,117,596	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	112,665	0	0	0	0	0	0	0	0	0	0	0	0	112,665	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	30,632	186	132	132	76	91	106	106	91	76	132	132	186	32,078	
914-Pension and Benefits Load	116,719	594	422	421	241	290	339	339	290	241	421	422	594	121,333	
915-Injuries and Damages Load	31,057	179	127	127	73	88	102	102	88	73	127	127	179	32,449	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	103,112	663	816	940	179	1,045	578	578	1,045	179	940	816	663	111,554	
922-Minor Material Load	22,283	0	0	0	0	0	0	0	0	0	0	0	0	22,283	
925-E and S Loads	533,071	4,959	6,097	16,548	5,864	9,482	13,209	13,209	9,482	5,864	16,548	6,097	4,959	645,389	
926-A and G Loads	362,288	2,499	3,114	8,548	3,017	4,892	6,823	6,823	4,892	3,017	8,548	3,114	2,499	420,074	
928-AFUDC Debt Reg	2,295	0	0	0	0	0	0	0	0	0	0	0	0	2,295	
929-AFUDC - Equity Regular	3,434	0	0	0	0	0	0	0	0	0	0	0	0	3,434	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,645,313	39,111	48,131	129,461	45,711	74,683	103,162	103,162	74,683	45,711	129,461	48,131	39,111	6,525,831	
825-Clearings	-5,640,997	-34,742	-45,453	-112,660	-59,101	-71,567	-96,843	-101,898	-80,126	-52,594	-114,088	-61,322	-43,553	-6,514,944	
Clr Sum	-5,640,997	-34,742	-45,453	-112,660	-59,101	-71,567	-96,843	-101,898	-80,126	-52,594	-114,088	-61,322	-43,553	-6,514,944	
Proj Net	4,317	4,369	2,678	16,801	-13,390	3,116	6,319	1,264	-5,443	-6,883	15,373	-13,191	-4,442	10,888	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10001707	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	179,338	0	0	0	0	0	0	0	0	0	0	0	0	179,338	
120-Overtime-General	313,018	0	0	0	0	0	0	0	0	0	0	0	0	313,018	
350-Material Issues-Major	412,325	0	0	0	0	0	0	0	0	0	0	0	0	412,325	
370-Outside Services	4,117,596	0	0	0	0	0	0	0	0	0	0	0	0	4,117,596	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	112,665	0	0	0	0	0	0	0	0	0	0	0	0	112,665	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	32,078	0	0	0	0	0	0	0	0	0	0	0	0	32,078	
914-Pension and Benefits Load	121,333	0	0	0	0	0	0	0	0	0	0	0	0	121,333	
915-Injuries and Damages Load	32,449	0	0	0	0	0	0	0	0	0	0	0	0	32,449	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	111,554	0	0	0	0	0	0	0	0	0	0	0	0	111,554	
922-Minor Material Load	22,283	0	0	0	0	0	0	0	0	0	0	0	0	22,283	
925-E and S Loads	645,389	0	0	0	0	0	0	0	0	0	0	0	0	645,389	
926-A and G Loads	420,074	0	0	0	0	0	0	0	0	0	0	0	0	420,074	
928-AFUDC Debt Reg	2,295	0	0	0	0	0	0	0	0	0	0	0	0	2,295	
929-AFUDC - Equity Regular	3,434	0	0	0	0	0	0	0	0	0	0	0	0	3,434	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	6,525,831	0	0	0	0	0	0	0	0	0	0	0	0	6,525,831	
825-Clearings	-6,514,944	0	0	0	0	0	0	0	0	0	0	0	0	-6,514,944	
Clr Sum	-6,514,944	0	0	0	0	0	0	0	0	0	0	0	0	-6,514,944	
Proj Net	10,888	0	0	0	0	0	0	0	0	0	0	0	0	10,888	

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Project No: 15500607 ED Remove & Replace

Company: 034-PNM TNMPNM Distribution
Location: 155 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual work orders which are placed in service at various times throughout the year.

Project Need Justification

The project is for the replacement of electrical distribution line facilities damaged by storms, fire and deteriorated through normal aging. The project also covers the required relocation of distribution facilities on government road right-of-way to accommodate construction projects such as road re-alignments and road widening. The project is generally for the replacement of like to like equipment that makes up the existing electrical distribution line facilities for both overhead and underground systems. The project drivers are the need to replace failed distribution line equipment and governmental roadway improvement projects.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

This is mandatory blanket project that will have multiple projects built that are required for the safe and reliable operation of the distribution facilities for PNM customers. The alternatives to each project built are evaluated at work order level to determine the optimal solution.

Technical Aspects

The project is for the removal and replacement of existing electrical distribution line facilities for both overhead and underground systems. The project includes design, installation and removal of wire, poles, pole hardware including insulators, cross arms, cut outs, anchor assemblies, switches, protective equipment, underground cable and conduits, and other equipment.

Project Estimate Approach

The project activities include relocation of distribution facilities for government roadway improvement projects and replacement of storm damage distribution facilities. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. The annual spend rate ending in May 2014 was higher than usual due to number of large pole and line replacement projects required in 2014, the initial budget was scaled back to reflect a spend rate more reflective of that experienced in years prior to 2014.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	15500607	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	1,027,519		10,191	5,070	12,554	7,685	8,099	6,963	11,216	8,708	7,511	1,105,516
120-Overtime-General	140,618		105	2,331	5,189	513	2,017	2,201	1,546	1,261	2,001	157,781
350-Material Issues-Major	487,537		4,329	3,535	15,134	5,041	5,904	5,040	7,283	5,929	2,754	542,485
370-Outside Services	129,424		188	0	6,555	1,351	0	1,196	424	1,051	110	140,299
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	830,982		7,770	3,224	10,873	6,318	5,294	5,004	9,629	6,405	5,097	890,596
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-340,362		-1,811	-2,345	-1,840	-647	-24	-634	-2,619	-2,732	277	-352,737
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	83,498		721	518	1,242	574	708	641	893	698	666	90,159
914-Pension and Benefits Load	319,248		2,298	1,652	3,960	1,830	2,258	2,045	2,848	2,225	2,123	340,488
915-Injuries and Damages Load	89,134		693	498	1,194	552	681	617	859	671	640	95,539
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	38,712		527	430	1,842	613	719	613	886	722	335	45,400
922-Minor Material Load	54,654		0	0	0	0	0	0	0	0	0	54,654
925-E and S Loads	357,612		4,207	2,692	9,072	3,818	3,994	3,793	5,552	4,312	3,344	398,396
926-A and G Loads	125,035		1,879	1,178	4,185	1,740	1,773	1,698	2,504	1,943	1,454	143,389
928-AFUDC Debt Reg	48		0	0	0	0	0	0	0	0	0	48
929-AFUDC - Equity Regular	11		0	0	0	0	0	0	0	0	0	11
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	3,343,670		31,096	18,783	69,959	29,388	31,423	29,177	41,020	31,192	26,313	3,652,021
825-Clearings	-3,192,461		-23,700	-19,513	-31,897	-33,799	-46,820	-51,327	-25,350	-32,135	-74,108	-3,531,108
Clr Sum	-3,192,461		-23,700	-19,513	-31,897	-33,799	-46,820	-51,327	-25,350	-32,135	-74,108	-3,531,108
Proj Net	151,209		7,396	-730	38,062	-4,411	-15,396	-22,150	15,670	-943	-47,795	120,913

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	15500607	Year	2016											Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	1,105,516	11,557	14,629	16,343	10,191	5,070	12,554	7,685	8,099	6,963	11,216	8,708	7,511	1,226,042
120-Overtime-General	157,781	59	228	2,993	105	331	5,189	513	2,017	2,201	1,546	1,261	2,001	176,225
350-Material Issues-Major	542,485	7,503	12,209	5,396	4,329	2,535	15,134	6,541	5,904	5,040	7,283	5,929	2,754	623,042
370-Outside Services	140,299	36	551	407	208	0	6,855	1,270	0	1,196	424	1,051	110	152,407
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	890,596	9,806	13,179	11,004	7,770	3,224	10,873	6,318	5,294	5,004	9,629	6,405	5,097	984,199
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-352,737	-427	-684	-1,031	-1,811	-2,345	-1,840	-647	-24	-634	-2,619	-2,732	801	-366,730
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	90,159	813	1,040	1,354	721	378	1,242	574	708	641	893	698	666	99,887
914-Pension and Benefits Load	340,488	2,593	3,316	4,316	2,298	1,205	3,960	1,830	2,258	2,045	2,848	2,225	2,123	371,505
915-Injuries and Damages Load	95,539	782	1,000	1,301	693	363	1,194	552	681	617	859	671	640	104,892
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	45,400	913	1,486	657	527	309	1,842	796	719	613	886	722	335	55,205
922-Minor Material Load	54,654	0	0	0	0	0	0	0	0	0	0	0	0	54,654
925-E and S Loads	398,396	5,304	7,384	6,898	4,210	2,097	9,120	4,045	3,994	3,793	5,552	4,312	3,344	458,449
926-A and G Loads	143,389	2,410	3,394	3,007	1,881	928	4,210	1,858	1,773	1,698	2,504	1,943	1,454	170,449
928-AFUDC Debt Reg	48	0	0	0	0	0	0	0	0	0	0	0	0	48
929-AFUDC - Equity Regular	11	0	0	0	0	0	0	0	0	0	0	0	0	11
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,652,021	41,349	57,732	52,645	31,122	14,095	70,333	31,335	31,423	29,177	41,021	31,193	26,836	4,110,282
825-Clearings	-3,531,108	-43,811	-26,428	-72,865	-20,886	-16,925	-29,018	-31,439	-44,011	-48,685	-24,320	-31,032	-72,106	-3,992,634
Clr Sum	-3,531,108	-43,811	-26,428	-72,865	-20,886	-16,925	-29,018	-31,439	-44,011	-48,685	-24,320	-31,032	-72,106	-3,992,634
Proj Net	120,913	-2,462	31,304	-20,220	10,236	-2,830	41,315	-104	-12,588	-19,508	16,701	161	-45,270	117,648

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	15500607	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	1,226,042	11,557	14,629	0	0	0	0	0	0	0	0	0	0	1,252,228	
120-Overtime-General	176,225	59	228	0	0	0	0	0	0	0	0	0	0	176,512	
350-Material Issues-Major	623,042	7,503	12,209	0	0	0	0	0	0	0	0	0	0	642,754	
370-Outside Services	152,407	0	551	0	0	0	0	0	0	0	0	0	0	152,958	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	984,199	9,806	13,179	0	0	0	0	0	0	0	0	0	0	1,007,184	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-366,730	-427	-684	0	0	0	0	0	0	0	0	0	0	-367,841	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	99,887	813	1,040	0	0	0	0	0	0	0	0	0	0	101,740	
914-Pension and Benefits Load	371,505	2,593	3,316	0	0	0	0	0	0	0	0	0	0	377,414	
915-Injuries and Damages Load	104,892	782	1,000	0	0	0	0	0	0	0	0	0	0	106,674	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	55,205	913	1,486	0	0	0	0	0	0	0	0	0	0	57,604	
922-Minor Material Load	54,654	0	0	0	0	0	0	0	0	0	0	0	0	54,654	
925-E and S Loads	458,449	5,298	7,384	0	0	0	0	0	0	0	0	0	0	471,131	
926-A and G Loads	170,449	2,407	3,394	0	0	0	0	0	0	0	0	0	0	176,250	
928-AFUDC Debt Reg	48	0	0	0	0	0	0	0	0	0	0	0	0	48	
929-AFUDC - Equity Regular	11	0	0	0	0	0	0	0	0	0	0	0	0	11	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,110,282	41,304	57,732	0	0	0	0	0	0	0	0	0	0	4,209,318	
825-Clearings	-3,992,634	-42,917	-26,065	0	0	0	0	0	0	0	0	0	0	-4,061,616	
Clr Sum	-3,992,634	-42,917	-26,065	0	0	0	0	0	0	0	0	0	0	-4,061,616	
Proj Net	117,648	-1,613	31,667	0	0	0	0	0	0	0	0	0	0	147,702	

Project No: 15500707 ED System Improvements

Company: 034-PNM TNMPNM Distribution
Location: 155 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual work orders which are placed in service at various times throughout the year.

Project Need Justification

The project provides for numerous small miscellaneous distribution facility improvements to improve service and operation. When completed, these projects are to provide voltage support for distribution systems with increase loading to maintain a constant voltage level, installation of electronic controlled system protection to reduce customer outage time improving system reliability. This project includes costs of labor for engineering, design, right-of way acquisition, environmental review, and construction along with material required.

The improvements are identified in several ways including: 1) annual load analysis and system modeling of the distribution system to identify operational issues caused by normal load growth, 2) during design of line extensions to serve new customers, 3) operating problems that may arise during the year such as customer low voltage complaints, and 4) replacement of obsolete equipment. Installation of equipment to prevent birds and small animals from electrocution is also included in this project to help reduce outages caused by birds and other small animals.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

This is mandatory blanket project that will have multiple projects built required for increased distribution system reliability and operation. The alternatives to each project built are evaluated at work order level to determine the optimal cost effective solution.

Technical Aspects

Distribution system improvements include the design and installation of conduit systems cable, wire, poles, overhead and underground switches, transformers, voltage regulators, capacitor banks, and protection equipment.

Project Estimate Approach

The initial budget for this project was developed by applying escalation factors to the actual 12 months spend ending May 2014. For example, historical

Projects with clearings in 2015 and 2016, Budget data for 2015 – 2017

labor costs are adjusted for changes in wage rates, and materials costs may be adjusted for changes in certain commodity costs like poles and conductors. The annual spend rate ending in May 2014 was higher than usual due to the need to purchase long lead items for future installation such as Reclosers to be remotely controlled, Distribution Line regulators and remotely controlled switches. Thus the initial budget was scaled back to reflect a spend rate more consistent with that in years prior to 2014. The typical breakdown of a cost estimate by categories is as follows: company labor (66%), outside services (1%), materials (19%), and company transportation (14%). This breakdown can fluctuate depending on the nature of the system improvement work.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	15500707	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	709,300	3,313	7,064	4,211	6,501	5,510	4,310	3,530	1,871	1,697	747,306	
120-Overtime-General	24,762	930	1,201	0	32	0	0	521	0	0	27,445	
350-Material Issues-Major	849,078	22,134	8,850	4,109	6,586	9,272	7,258	4,599	2,550	2,500	916,936	
370-Outside Services	56,228	0	1,500	100	0	0	1,500	654	5	0	59,987	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	476,870	1,589	3,441	2,154	4,604	2,830	2,590	2,751	1,569	670	499,068	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-168,741	0	0	0	-3,250	0	-1,501	0	-3,273	0	-176,766	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	180	0	0	0	0	0	0	0	0	0	180	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	51,653	297	579	295	457	386	302	284	131	119	54,501	
914-Pension and Benefits Load	196,203	947	1,845	940	1,458	1,230	962	904	418	379	205,285	
915-Injuries and Damages Load	52,788	286	556	283	440	371	290	273	126	114	55,526	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	53,366	2,694	1,077	500	802	1,128	883	560	310	304	61,624	
922-Minor Material Load	73,259	0	0	0	0	0	0	0	0	0	73,259	
925-E and S Loads	289,454	4,719	4,006	1,935	3,213	3,136	2,754	2,162	1,067	877	313,322	
926-A and G Loads	124,284	2,327	1,835	880	1,475	1,465	1,303	1,003	499	405	135,475	
928-AFUDC Debt Reg	41,201	1,762	1,518	1,416	1,300	1,156	1,043	883	827	663	51,771	
929-AFUDC - Equity Regular	57,550	2,516	2,168	2,022	1,857	1,651	1,489	1,261	1,180	947	72,641	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,887,433	43,514	35,639	18,845	25,474	28,135	23,183	19,383	7,280	8,674	3,097,560	
825-Clearings	-2,223,167	-134,478	-66,984	-67,296	-83,037	-69,612	-83,530	-35,350	-71,595	-42,002	-2,877,050	
Clr Sum	-2,223,167	-134,478	-66,984	-67,296	-83,037	-69,612	-83,530	-35,350	-71,595	-42,002	-2,877,050	
Proj Net	664,266	-90,965	-31,344	-48,451	-57,563	-41,477	-60,347	-15,967	-64,315	-33,328	220,509	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	15500707	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	747,306	2,971	4,482	5,074	3,313	7,064	4,211	6,501	5,510	4,310	3,530	1,671	1,697	797,640
120-Overtime-General	27,445	63	45	147	930	1,201	0	36	0	9	521	0	0	30,397
350-Material Issues-Major	916,936	2,222	3,457	53,926	22,134	8,850	4,109	6,586	9,272	7,258	4,599	10,878	8,945	1,059,172
370-Outside Services	59,987	13	1	500	0	1,500	0	0	0	1,500	654	0	0	64,155
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	499,068	2,735	3,527	2,878	1,589	3,441	2,154	4,604	2,830	2,590	2,751	1,569	670	530,406
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-176,766	-5,026	687	0	0	0	0	-3,250	0	-1,501	0	-3,273	0	-189,129
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	180	0	0	0	0	0	0	0	0	0	0	0	0	180
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	54,501	212	317	366	297	579	295	458	386	302	284	117	119	58,233
914-Pension and Benefits Load	205,285	677	1,010	1,165	947	1,845	940	1,459	1,230	964	904	373	379	217,178
915-Injuries and Damages Load	55,526	204	305	351	286	556	283	440	371	291	273	112	114	59,112
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	61,624	270	421	6,563	2,694	1,077	500	802	1,128	883	560	1,324	1,089	78,935
922-Minor Material Load	73,259	0	0	0	0	0	0	0	0	0	0	0	0	73,259
925-E and S Loads	313,322	1,455	2,103	10,305	4,719	4,006	1,919	3,213	3,136	2,756	2,162	2,355	1,908	353,359
926-A and G Loads	135,475	666	958	5,202	2,327	1,835	871	1,475	1,465	1,303	1,003	1,175	941	154,696
928-AFUDC Debt Reg	51,771	392	365	384	366	353	353	342	327	315	282	282	245	55,777
929-AFUDC - Equity Regular	72,641	0	0	0	0	0	0	0	0	0	0	0	0	72,641
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,097,560	6,854	17,678	86,861	39,602	32,307	15,635	22,666	25,655	20,980	17,523	16,583	16,107	3,416,011
825-Clearings	-2,877,050	-27,284	-41,374	-73,709	-43,536	-23,970	-25,149	-33,134	-29,941	-38,130	-17,004	-37,316	-23,745	-3,291,342
Clr Sum	-2,877,050	-27,284	-41,374	-73,709	-43,536	-23,970	-25,149	-33,134	-29,941	-38,130	-17,004	-37,316	-23,745	-3,291,342
Proj Net	220,509	-20,430	-23,696	13,152	-3,934	8,337	-9,514	-10,468	-4,286	-17,150	519	-20,733	-7,638	124,668

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	15500707	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	797,640	2,971	4,482	0	0	0	0	0	0	0	0	0	0	805,093	
120-Overtime-General	30,397	63	45	0	0	0	0	0	0	0	0	0	0	30,505	
350-Material Issues-Major	1,059,172	2,222	3,457	0	0	0	0	0	0	0	0	0	0	1,064,851	
370-Outside Services	64,155	59	1	0	0	0	0	0	0	0	0	0	0	64,215	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	530,406	2,735	3,527	0	0	0	0	0	0	0	0	0	0	536,668	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-189,129	-123	-1,650	0	0	0	0	0	0	0	0	0	0	-190,902	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	180	0	0	0	0	0	0	0	0	0	0	0	0	180	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	58,233	212	317	0	0	0	0	0	0	0	0	0	0	58,762	
914-Pension and Benefits Load	217,178	677	1,010	0	0	0	0	0	0	0	0	0	0	218,865	
915-Injuries and Damages Load	59,112	204	305	0	0	0	0	0	0	0	0	0	0	59,621	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	78,935	270	421	0	0	0	0	0	0	0	0	0	0	79,626	
922-Minor Material Load	73,259	0	0	0	0	0	0	0	0	0	0	0	0	73,259	
925-E and S Loads	353,359	1,463	2,103	0	0	0	0	0	0	0	0	0	0	356,925	
926-A and G Loads	154,696	670	958	0	0	0	0	0	0	0	0	0	0	156,324	
928-AFUDC Debt Reg	55,777	413	405	0	0	0	0	0	0	0	0	0	0	56,595	
929-AFUDC - Equity Regular	72,641	244	240	0	0	0	0	0	0	0	0	0	0	73,125	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,416,011	12,080	15,621	0	0	0	0	0	0	0	0	0	0	3,443,712	
825-Clearings	-3,291,342	-16,409	-25,831	0	0	0	0	0	0	0	0	0	0	-3,333,582	
Clr Sum	-3,291,342	-16,409	-25,831	0	0	0	0	0	0	0	0	0	0	-3,333,582	
Proj Net	124,668	-4,329	-10,210	0	0	0	0	0	0	0	0	0	0	110,129	

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Project No: 2000607 Distr. Remove & Replace

Company: 001-Electric Services
Location: 200 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual work orders which are placed in service at various times throughout the year.

Project Need Justification

The project is for the replacement of electrical distribution line facilities damaged by storms, fire and deteriorated through normal aging. The project includes the cost of engineering, design, environmental review, right-of-way research, labor both for internal crews and contract crews and construction material. The project covers the required relocation of distribution facilities on government road right-of-way to accommodate construction projects such as road re-alignments and road widening. The project is generally for the replacement of like-for-like equipment that makes up the existing electrical distribution line facilities for both overhead and underground systems. The project drivers are the need to replace failed distribution line equipment and governmental roadway improvement projects.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

This is mandatory blanket project that will have multiple projects built that are required for the safe and reliable operation of the distribution facilities. The alternatives to each project built are evaluated at work order level to determine the optimal cost effect solution to ensure system reliability.

Technical Aspects

The project is for the removal and replacement of existing electrical distribution line facilities for both overhead and underground systems. The project includes design, installation and removal of wire, poles, pole hardware including insulators, cross arms, cut outs, anchor assemblies, switches, protective equipment, underground cable and conduits, and other equipment.

Project Estimate Approach

The initial budget for this project was developed by applying escalation factors to the actual 12 months spend ending May 2014 of the different expense types. The expenses types used were internal labor, material, outside services that include contract labor, environmental review and permits. For the escalation historical labor costs are adjusted for changes in wage rates, outside services adjusted for possible contract cost increases for the different services and materials costs may be adjusted for changes in certain commodity costs like poles and conductors.

The typical breakdown of cost by categories is as follows: company labor (51%), outside services (24%), materials (20%), and company transportation (5%). This breakdown can fluctuate depending on the nature of the removals and replacement facilities including whether they are overhead construction or underground facilities.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	20000607	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	419,174	1,500	2,500	6,000	4,500	6,000	10,000	3,500	4,500	2,500	460,174	
120-Overtime-General	106,122	555	0	0	0	200	0	1,077	114	25	108,093	
350-Material Issues-Major	753,404	3,000	4,500	5,500	10,000	8,500	10,500	1,900	1,500	1,200	800,004	
370-Outside Services	905,749	80,000	80,000	40,000	60,000	60,000	60,000	60	0	0	1,285,809	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	14,128	0	0	0	0	0	0	0	0	0	14,128	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	286,821	7,693	6,736	7,500	6,500	6,500	6,500	1,000	1,500	210	330,959	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-38,239	-847	-2,856	0	-14,923	0	0	-1,283	-1,276	0	-59,423	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	37,053	144	175	420	315	434	700	320	323	177	40,061	
914-Pension and Benefits Load	141,626	459	558	1,339	1,004	1,384	2,232	1,022	1,030	564	151,218	
915-Injuries and Damages Load	38,266	138	168	404	303	417	673	308	311	170	41,158	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	68,813	395	593	724	1,317	1,119	1,383	250	198	158	74,950	
922-Minor Material Load	49,977	0	0	0	0	0	0	0	0	0	49,977	
925-E and S Loads	345,216	14,958	15,142	9,786	13,220	13,350	14,497	1,470	1,484	775	429,897	
926-A and G Loads	174,218	7,717	7,799	4,909	6,739	6,756	7,238	627	633	327	216,964	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,302,329	115,712	115,315	76,582	88,975	104,660	113,723	10,251	10,317	6,107	3,943,970	
825-Clearings	-2,998,165	-54,584	-52,867	-70,605	-78,404	-115,279	-136,848	-54,703	-60,225	-241,717	-3,863,398	
Clr Sum	-2,998,165	-54,584	-52,867	-70,605	-78,404	-115,279	-136,848	-54,703	-60,225	-241,717	-3,863,398	
Proj Net	304,163	61,128	62,448	5,977	10,572	-10,619	-23,125	-44,452	-49,908	-235,611	80,572	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	20000607	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	460,174	2,500	2,500	2,500	1,500	3,500	2,500	8,401	11,412	3,154	3,856	10,160	7,374	519,531	
120-Overtime-General	108,093	1,000	1,200	500	555	2,500	1,100	0	1,200	0	2,077	114	25	118,364	
350-Material Issues-Major	800,004	5,500	2,500	11,300	1,500	11,448	1,600	12,118	5,235	5,418	5,710	2,684	2,546	867,563	
370-Outside Services	1,285,809	0	0	0	0	0	100	0	0	0	0	0	0	1,285,909	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	14,128	0	0	0	0	0	0	0	0	0	0	0	0	14,128	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	330,959	5,669	8,305	3,669	7,693	6,736	9,783	9,974	4,730	1,757	5,538	5,425	4,210	404,448	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-59,423	5,169	0	0	-1,156	-3,900	0	-20,378	0	0	-1,753	-1,742	0	-83,183	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	40,061	245	259	210	144	420	252	588	883	221	415	719	518	44,935	
914-Pension and Benefits Load	151,218	781	826	670	459	1,339	804	1,875	2,815	704	1,324	2,293	1,652	166,760	
915-Injuries and Damages Load	41,158	236	249	202	138	404	242	565	849	212	399	691	498	45,843	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	74,950	724	329	1,488	198	1,508	211	1,596	689	714	752	353	335	83,847	
922-Minor Material Load	49,977	0	0	0	0	0	0	0	0	0	0	0	0	49,977	
925-E and S Loads	429,897	2,549	2,534	3,048	1,918	4,215	2,621	5,363	4,340	1,835	3,091	3,534	2,692	467,637	
926-A and G Loads	216,964	1,220	1,207	1,495	936	2,012	1,255	2,537	1,878	859	1,429	1,529	1,178	234,499	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,943,970	25,593	19,909	25,082	13,885	30,182	20,468	22,639	34,031	14,874	22,838	25,760	21,028	4,220,259	
825-Clearings	-3,863,398	-28,665	-14,612	-38,837	-10,781	-11,256	-15,616	-17,784	-28,310	-30,343	-14,803	-19,972	-47,835	-4,142,212	
Clr Sum	-3,863,398	-28,665	-14,612	-38,837	-10,781	-11,256	-15,616	-17,784	-28,310	-30,343	-14,803	-19,972	-47,835	-4,142,212	
Proj Net	80,572	-3,072	5,297	-13,755	3,104	18,926	4,852	4,855	5,721	-15,469	8,035	5,788	-26,807	78,047	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	20000607	Year 2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	519,531	2,500	2,500	0	0	0	0	0	0	0	0	0	0	524,531
120-Overtime-General	118,364	1,000	1,200	0	0	0	0	0	0	0	0	0	0	120,564
350-Material Issues-Major	867,563	5,500	2,500	0	0	0	0	0	0	0	0	0	0	875,563
370-Outside Services	1,285,909	0	0	0	0	0	0	0	0	0	0	0	0	1,285,909
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	14,128	0	0	0	0	0	0	0	0	0	0	0	0	14,128
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	404,448	5,669	8,305	0	0	0	0	0	0	0	0	0	0	418,422
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-83,183	0	0	0	0	0	0	0	0	0	0	0	0	-83,183
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	44,935	245	259	0	0	0	0	0	0	0	0	0	0	45,439
914-Pension and Benefits Load	166,760	781	826	0	0	0	0	0	0	0	0	0	0	168,367
915-Injuries and Damages Load	45,843	236	249	0	0	0	0	0	0	0	0	0	0	46,328
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	83,847	724	329	0	0	0	0	0	0	0	0	0	0	84,900
922-Minor Material Load	49,977	0	0	0	0	0	0	0	0	0	0	0	0	49,977
925-E and S Loads	467,637	2,549	2,534	0	0	0	0	0	0	0	0	0	0	472,720
926-A and G Loads	234,499	1,220	1,207	0	0	0	0	0	0	0	0	0	0	236,926
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	4,220,259	20,424	19,909	0	0	0	0	0	0	0	0	0	0	4,260,592
825-Clearings	-4,142,212	-26,587	-13,769	0	0	0	0	0	0	0	0	0	0	-4,182,568
Clr Sum	-4,142,212	-26,587	-13,769	0	0	0	0	0	0	0	0	0	0	-4,182,568
Proj Net	78,047	-6,163	6,140	0	0	0	0	0	0	0	0	0	0	78,024

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Project No: 4100207 Line Extensions - Commercial

Company: 001-Electric Services
Location: 410 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual customer work orders which are placed in service at various times throughout the year.

Project Need Justification

This project provides for the installation of distribution line extensions necessary to serve new or expanding non-residential customers. The project includes the costs of labor for engineering, design, right-of-way acquisition, environmental review, and construction. The costs also include materials for the installation of the overhead or underground distribution extensions.

Project Alternatives

Project alternatives are evaluated on a case by case basis. We evaluate all viable routes to get the customer power. Included in this are existing easements, clear paths and availability of existing equipment. We then select the route that has the minimal cost to the customer. The project is required to meet PNM's obligation to serve new customers.

Technical Aspects

Physical components include but are not limited to primary wires, secondary wires, wood or steel poles and other supporting structures, trenches, switchgear and duct-bank systems. Customers are responsible for these costs less credits they are allowed under PNM's Rule 15 Line Extension Policy approved by the New Mexico Public Regulatory Commission. This project provides for PNM's portion of the cost of these line extensions.

Project Estimate Approach

As with most of the blanket projects, the specific work items for this blanket will not be known until after the budget is developed with much of the work identified during the year of spend. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying escalation factors to the actual 12 months spend ending May 2014. Forecasted spend is adjusted quarterly as appropriate for trends in new service activity. Costs are typically 60% materials; 25% labor; 15% outside services.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	41000207	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	1,068,302	14,966	8,000	8,000	13,000	12,000	12,397	13,366	11,937	5,309	1,167,277	
120-Overtime-General	74,146	761	94	2,052	1,039	887	159	402	1,540	833	81,913	
350-Material Issues-Major	2,556,280	12,848	18,000	12,000	7,401	3,573	15,000	50,000	6,731	25,456	2,707,289	
370-Outside Services	1,775,379	20,028	20,000	7,000	7,931	9,081	636	6,000	50,000	18,194	1,914,249	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	156,416	0	0	0	0	0	0	0	0	0	156,416	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	422,479	4,823	3,755	4,207	4,380	4,412	4,278	5,615	3,151	3,169	460,269	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-5,487,270	-33,661	-44,747	-24,291	-6,786	-16,578	-9,994	-40,520	-8,807	-28,900	-5,701,554	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	82,628	1,101	567	704	983	902	879	964	943	430	90,100	
914-Pension and Benefits Load	316,707	3,510	1,807	2,244	3,134	2,876	2,802	3,073	3,008	1,371	340,532	
915-Injuries and Damages Load	82,826	1,058	545	676	945	867	845	927	907	413	90,010	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	228,639	1,692	2,371	1,580	975	471	1,976	6,585	886	3,353	248,526	
922-Minor Material Load	172,356	0	0	0	0	0	0	0	0	0	172,356	
925-E and S Loads	1,073,963	9,455	8,443	5,901	6,210	5,536	5,919	12,855	12,515	8,828	1,149,626	
926-A and G Loads	364,175	4,445	4,147	2,767	2,808	2,492	2,702	6,272	6,103	4,406	400,318	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,887,027	41,027	22,981	22,841	42,019	26,519	37,599	65,539	88,915	42,862	3,277,328	
825-Clearings	-2,840,470	-22,772	-22,826	-22,830	-27,819	-27,481	-30,112	-39,323	-52,217	-49,785	-3,135,633	
Clr Sum	-2,840,470	-22,772	-22,826	-22,830	-27,819	-27,481	-30,112	-39,323	-52,217	-49,785	-3,135,633	
Proj Net	46,557	18,255	155	11	14,200	-962	7,487	26,216	36,698	-6,922	141,694	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	41000207	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	1,167,277	12,133	17,335	15,377	16,850	16,138	14,248	14,883	21,918	13,957	15,049	13,440	5,978	1,344,583
120-Overtime-General	81,913	269	3,583	0	857	106	2,310	1,170	999	179	452	1,734	937	94,509
350-Material Issues-Major	2,707,289	38,249	-7,845	27,859	14,366	46,127	35,007	8,276	3,995	36,875	131,691	7,526	28,464	3,077,879
370-Outside Services	1,914,249	4,452	25,544	6,216	22,438	27,911	19,285	8,886	10,174	713	11,706	15,267	20,384	2,087,225
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	156,416	0	0	0	0	0	0	0	0	0	0	0	0	156,416
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	460,269	3,749	7,754	10,445	5,403	4,207	4,713	4,907	4,943	4,793	6,290	3,530	3,550	524,553
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-5,701,554	287	-6,577	-28,482	-37,712	-50,133	-27,214	-7,603	-18,573	-11,196	-45,397	-9,867	-32,378	-5,976,399
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	90,100	868	1,464	1,076	1,239	1,137	1,159	1,124	1,604	990	1,085	1,062	484	103,392
914-Pension and Benefits Load	340,532	2,768	4,669	3,432	3,952	3,626	3,696	3,583	5,115	3,155	3,460	3,387	1,543	382,918
915-Injuries and Damages Load	90,010	835	1,408	1,035	1,192	1,093	1,114	1,080	1,542	951	1,043	1,021	465	102,789
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	248,526	5,037	-1,033	3,669	1,892	6,075	4,610	1,090	526	4,856	17,344	991	3,749	297,332
922-Minor Material Load	172,356	0	0	0	0	0	0	0	0	0	0	0	0	172,356
925-E and S Loads	1,149,626	10,132	8,626	10,470	10,608	16,055	13,045	7,025	8,046	9,858	27,324	7,515	9,889	1,288,219
926-A and G Loads	400,318	4,896	3,858	4,983	4,985	7,861	6,287	3,172	3,497	4,702	13,744	3,453	4,935	466,691
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,277,328	83,675	58,786	56,080	46,070	80,203	78,260	47,593	43,786	69,833	183,791	49,059	48,000	4,122,464
825-Clearings	-3,135,633	-58,596	-58,645	-57,979	-54,882	-61,466	-65,833	-61,090	-56,591	-60,034	-92,211	-80,991	-72,414	-3,916,365
Clr Sum	-3,135,633	-58,596	-58,645	-57,979	-54,882	-61,466	-65,833	-61,090	-56,591	-60,034	-92,211	-80,991	-72,414	-3,916,365
Proj Net	141,694	25,079	141	-1,899	-8,812	18,737	12,427	-13,497	-12,805	9,799	91,580	-31,932	-24,414	206,098

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	41000207	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	1,344,583	12,480	17,832	0	0	0	0	0	0	0	0	0	0	1,374,895	
120-Overtime-General	94,509	277	3,685	0	0	0	0	0	0	0	0	0	0	98,471	
350-Material Issues-Major	3,077,879	39,037	-8,006	0	0	0	0	0	0	0	0	0	0	3,108,910	
370-Outside Services	2,087,225	4,557	26,147	0	0	0	0	0	0	0	0	0	0	2,117,929	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	156,416	0	0	0	0	0	0	0	0	0	0	0	0	156,416	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	524,553	3,837	7,938	0	0	0	0	0	0	0	0	0	0	536,328	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-5,976,399	294	-6,732	0	0	0	0	0	0	0	0	0	0	-5,982,837	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	103,392	893	1,506	0	0	0	0	0	0	0	0	0	0	105,791	
914-Pension and Benefits Load	382,918	2,847	4,803	0	0	0	0	0	0	0	0	0	0	390,568	
915-Injuries and Damages Load	102,789	859	1,448	0	0	0	0	0	0	0	0	0	0	105,096	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	297,332	5,141	-1,054	0	0	0	0	0	0	0	0	0	0	301,419	
922-Minor Material Load	172,356	0	0	0	0	0	0	0	0	0	0	0	0	172,356	
925-E and S Loads	1,288,219	10,366	8,856	0	0	0	0	0	0	0	0	0	0	1,307,441	
926-A and G Loads	466,691	5,008	3,960	0	0	0	0	0	0	0	0	0	0	475,659	
928-AFUDC Debt Reg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,122,464	85,596	60,383	0	0	0	0	0	0	0	0	0	0	4,268,443	
825-Clearings	-3,916,365	-75,841	-71,822	0	0	0	0	0	0	0	0	0	0	-4,064,028	
Clr Sum	-3,916,365	-75,841	-71,822	0	0	0	0	0	0	0	0	0	0	-4,064,028	
Proj Net	206,098	9,755	-11,439	0	0	0	0	0	0	0	0	0	0	204,414	

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Project No: 4100607 Distr. Remove & Replace

Company: 001-Electric Services
Location: 410 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

This project consists of many individual work orders which are placed in service at various times throughout the year the timing of which are determined by governmental road widening schedules and the occurrence of significant storms.

Project Need Justification

This project includes relocations of facilities in road rights-of-way for road re-alignments or widening projects. The project also includes the removal and replacement of existing electric distribution facilities that have been damaged during storms or deteriorated through normal aging or requested by customers. Generally the work under this project involves the replacement of like for like equipment. Project drivers include the need to replace failed equipment and governmental roadway improvement projects.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Project alternatives are evaluate on a case by case basis to determine the optimal replacement solution. The requested relocation work is required under franchise agreements when a municipality requires us to relocate our facilities that are in their rights of way when they conflict with projects such as road widening or as necessary for maintaining system integrity and/or restoring power after storms.

Technical Aspects

Removal and replacement of electric distribution facilities include the design, installation, and removal of wire, poles, pole hardware including insulators, cross arms, cut outs, anchor assemblies, overhead and underground transformers and switches, protection equipment, underground cable and conduits and other equipment.

Project Estimate Approach

The activities for this project include governmental roadway improvement projects, replacement of storm damaged facilities and customer requested relocation. The specific work required is unknown at the time when the spend forecast is developed. Historical spend in this funding project is analyzed to develop the estimated spend. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. The annual spend rate ending in May 2014 was much higher than usual due to a large storm event in 2013 and large roadway improvement projects during that time period. Thus the initial budget was scaled back to reflect a more moderate spend rate experienced in years prior to 2014 and to help meet overall budget targets.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	41000607	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	833,711		3,763	7,500	5,967	7,874	7,500	8,000	7,337	6,806	4,583	893,041
120-Overtime-General	271,109		4,180	3,908	7,000	5,926	7,016	6,361	3,117	4,547	4,608	317,772
350-Material Issues-Major	1,139,395		7,557	4,484	3,506	2,313	4,072	5,000	4,500	8,541	14,358	1,193,726
370-Outside Services	1,169,810		2,381	5,979	3,717	4,426	5,768	6,619	30,688	18,303	25,475	1,273,166
374-Outside Svcs Legal	1,774		0	0	0	0	0	0	0	0	0	1,774
377-Outside Services-Temp Labor	140,193		0	0	0	0	0	0	0	0	0	140,193
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	486,322		2,709	6,405	7,230	7,234	5,648	8,320	6,615	3,277	4,654	538,414
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-2,359,629		-14,103	-3,911	-5,442	-4,015	-1,580	4,229	-27,250	-6,264	-45,932	-2,463,897
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	79,923		556	799	908	966	1,016	1,005	732	795	643	87,342
914-Pension and Benefits Load	305,897		1,773	2,546	2,894	3,080	3,240	3,205	2,333	2,534	2,051	329,554
915-Injuries and Damages Load	82,354		535	768	873	929	977	966	704	764	619	89,487
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	117,967		995	591	462	305	536	659	593	1,125	1,891	125,122
922-Minor Material Load	77,219		0	0	0	0	0	0	0	0	0	77,219
925-E and S Loads	639,355		3,753	5,182	5,135	5,240	5,638	6,316	8,964	7,291	9,119	695,993
926-A and G Loads	243,432		1,713	2,353	2,281	2,311	2,496	2,854	4,348	3,451	4,466	269,704
928-AFUDC Debt Reg	125		0	0	0	0	0	0	0	0	0	125
929-AFUDC - Equity Regular	153		0	0	0	0	0	0	0	0	0	153
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	3,229,110		15,811	36,603	34,531	36,588	42,328	53,535	42,680	51,169	26,535	3,568,889
825-Clearings	-2,994,988		-79,979	-66,099	-55,997	-49,786	-47,399	-49,363	-47,224	-48,487	-41,462	-3,480,783
Clr Sum	-2,994,988		-79,979	-66,099	-55,997	-49,786	-47,399	-49,363	-47,224	-48,487	-41,462	-3,480,783
Proj Net	234,123		-64,168	-29,496	-21,466	-13,198	-5,072	4,172	-4,544	2,682	-14,927	88,107

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	41000607	Year	2016											Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	893,041	8,045	14,578	8,841	4,942	12,265	7,837	10,342	13,283	15,631	9,636	8,938	6,019	1,013,398
120-Overtime-General	317,772	13	3,736	4,354	5,490	5,133	13,292	7,783	9,214	8,354	4,093	5,971	6,052	391,257
350-Material Issues-Major	1,193,726	336	5,203	1,050	9,856	5,849	4,573	3,016	5,311	12,622	2,105	11,140	18,728	1,273,515
370-Outside Services	1,273,166	40,077	13,543	19,757	3,112	7,814	4,858	5,784	7,539	8,651	40,107	23,921	33,294	1,481,623
374-Outside Svcs Legal	1,774	0	0	0	0	0	0	0	0	0	0	0	0	1,774
377-Outside Services-Temp Labor	140,193	0	0	0	0	0	0	0	0	0	0	0	0	140,193
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	538,414	5,358	8,779	4,442	3,540	8,371	9,449	9,454	7,382	10,873	8,645	4,282	6,082	625,071
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-2,463,897	0	-10,610	-2,370	-18,432	-5,111	-7,112	-5,248	-2,065	5,527	-35,613	-8,187	-60,029	-2,613,147
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	87,342	564	1,282	924	730	1,218	1,479	1,269	1,575	1,679	961	1,044	845	100,912
914-Pension and Benefits Load	329,554	1,799	4,088	2,945	2,328	3,883	4,716	4,046	5,021	5,353	3,064	3,328	2,694	372,819
915-Injuries and Damages Load	89,487	542	1,233	888	702	1,171	1,422	1,220	1,514	1,614	924	1,003	812	102,532
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	125,122	44	685	138	1,298	770	602	397	699	1,662	277	1,467	2,466	135,627
922-Minor Material Load	77,219	0	0	0	0	0	0	0	0	0	0	0	0	77,219
925-E and S Loads	695,993	9,077	8,391	6,912	4,912	7,313	7,620	6,866	8,134	10,364	11,126	9,540	11,924	798,172
926-A and G Loads	269,704	4,479	3,814	3,199	2,241	3,281	3,329	3,027	3,555	4,670	5,374	4,514	5,839	317,026
928-AFUDC Debt Reg	125	0	0	0	0	0	0	0	0	0	0	0	0	125
929-AFUDC - Equity Regular	153	0	0	0	0	0	0	0	0	0	0	0	0	153
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,568,889	70,334	54,722	51,080	20,719	51,957	52,065	47,956	61,162	87,000	50,699	66,961	34,726	4,218,270
825-Clearings	-3,480,783	-50,701	-51,987	-51,697	-41,784	-45,040	-47,288	-47,501	-51,873	-63,114	-59,141	-61,643	-53,030	-4,105,582
Cir Sum	-3,480,783	-50,701	-51,987	-51,697	-41,784	-45,040	-47,288	-47,501	-51,873	-63,114	-59,141	-61,643	-53,030	-4,105,582
Proj Net	88,107	19,633	2,735	-617	-21,065	6,917	4,777	455	9,289	23,886	-8,442	5,318	-18,304	112,689

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	41000607	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	1,013,398	9,929	17,992	0	0	0	0	0	0	0	0	0	0	1,041,319	
120-Overtime-General	391,257	16	4,611	0	0	0	0	0	0	0	0	0	0	395,884	
350-Material Issues-Major	1,273,515	411	6,372	0	0	0	0	0	0	0	0	0	0	1,280,298	
370-Outside Services	1,481,623	49,221	16,633	0	0	0	0	0	0	0	0	0	0	1,547,477	
374-Outside Svcs Legal	1,774	0	0	0	0	0	0	0	0	0	0	0	0	1,774	
377-Outside Services-Temp Labor	140,193	0	0	0	0	0	0	0	0	0	0	0	0	140,193	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	625,071	6,580	10,782	0	0	0	0	0	0	0	0	0	0	642,433	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-2,613,147	0	-13,031	0	0	0	0	0	0	0	0	0	0	-2,626,178	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	100,912	696	1,582	0	0	0	0	0	0	0	0	0	0	103,190	
914-Pension and Benefits Load	372,819	2,220	5,045	0	0	0	0	0	0	0	0	0	0	380,084	
915-Injuries and Damages Load	102,532	669	1,521	0	0	0	0	0	0	0	0	0	0	104,722	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	135,627	54	839	0	0	0	0	0	0	0	0	0	0	136,520	
922-Minor Material Load	77,219	0	0	0	0	0	0	0	0	0	0	0	0	77,219	
925-E and S Loads	798,172	11,159	10,326	0	0	0	0	0	0	0	0	0	0	819,657	
926-A and G Loads	317,026	5,504	4,692	0	0	0	0	0	0	0	0	0	0	327,222	
928-AFUDC Debt Reg	125	0	0	0	0	0	0	0	0	0	0	0	0	125	
929-AFUDC - Equity Regular	153	0	0	0	0	0	0	0	0	0	0	0	0	153	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,218,270	86,459	67,364	0	0	0	0	0	0	0	0	0	0	4,372,093	
825-Clearings	-4,105,582	-63,728	-64,891	0	0	0	0	0	0	0	0	0	0	-4,234,201	
Clr Sum	-4,105,582	-63,728	-64,891	0	0	0	0	0	0	0	0	0	0	-4,234,201	
Proj Net	112,689	22,731	2,473	0	0	0	0	0	0	0	0	0	0	137,893	

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Project No: 41000707 Distr. System Improvements

Company: 001-Electric Services
Location: 410 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual work orders which are placed in service at various times throughout the year.

Project Need Justification

This project provides for numerous small miscellaneous distribution facility improvements to improve service and operation by providing voltage support, enhancing system protection, and maintaining or improving system reliability.

The need for the improvements are identified in several ways including annual load analysis and system modeling of the distribution system to identify operational issues caused by normal load growth, during design of line extensions to serve new customers, operating problems that may arise during the year such as customer low voltage complaints, and replacement of obsolete equipment.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Alternatives are evaluated on a case-by case basis. This usually involves analysis by PNM's Distribution Planning or Distribution Protection departments using simulation models of the distribution system. With these distribution models the engineers can evaluate different equipment or configuration alternatives to arrive at the best solutions for maintaining adequate voltage to all customers or for enhancing reliability. For example, the engineer might evaluate multiple options for correcting a low voltage issue such as installation of voltage regulators, increasing wire size to reduce voltage drop, or adding additional wires (phases) to split load and reduce voltage drop. The engineer will select the most cost effective and practical solution.

Technical Aspects

Distribution system improvements include the design and installation of conduit systems cable, wire, poles, overhead and underground switches, transformers, voltage regulators, capacitor banks, and protection equipment.

This project also includes replacement of vandalized copper pole grounds with copper clad steel grounds which are less susceptible to theft. Installation

of equipment to prevent birds and small animals from electrocution is also included in this project to help reduce outages caused by birds and other small animals.

Project Estimate Approach

Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. The annual spend rate ending in May 2014 was higher than usual due to the need to replace vandalized pole grounds during that time period. Thus the initial budget was scaled back to reflect a spend rate more consistent with that in years prior to 2014.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	41000707	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	683,975	7,229	11,194	11,769	4,478	-9,531	3,395	3,548	7,684	4,119	727,860	
120-Overtime-General	94,443	3,336	1,653	278	27	27	272	308	1,815	7,496	109,655	
350-Material Issues-Major	2,315,856	5,028	30,000	25,000	9,000	628	5,307	1,271	41,065	19,000	2,452,155	
370-Outside Services	2,066,360	10,981	16,000	19,000	2,254	-4,754	2,959	14,000	9,000	9,000	2,144,800	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	55,435	0	0	0	0	0	0	0	0	0	55,435	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	-332,836	4,161	4,137	4,757	1,378	549	1,227	960	1,706	2,841	-311,120	
805-Land and Land Rights	14,475	0	0	0	0	0	0	0	0	0	14,475	
807-Non Refundable Contribution	-95,456	0	0	0	0	0	0	0	0	0	-95,456	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	55,315	740	899	843	315	-665	257	270	665	813	59,452	
914-Pension and Benefits Load	212,133	2,358	2,867	2,689	1,006	-2,121	818	861	2,120	2,592	225,324	
915-Injuries and Damages Load	57,845	711	865	811	303	-640	247	260	639	782	61,823	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	199,666	662	3,951	3,293	1,185	83	699	167	5,408	2,502	217,617	
922-Minor Material Load	150,333	0	0	0	0	0	0	0	0	0	150,333	
925-E and S Loads	888,105	5,527	10,818	10,424	3,002	-2,641	2,317	3,436	10,351	7,463	938,802	
926-A and G Loads	358,136	2,557	5,240	5,059	1,426	-1,088	1,095	1,671	5,098	3,532	382,725	
928-AFUDC Debt Reg	144,818	3,362	2,073	1,361	874	493	292	216	254	286	154,028	
929-AFUDC - Equity Regular	92,712	4,800	2,960	1,944	1,248	704	417	308	362	408	105,863	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	6,961,315	51,452	92,658	87,227	26,496	-18,957	19,302	27,276	86,167	60,834	7,393,770	
825-Clearings	-5,678,300	-573,821	-366,921	-246,653	-151,985	-78,480	-53,034	-41,958	-60,968	-60,910	-7,313,029	
Clr Sum	-5,678,300	-573,821	-366,921	-246,653	-151,985	-78,480	-53,034	-41,958	-60,968	-60,910	-7,313,029	
Proj Net	1,283,016	-522,369	-274,263	-159,425	-125,489	-97,437	-33,732	-14,682	25,199	-76	80,742	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	41000707	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	727,860	11,207	10,251	8,487	10,104	15,645	16,447	6,258	-13,321	4,744	4,958	10,739	5,756	819,135
120-Overtime-General	109,655	2,348	895	3,102	4,662	2,310	388	37	38	380	430	2,537	10,476	137,258
350-Material Issues-Major	2,452,155	58,483	19,325	7,712	6,979	83,690	62,414	18,453	871	7,365	1,764	56,996	54,801	2,831,008
370-Outside Services	2,144,800	19,016	40,560	56,645	15,271	37,172	45,745	3,134	-6,612	4,114	35,544	25,684	52,223	2,473,296
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	55,435	0	0	0	0	0	0	0	0	0	0	0	0	55,435
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	-311,120	5,837	3,027	3,745	5,787	5,753	6,615	1,917	764	1,706	1,335	2,372	3,950	-268,312
805-Land and Land Rights	14,475	0	0	0	0	0	0	0	0	0	0	0	0	14,475
807-Non Refundable Contribution	-95,456	0	0	0	0	0	0	0	0	0	0	0	0	-95,456
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	59,452	949	780	811	1,034	1,257	1,179	441	-930	359	377	929	1,136	67,774
914-Pension and Benefits Load	225,324	3,026	2,488	2,587	3,296	4,007	3,758	1,405	-2,965	1,144	1,203	2,963	3,623	251,859
915-Injuries and Damages Load	61,823	912	750	780	994	1,208	1,133	424	-894	345	363	894	1,092	69,824
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	217,617	7,702	2,545	1,016	919	11,022	8,220	2,430	115	970	232	7,506	7,217	267,511
922-Minor Material Load	150,333	0	0	0	0	0	0	0	0	0	0	0	0	150,333
925-E and S Loads	938,802	16,284	12,492	13,419	7,700	24,167	22,029	5,131	-3,688	3,225	7,356	16,498	21,289	1,084,704
926-A and G Loads	382,725	8,061	6,162	6,630	3,561	12,028	10,950	2,479	-1,519	1,523	3,663	8,181	10,584	455,028
928-AFUDC Debt Reg	154,028	258	399	369	316	384	475	397	223	136	141	227	348	157,701
929-AFUDC - Equity Regular	105,863	0	0	0	0	0	0	0	0	0	0	0	0	105,863
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	7,393,770	134,083	99,674	105,303	60,623	198,643	179,353	42,506	-27,918	26,011	57,366	135,526	172,495	8,577,435
825-Clearings	-7,313,029	-36,520	-119,531	-113,412	-90,713	-137,123	-155,281	-106,788	-48,865	-39,039	-46,919	-85,021	-122,635	-8,414,876
Clr Sum	-7,313,029	-36,520	-119,531	-113,412	-90,713	-137,123	-155,281	-106,788	-48,865	-39,039	-46,919	-85,021	-122,635	-8,414,876
Proj Net	80,742	97,563	-19,857	-8,109	-30,090	61,520	24,072	-64,282	-76,783	-13,028	10,447	50,505	49,860	162,560

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	41000707	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	819,135	14,332	13,110	0	0	0	0	0	0	0	0	0	0	846,577	
120-Overtime-General	137,258	3,002	1,144	0	0	0	0	0	0	0	0	0	0	141,404	
350-Material Issues-Major	2,831,008	74,202	24,519	0	0	0	0	0	0	0	0	0	0	2,929,729	
370-Outside Services	2,473,296	24,199	51,614	0	0	0	0	0	0	0	0	0	0	2,549,109	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	55,435	0	0	0	0	0	0	0	0	0	0	0	0	55,435	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	-268,312	7,427	3,852	0	0	0	0	0	0	0	0	0	0	-257,033	
805-Land and Land Rights	14,475	0	0	0	0	0	0	0	0	0	0	0	0	14,475	
807-Non Refundable Contribution	-95,456	0	0	0	0	0	0	0	0	0	0	0	0	-95,456	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	67,774	1,213	998	0	0	0	0	0	0	0	0	0	0	69,985	
914-Pension and Benefits Load	251,859	3,869	3,181	0	0	0	0	0	0	0	0	0	0	258,909	
915-Injuries and Damages Load	69,824	1,167	959	0	0	0	0	0	0	0	0	0	0	71,950	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	267,511	9,772	3,229	0	0	0	0	0	0	0	0	0	0	280,512	
922-Minor Material Load	150,333	0	0	0	0	0	0	0	0	0	0	0	0	150,333	
925-E and S Loads	1,084,704	20,706	15,900	0	0	0	0	0	0	0	0	0	0	1,121,310	
926-A and G Loads	455,028	10,247	7,841	0	0	0	0	0	0	0	0	0	0	473,116	
928-AFUDC Debt Reg	157,701	784	1,078	0	0	0	0	0	0	0	0	0	0	159,563	
929-AFUDC - Equity Regular	105,863	464	638	0	0	0	0	0	0	0	0	0	0	106,965	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	8,577,435	171,384	128,063	0	0	0	0	0	0	0	0	0	0	8,876,882	
825-Clearings	-8,414,876	-56,771	-174,253	0	0	0	0	0	0	0	0	0	0	-8,645,900	
Clr Sum	-8,414,876	-56,771	-174,253	0	0	0	0	0	0	0	0	0	0	-8,645,900	
Proj Net	162,560	114,613	-46,190	0	0	0	0	0	0	0	0	0	0	230,983	

Project No: 4100807 Services

Company: 001-Electric Services
Location: 410 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Generally, this blanket work order is cleared quarterly; 04-15, 07-15, 10-15, and 12-15

Project Need Justification

This project provides for the electrical connection of retail customers' facilities to PNM's distribution system. PNM is obligated to serve customers within its service territory.

This project includes the installation and, in the case of service retirement, removal costs of overhead and underground conductors leading from the point where wires leave the last pole or distribution box to the point of connection with the residential or non-residential customer.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Alternatives are considered on a case-by-case basis to determine the best scope, equipment, and paths to provide or discontinue service and balance safety, cost, and reliability or service.

Technical Aspects

Materials include overhead and underground service wires and associated connecting or terminating parts. Service related materials for the entire Santa Fe area are included within this project. PNM and the customer's service requirements are defined within PNM's Rules and Regulations, specifically Rules 15, 16, & 18 filed with the New Mexico Public Regulatory Commission (NMPRC) pursuant to NMPRC Rule 210.

Project Estimate Approach

Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. Customer growth rates expected at the time of the 2015 budget development have since been revised downward. Spend for 2016 has subsequently been adjusted lower based on expected lower customer growth. Page 1

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	41000807	Year	2015									Total
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
110-Straight Time-General	2,435,399		16,000	16,000	13,000	19,118	29,381	25,669	24,430	19,975	20,103	2,619,075
120-Overtime-General	99,362		1,326	459	1,115	1,128	756	1,175	380	4,967	3,679	114,347
350-Material Issues-Major	1,284,114		8,348	8,230	12,214	12,332	10,695	5,649	13,147	8,691	11,166	1,374,586
370-Outside Services	1,779,798		20,863	8,373	41,703	9,225	23,571	23,225	8,913	16,296	24,062	1,956,029
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	47,639		0	0	0	0	0	0	0	0	0	47,639
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	811,527		7,636	8,642	6,450	6,587	8,565	9,444	11,609	5,715	8,829	885,004
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-49,679		-627	-550	0	0	0	0	0	0	0	-50,856
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	183,304		1,213	1,152	988	1,417	2,110	1,879	1,737	1,746	1,665	197,210
914-Pension and Benefits Load	701,384		3,867	3,674	3,150	4,519	6,727	5,992	5,538	5,567	5,308	745,725
915-Injuries and Damages Load	187,379		1,166	1,108	950	1,363	2,028	1,807	1,670	1,679	1,601	200,749
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	133,800		1,099	1,084	1,609	1,624	1,409	744	1,731	1,145	1,471	145,716
922-Minor Material Load	65,570		0	0	0	0	0	0	0	0	0	65,570
925-E and S Loads	1,078,884		9,667	7,622	12,731	8,910	13,413	11,974	10,788	10,342	12,226	1,176,557
926-A and G Loads	357,417		4,507	3,470	6,197	4,026	6,071	5,421	4,865	4,630	5,644	402,249
928-AFUDC Debt Reg	122,994		0	0	0	0	0	0	0	0	0	122,994
929-AFUDC - Equity Regular	26,741		0	0	0	0	0	0	0	0	0	26,741
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	9,265,631		75,066	59,263	100,107	70,249	104,725	92,979	84,808	80,751	95,753	10,029,333
825-Clearings	-8,988,843		-281,483	0	0	-239,992	0	0	-274,008	0	-245,007	-10,029,333
Clr Sum	-8,988,843		-281,483	0	0	-239,992	0	0	-274,008	0	-245,007	-10,029,333
Proj Net	276,788		-206,418	59,263	100,107	-169,743	104,725	92,979	-189,200	80,751	-149,253	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	41000807	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	2,619,075	28,121	27,047	36,756	28,312	28,852	24,400	25,108	38,588	33,712	32,085	26,235	26,403	2,974,694
120-Overtime-General	114,347	1,509	2,742	2,084	1,741	603	1,465	1,482	993	1,543	499	6,523	4,832	140,363
350-Material Issues-Major	1,374,586	16,132	12,428	14,177	10,888	10,735	15,931	16,085	13,949	7,369	17,148	11,337	14,564	1,535,329
370-Outside Services	1,956,029	42,284	37,024	20,528	27,266	10,943	54,502	12,056	30,805	30,353	11,649	21,297	31,447	2,286,183
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	47,639	0	0	0	0	0	0	0	0	0	0	0	0	47,639
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	885,004	13,512	13,178	11,251	9,980	11,294	8,429	8,609	11,193	12,343	15,172	7,469	11,539	1,018,973
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-50,856	0	366	0	-819	-719	0	0	0	0	0	0	0	-52,028
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	197,210	2,074	2,085	2,719	2,104	2,062	1,811	1,861	2,771	2,468	2,281	2,293	2,186	223,925
914-Pension and Benefits Load	745,725	6,613	6,649	8,669	6,708	6,574	5,773	5,935	8,834	7,869	7,273	7,312	6,972	830,906
915-Injuries and Damages Load	200,749	1,994	2,005	2,614	2,023	1,982	1,741	1,790	2,664	2,373	2,193	2,205	2,102	226,435
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	145,716	2,125	1,637	1,867	1,434	1,414	2,098	2,118	1,837	970	2,258	1,493	1,918	166,885
922-Minor Material Load	65,570	0	0	0	0	0	0	0	0	0	0	0	0	65,570
925-E and S Loads	1,176,557	17,958	16,505	15,808	14,243	11,687	18,248	11,668	17,568	15,685	14,128	13,547	16,007	1,359,609
926-A and G Loads	402,249	8,450	7,689	7,055	6,505	5,194	8,713	5,270	7,948	7,099	6,369	6,062	7,387	485,990
928-AFUDC Debt Reg	122,994	0	0	0	0	0	0	0	0	0	0	0	0	122,994
929-AFUDC - Equity Regular	26,741	0	0	0	0	0	0	0	0	0	0	0	0	26,741
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	10,029,333	140,772	129,355	123,528	110,385	90,621	143,111	91,982	137,150	121,784	111,055	105,773	125,357	11,460,206
825-Clearings	-10,029,333	0	0	0	-403,232	0	0	-341,218	0	0	-364,234	0	-322,189	-11,460,206
Clr Sum	-10,029,333	0	0	0	-403,232	0	0	-341,218	0	0	-364,234	0	-322,189	-11,460,206
Proj Net	0	140,772	129,355	123,528	-292,847	90,621	143,111	-249,236	137,150	121,784	-253,179	105,773	-196,832	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	41000807	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	2,974,694	34,707	33,382	0	0	0	0	0	0	0	0	0	0	3,042,783	
120-Overtime-General	140,363	1,863	3,384	0	0	0	0	0	0	0	0	0	0	145,610	
350-Material Issues-Major	1,535,329	19,753	15,218	0	0	0	0	0	0	0	0	0	0	1,570,300	
370-Outside Services	2,286,183	51,932	45,472	0	0	0	0	0	0	0	0	0	0	2,383,587	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	47,639	0	0	0	0	0	0	0	0	0	0	0	0	47,639	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,018,973	16,595	16,184	0	0	0	0	0	0	0	0	0	0	1,051,752	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-52,028	0	450	0	0	0	0	0	0	0	0	0	0	-51,578	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	223,925	2,560	2,574	0	0	0	0	0	0	0	0	0	0	229,059	
914-Pension and Benefits Load	830,906	8,162	8,206	0	0	0	0	0	0	0	0	0	0	847,274	
915-Injures and Damages Load	226,435	2,461	2,474	0	0	0	0	0	0	0	0	0	0	231,370	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	166,885	2,601	2,004	0	0	0	0	0	0	0	0	0	0	171,490	
922-Minor Material Load	65,570	0	0	0	0	0	0	0	0	0	0	0	0	65,570	
925-E and S Loads	1,359,609	22,085	20,303	0	0	0	0	0	0	0	0	0	0	1,401,997	
926-A and G Loads	485,990	10,388	9,455	0	0	0	0	0	0	0	0	0	0	505,833	
928-AFUDC Debt Reg	122,994	0	0	0	0	0	0	0	0	0	0	0	0	122,994	
929-AFUDC - Equity Regular	26,741	0	0	0	0	0	0	0	0	0	0	0	0	26,741	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	11,460,206	173,107	159,106	0	0	0	0	0	0	0	0	0	0	11,792,419	
825-Clearings	-11,460,206	0	0	0	0	0	0	0	0	0	0	0	0	-11,460,206	
Clr Sum	-11,460,206	0	0	0	0	0	0	0	0	0	0	0	0	-11,460,206	
Proj Net	0	173,107	159,106	0	0	0	0	0	0	0	0	0	0	332,213	

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PNM EXHIBIT AAJ-4

Project No: 41001307 Cable Replacement

Company: 001-Electric Services
Location: 410 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

This project consists of multiple individual work orders which are placed in service at various times throughout the year.

Project Need Justification

This project provides for the emergent replacement of failing underground distribution cable. Emergent cable replacements address those cables which experience failures of their insulation causing multiple outages over a short period of time and/or impacting a large number of customers. Costs include engineering, project coordination, cable and conduits, contractor costs for boring and excavation.

Approximately 46% of PNM distribution lines are of overhead construction. The remaining 54% of the distribution is built as underground construction. Underground cable has a life expectancy of 30-40 years. The risk of not replacing aging and failing cable includes more frequent and extended power outages which adversely affect reliability and customer satisfaction.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

An alternative to replacing failing cable is to inject a substance to improve the integrity of insulation materials and extend the life of the cable. This technique has shortcomings as it does address potential problems with cable splices made during installation or the ends of cable where terminating equipment is installed.

Cable testing is another alternative, providing predictive identification of cable failures before they occur, specifically targeting the replacement of cable segments. However, some cable may deteriorate rapidly and testing before multiple outages have occurred may not be possible.

Technical Aspects

Cable is either replaced by pulling the cable from existing conduit and replacing it with new cable or by boring/excavating in new cable using direction

boring equipment. In some cases the new cable is installed along new routes to reduce the difficulty of the installation and/or future maintenance.

Project Estimate Approach

As PNM increases efforts to target cable replacements through proactive testing, less funding is needed for emergent cable replacement. Historical emergent cable replacement costs are not readily identifiable and was therefore estimated for budget purposes to be approximately one quarter to one third the amount of historical annual spend prior to implementing extensive cable testing and replacement.

This project includes costs for outside services which includes installation costs for new cable by either boring or trenching. The project also includes Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017 company labor for items such as; engineering, construction coordination, switching, and cable termination. The breakdown of cost by categories is approximately as follows: outside services (59%), company labor (22%), materials (12%), and company transportation (7%). This breakdown can fluctuate depending on the site conditions and the type of cable being replaced.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	41001307	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	690,207	896	849	1,130	956	1,061	790	894	666	763	698,213	
120-Overtime-General	59,529	105	18	0	3	141	13	146	268	182	60,405	
350-Material Issues-Major	1,821,723	1,943	1,114	4,487	3,048	9,249	17,967	6,000	6,000	651	1,872,181	
370-Outside Services	4,644,553	16,745	966	22,000	22,000	26,794	19,728	26,605	22,000	24,136	4,825,527	
374-Outside Svcs Legal	5,550	0	0	0	0	0	0	0	0	0	5,550	
377-Outside Services-Temp Labor	15,438	0	0	0	0	0	0	0	0	0	15,438	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	295,152	384	213	471	347	236	434	370	287	309	298,204	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-2,754	0	0	0	0	0	0	0	0	0	-2,754	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	54,658	70	61	79	67	84	56	73	65	66	55,280	
914-Pension and Benefits Load	201,273	223	194	252	214	268	179	232	208	211	203,255	
915-Injuries and Damages Load	58,808	67	58	76	65	81	54	70	63	64	59,405	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	226,024	256	147	591	401	1,218	2,366	790	790	86	232,669	
922-Minor Material Load	115,591	0	0	0	0	0	0	0	0	0	115,591	
925-E and S Loads	1,119,517	3,269	556	4,559	4,272	6,066	6,275	5,502	4,729	4,221	1,158,968	
926-A and G Loads	476,549	1,670	263	2,337	2,193	3,118	3,239	2,830	2,431	2,167	496,797	
928-AFUDC Debt Reg	161,991	1,089	773	579	471	414	392	369	339	307	166,724	
929-AFUDC - Equity Regular	121,922	1,555	1,104	827	673	591	559	526	484	438	128,680	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	10,065,734	28,272	6,315	37,390	34,711	49,323	52,053	44,406	38,329	33,601	10,390,133	
825-Clearings	-9,655,948	-140,179	-97,342	-78,157	-64,254	-59,477	-57,101	-53,039	-48,332	-43,618	-10,297,446	
Clr Sum	-9,655,948	-140,179	-97,342	-78,157	-64,254	-59,477	-57,101	-53,039	-48,332	-43,618	-10,297,446	
Proj Net	409,786	-111,906	-91,027	-40,768	-29,544	-10,153	-5,048	-8,633	-10,002	-10,017	92,688	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	41001307	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jui	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	698,213	331	943	1,064	914	866	1,153	976	1,083	805	912	679	779	708,718
120-Overtime-General	60,405	5	6	3	107	19	0	3	144	13	148	273	185	61,311
350-Material Issues-Major	1,872,181	438	2,565	1,584	1,982	1,136	4,577	3,109	9,434	18,326	4,867	3,096	664	1,923,959
370-Outside Services	4,825,527	1,805	1,701	19,699	17,080	985	12,266	13,868	27,330	20,123	27,137	13,919	24,619	5,006,059
374-Outside Svcs Legal	5,550	0	0	0	0	0	0	0	0	0	0	0	0	5,550
377-Outside Services-Temp Labor	15,438	0	0	0	0	0	0	0	0	0	0	0	0	15,438
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	298,204	59	248	328	392	218	481	354	241	443	377	292	315	301,952
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-2,754	0	0	0	0	0	0	0	0	0	0	0	0	-2,754
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	55,280	24	66	75	71	62	81	69	86	57	74	67	67	56,079
914-Pension and Benefits Load	203,255	75	212	238	228	197	257	218	274	183	237	213	215	205,802
915-Injuries and Damages Load	59,405	23	64	72	69	60	78	66	83	55	71	64	65	60,175
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	232,669	58	338	209	261	150	603	409	1,242	2,414	641	408	87	239,489
922-Minor Material Load	115,591	0	0	0	0	0	0	0	0	0	0	0	0	115,591
925-E and S Loads	1,158,968	442	929	3,690	3,335	567	3,023	2,986	6,188	6,401	5,412	2,976	4,306	1,199,223
926-A and G Loads	496,797	220	454	1,887	1,703	268	1,537	1,523	3,181	3,304	2,782	1,519	2,210	517,385
928-AFUDC Debt Reg	166,724	165	121	112	117	99	91	97	123	159	177	166	157	168,308
929-AFUDC - Equity Regular	128,680	0	0	0	0	0	0	0	0	0	0	0	0	128,680
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	10,390,133	3,645	7,647	28,961	26,259	4,627	24,147	23,678	49,409	52,283	42,835	23,672	33,669	10,710,965
825-Clearings	-10,297,446	-30,826	-23,408	-25,185	-25,529	-18,839	-20,537	-21,543	-30,459	-37,443	-39,168	-34,210	-34,037	-10,638,630
Clr Sum	-10,297,446	-30,826	-23,408	-25,185	-25,529	-18,839	-20,537	-21,543	-30,459	-37,443	-39,168	-34,210	-34,037	-10,638,630
Proj Net	92,688	-27,181	-15,761	3,776	730	-14,212	3,610	2,135	18,950	14,840	3,667	-10,538	-368	72,336

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	41001307	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	708,718	337	961	0	0	0	0	0	0	0	0	0	0	710,016	
120-Overtime-General	61,311	6	6	0	0	0	0	0	0	0	0	0	0	61,323	
350-Material Issues-Major	1,923,959	447	2,616	0	0	0	0	0	0	0	0	0	0	1,927,022	
370-Outside Services	5,006,059	1,842	1,735	0	0	0	0	0	0	0	0	0	0	5,009,636	
374-Outside Svcs Legal	5,550	0	0	0	0	0	0	0	0	0	0	0	0	5,550	
377-Outside Services-Temp Labor	15,438	0	0	0	0	0	0	0	0	0	0	0	0	15,438	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	301,952	60	253	0	0	0	0	0	0	0	0	0	0	302,265	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-2,754	0	0	0	0	0	0	0	0	0	0	0	0	-2,754	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	56,079	24	68	0	0	0	0	0	0	0	0	0	0	56,171	
914-Pension and Benefits Load	205,802	77	216	0	0	0	0	0	0	0	0	0	0	206,095	
915-Injuries and Damages Load	60,175	23	65	0	0	0	0	0	0	0	0	0	0	60,263	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	239,489	59	345	0	0	0	0	0	0	0	0	0	0	239,893	
922-Minor Material Load	115,591	0	0	0	0	0	0	0	0	0	0	0	0	115,591	
925-E and S Loads	1,199,223	451	947	0	0	0	0	0	0	0	0	0	0	1,200,621	
926-A and G Loads	517,385	224	463	0	0	0	0	0	0	0	0	0	0	518,072	
928-AFUDC Debt Reg	168,308	235	176	0	0	0	0	0	0	0	0	0	0	168,719	
929-AFUDC - Equity Regular	128,680	139	104	0	0	0	0	0	0	0	0	0	0	128,923	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	10,710,965	3,924	7,955	0	0	0	0	0	0	0	0	0	0	10,722,844	
825-Clearings	-10,638,630	-24,400	-19,138	0	0	0	0	0	0	0	0	0	0	-10,682,168	
Clr Sum	-10,638,630	-24,400	-19,138	0	0	0	0	0	0	0	0	0	0	-10,682,168	
Proj Net	72,336	-20,476	-11,183	0	0	0	0	0	0	0	0	0	0	40,677	

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Projects with clearings in 2015 and 2016, Budget data for 2015 – 2017

Technical Aspects

Distribution system improvements can include the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor controlling devices, and protection equipment. Examples include the installation of: capacitor banks; voltage regulators; protective devices such as fusing, sectionalizers, or reclosures; increased wire sizes or adding additional wire (such as changing single phase circuits to three phase); switches; and supervisory control and data acquisitions for monitoring and operating above devices (aka SCADA systems). System improvements can also include replacing obsolete or problematic equipment with better alternatives such as the replacement of vandalized copper pole grounds with copper clad steel grounds which are less susceptible to theft or vandalism. This project also includes the installation of electrically insulated guarding materials to prevent wildlife from making contact with energized equipment that can cause outages. This includes covers for transformer bushings, wire and insulator covers, and covers for cutouts and lightning arresters.

Project Estimate Approach

Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. The annual spend rate ending in May 2014 was higher than usual due to the need to replace vandalized pole grounds during that time period. Thus the initial budget was adjusted to reflect a spend rate more consistent with that in years prior to 2014.

The typical breakdown of cost by categories is as follows: company labor (49%), outside services (34%), materials (8%), and company transportation (9%). This breakdown can fluctuate depending on the nature of the system improvement work.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	50000707	Year	2015									Total
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	340,497	5,097	6,774	5,131	6,801	8,409	5,376	1,120	5,605	1,767	386,578	
120-Overtime-General	233,493	7,358	7,716	72	1,188	0	928	242	13,339	13,230	277,565	
350-Material Issues-Major	351,459	210	611	1,985	3,187	1,894	1,578	-227	370	95	361,163	
370-Outside Services	598,661	797	62	8,338	2,754	7,345	2,530	3,264	361	400	624,512	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	1,383	0	0	0	0	0	0	0	0	0	1,383	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	156,895	5,792	6,017	1,784	3,303	2,131	2,604	293	7,291	2,305	188,416	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-36,798	0	0	0	0	0	0	0	0	0	-36,798	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	39,478	872	1,014	364	559	589	441	95	1,326	1,050	45,788	
914-Pension and Benefits Load	150,262	2,780	3,234	1,161	1,783	1,877	1,407	304	4,228	3,347	170,384	
915-Injuries and Damages Load	40,582	838	975	350	538	566	424	92	1,275	1,009	46,650	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	38,028	28	80	261	420	249	208	-30	49	13	39,306	
922-Minor Material Load	22,205	0	0	0	0	0	0	0	0	0	22,205	
925-E and S Loads	243,277	3,799	4,224	3,070	3,218	3,650	2,446	829	5,407	3,713	273,634	
926-A and G Loads	114,850	1,602	1,762	1,440	1,434	1,646	1,083	390	2,243	1,481	127,931	
928-AFUDC Debt Reg	14,394	392	288	220	176	156	135	100	115	133	16,109	
929-AFUDC - Equity Regular	14,562	560	411	314	252	223	193	142	165	190	17,011	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,323,229	30,125	33,170	24,492	25,612	28,735	19,352	6,615	41,773	28,735	2,561,838	
825-Clearings	-2,185,656	-72,110	-55,366	-42,090	-35,004	-32,308	-26,737	-18,085	-28,271	-28,470	-2,524,098	
Clr Sum	-2,185,656	-72,110	-55,366	-42,090	-35,004	-32,308	-26,737	-18,085	-28,271	-28,470	-2,524,098	
Proj Net	137,573	-41,985	-22,196	-17,598	-9,393	-3,574	-7,385	-11,470	13,502	265	37,740	

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	50000707	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	386,578	5,800	3,166	18,882	4,744	6,611	8,352	2,539	13,294	3,669	10,403	5,384	18,703	488,125
120-Overtime-General	277,565	9,665	5,296	30,942	7,854	11,174	14,222	4,251	23,412	6,347	18,412	8,833	31,621	449,594
350-Material Issues-Major	361,163	1,525	813	4,809	1,229	1,752	2,334	668	3,948	1,044	3,129	1,344	5,083	388,841
370-Outside Services	624,512	2,054	915	37,565	3,539	2,152	21,565	6,391	2,446	939	154	2,723	23,408	728,363
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	1,383	0	0	0	0	0	0	0	0	0	0	0	0	1,383
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	188,416	1,375	435	19,777	2,202	2,459	13,501	3,221	1,374	448	29	3,067	33,211	269,515
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-36,798	-225	-106	-1,488	-282	-361	-1,185	-573	-388	-90	-228	-200	-792	-42,716
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	45,788	1,083	592	3,488	882	1,245	1,580	475	2,569	701	2,017	995	3,523	64,938
914-Pension and Benefits Load	170,384	3,452	1,889	11,121	2,812	3,970	5,039	1,516	8,193	2,236	6,432	3,173	11,232	231,449
915-Injuries and Damages Load	46,650	1,041	569	3,353	848	1,197	1,519	457	2,470	674	1,939	957	3,387	65,061
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	39,306	201	107	633	162	231	307	88	520	137	412	177	669	42,950
922-Minor Material Load	22,205	0	0	0	0	0	0	0	0	0	0	0	0	22,205
925-E and S Loads	273,634	4,159	2,188	20,790	3,858	4,890	10,898	3,123	9,233	2,569	6,802	4,236	20,827	367,207
926-A and G Loads	127,931	1,699	884	9,316	1,628	2,009	4,990	1,420	3,700	1,036	2,673	1,776	9,321	168,383
928-AFUDC Debt Reg	16,109	94	84	196	217	171	189	170	171	150	141	135	233	18,060
929-AFUDC - Equity Regular	17,011	0	0	0	0	0	0	0	0	0	0	0	0	17,011
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	2,561,838	31,923	16,832	159,384	29,693	37,500	83,311	23,746	70,942	19,860	52,315	32,600	160,426	3,280,370
825-Clearings	-2,524,098	-29,954	-24,312	-82,393	-59,732	-50,172	-64,422	-46,931	-57,256	-41,176	-45,966	-40,219	-91,908	-3,158,539
Clr Sum	-2,524,098	-29,954	-24,312	-82,393	-59,732	-50,172	-64,422	-46,931	-57,256	-41,176	-45,966	-40,219	-91,908	-3,158,539
Proj Net	37,740	1,969	-7,480	76,991	-30,039	-12,672	18,889	-23,185	13,686	-21,316	6,349	-7,619	68,518	121,831

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	50000707	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	488,125	7,225	3,943	0	0	0	0	0	0	0	0	0	0	499,293	
120-Overtime-General	449,594	12,040	6,597	0	0	0	0	0	0	0	0	0	0	468,231	
350-Material Issues-Major	388,841	1,885	1,005	0	0	0	0	0	0	0	0	0	0	391,731	
370-Outside Services	728,363	2,546	1,134	0	0	0	0	0	0	0	0	0	0	732,043	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	1,383	0	0	0	0	0	0	0	0	0	0	0	0	1,383	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	269,515	1,705	539	0	0	0	0	0	0	0	0	0	0	271,759	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-42,716	-278	-131	0	0	0	0	0	0	0	0	0	0	-43,125	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	64,938	1,349	738	0	0	0	0	0	0	0	0	0	0	67,025	
914-Pension and Benefits Load	231,449	4,300	2,353	0	0	0	0	0	0	0	0	0	0	238,102	
915-Injuries and Damages Load	65,061	1,297	709	0	0	0	0	0	0	0	0	0	0	67,067	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	42,950	248	132	0	0	0	0	0	0	0	0	0	0	43,330	
922-Minor Material Load	22,205	0	0	0	0	0	0	0	0	0	0	0	0	22,205	
925-E and S Loads	367,207	5,175	2,723	0	0	0	0	0	0	0	0	0	0	375,105	
926-A and G Loads	168,383	2,113	1,100	0	0	0	0	0	0	0	0	0	0	171,596	
928-AFUDC Debt Reg	18,060	449	326	0	0	0	0	0	0	0	0	0	0	18,835	
929-AFUDC - Equity Regular	17,011	266	193	0	0	0	0	0	0	0	0	0	0	17,470	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,280,370	40,320	21,361	0	0	0	0	0	0	0	0	0	0	3,342,051	
825-Clearings	-3,158,539	-69,725	-48,928	0	0	0	0	0	0	0	0	0	0	-3,277,192	
Clr Sum	-3,158,539	-69,725	-48,928	0	0	0	0	0	0	0	0	0	0	-3,277,192	
Proj Net	121,831	-29,405	-27,567	0	0	0	0	0	0	0	0	0	0	64,859	

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Project No: 60002010 Misc Substation Improvements

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date N/A

List Interim In-Service Dates

Each WO is closed as completed, with an estimated 4 clearings per year.

Project Need Justification

This project addresses capital replacements or betterments at distribution substations to improve reliability, maintainability or enhance safety. Typical work might include access improvements (replacing lift grills with swing gates) to improve maintainability, adding surge arrestors to improve reliability, or switch operator ground mats to improve safety.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Alternatives for each task is evaluated on a case-by-case basis. Many tasks are replacing equipment or components with like equipment, so alternatives are not considered. In some cases, upgrades are required to obsolete equipment. In these case, subject matter experts assess the need and typically consider a replacement with a PNM standard upgrade. In all cases, alternatives are considered weighing need, cost, safety, and reliability to reach the optimum solution.

Technical Aspects

While the scope of this project is to provide minor capital replacements or improvements at distribution substations, technical aspects are considered on a task by task basis, and typical types of improvements include improved worker safety from enhanced grounding or better ergonomics, improved surge protection for transformer by installation of arresters, or the reduced maintenance requirements from enhanced oil filtration on equipment such as a load tap changer.

Project Estimate Approach

Cost estimates are prepared on a per task basis. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids.

The cost of major material such as load tap changers, disconnect switches or surge arresters is ~50%, with contract labor ~10%, PNM labor ~35% and minor material ~5%.

Overall spend is tracked quarterly and adjusted to reflect timing of specific tasks.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60002010	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	251,805		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	341,805
	120-Overtime-General	42,708		5,000	0	0	0	5,000	0	0	0	0	52,708
	350-Material Issues-Major	193,772		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	229,772
	370-Outside Services	634,211		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	670,211
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	452		0	0	0	0	0	0	0	0	0	452
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	52,143		0	0	0	0	0	0	0	0	0	52,143
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	21,369		1,050	700	700	700	1,050	700	700	700	700	28,369
	914-Pension and Benefits Load	83,350		3,348	2,232	2,232	2,232	3,348	2,232	2,232	2,232	2,232	105,670
	915-Injuries and Damages Load	23,802		1,010	673	673	673	1,010	673	673	673	673	30,532
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	20,230		527	527	527	527	527	527	527	527	527	24,971
	922-Minor Material Load	1,337		0	0	0	0	0	0	0	0	0	1,337
	925-E and S Loads	196,894		4,545	3,457	3,457	3,457	4,545	3,457	3,457	3,457	3,457	230,182
	926-A and G Loads	83,641		1,914	1,498	1,498	1,498	1,914	1,498	1,498	1,498	1,498	97,952
	928-AFUDC Debt Reg	62,472		1,489	1,579	1,659	35	116	197	268	339	411	68,565
	929-AFUDC - Equity Regular	67,142		2,127	2,255	2,369	50	165	281	382	485	587	75,842
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,735,326		39,009	30,920	31,114	27,171	35,674	27,564	27,737	27,910	28,085	2,010,510
	825-Clearings	-1,174,993		0	0	-661,377	0	0	0	0	0	-174,140	-2,010,510
	Clr Sum	-1,174,993		0	0	-661,377	0	0	0	0	0	-174,140	-2,010,510
Proj Net		560,333		39,009	30,920	-630,263	27,171	35,674	27,564	27,737	27,910	-146,055	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60002010	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	341,805	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	461,805	
120-Overtime-General	52,708	5,000	0	0	5,000	0	0	0	5,000	0	0	0	0	67,708	
350-Material Issues-Major	229,772	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	277,772	
370-Outside Services	670,211	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	718,211	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	452	0	0	0	0	0	0	0	0	0	0	0	0	452	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	52,143	0	0	0	0	0	0	0	0	0	0	0	0	52,143	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	28,369	1,050	700	700	1,050	700	700	700	1,050	700	700	700	700	37,819	
914-Pension and Benefits Load	105,670	3,348	2,232	2,232	3,348	2,232	2,232	2,232	3,348	2,232	2,232	2,232	2,232	135,802	
915-Injuries and Damages Load	30,532	1,010	673	673	1,010	673	673	673	1,010	673	673	673	673	39,619	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	24,971	527	527	527	527	527	527	527	527	527	527	527	527	31,295	
922-Minor Material Load	1,337	0	0	0	0	0	0	0	0	0	0	0	0	1,337	
925-E and S Loads	230,182	4,545	3,457	3,457	4,545	3,457	3,457	3,457	4,545	3,457	3,457	3,457	3,457	274,930	
926-A and G Loads	97,952	1,914	1,498	1,498	1,914	1,498	1,498	1,498	1,914	1,498	1,498	1,498	1,498	117,176	
928-AFUDC Debt Reg	68,565	31	86	24	78	133	181	24	78	133	181	229	276	70,019	
929-AFUDC - Equity Regular	75,842	0	0	0	0	0	0	0	0	0	0	0	0	75,842	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,010,510	35,425	27,173	27,111	35,472	27,220	27,268	27,111	35,472	27,220	27,268	27,316	27,363	2,361,929	
825-Clearings	-2,010,510	0	-62,596	0	0	0	-117,068	0	0	0	0	0	-171,745	-2,361,919	
Clr Sum	-2,010,510	0	-62,596	0	0	0	-117,068	0	0	0	0	0	-171,745	-2,361,919	
Proj Net	0	35,425	-35,423	27,111	35,472	27,220	-89,800	27,111	35,472	27,220	27,268	27,316	-144,382	10	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60002010	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	461,805	9,213	9,213	0	0	0	0	0	0	0	0	0	0	480,231	
120-Overtime-General	67,708	24	0	0	0	0	0	0	0	0	0	0	0	67,732	
350-Material Issues-Major	277,772	4,000	4,000	0	0	0	0	0	0	0	0	0	0	285,772	
370-Outside Services	718,211	4,000	4,000	0	0	0	0	0	0	0	0	0	0	726,211	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	452	0	0	0	0	0	0	0	0	0	0	0	0	452	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	52,143	0	0	0	0	0	0	0	0	0	0	0	0	52,143	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	37,819	647	645	0	0	0	0	0	0	0	0	0	0	39,111	
914-Pension and Benefits Load	135,802	2,062	2,056	0	0	0	0	0	0	0	0	0	0	139,920	
915-Injuries and Damages Load	39,619	622	620	0	0	0	0	0	0	0	0	0	0	40,861	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	31,295	527	527	0	0	0	0	0	0	0	0	0	0	32,349	
922-Minor Material Load	1,337	0	0	0	0	0	0	0	0	0	0	0	0	1,337	
925-E and S Loads	274,930	3,291	3,286	0	0	0	0	0	0	0	0	0	0	281,507	
926-A and G Loads	117,176	1,434	1,432	0	0	0	0	0	0	0	0	0	0	120,042	
928-AFUDC Debt Reg	70,019	41	123	0	0	0	0	0	0	0	0	0	0	70,183	
929-AFUDC - Equity Regular	75,842	24	73	0	0	0	0	0	0	0	0	0	0	75,939	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,361,929	25,885	25,975	0	0	0	0	0	0	0	0	0	0	2,413,789	
825-Clearings	-2,361,919	0	-51,859	0	0	0	0	0	0	0	0	0	0	-2,413,778	
Clr Sum	-2,361,919	0	-51,859	0	0	0	0	0	0	0	0	0	0	-2,413,778	
Proj Net	10	25,885	-25,884	0	0	0	0	0	0	0	0	0	0	11	

Project No: 60005910 Substation Equipment Replacement IA

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 1/1/2012 Estimated Completion Date N/A

List Interim In-Service Dates

Anticipate 4 clearings per year as individual Work Orders are completed.

Project Need Justification

This project provides annual funds for the needed replacement of aging, obsolete, or failing equipment at PNM's distribution substations. These projects are typically small projects (less than \$100k each) and are needed to address equipment that is failing, cannot be easily repaired, and must be upgraded to meet safety or compliance requirements, or no longer can meet current system performance requirements. Some examples would be replacing or upgrading substation transformer components such as primary bushings, load tap changer upgrades or replacements, replacing aging distribution circuit breakers, or upgrading aging circuit switchers in the distribution substations. The funds also cover costs for projects that extend the life of substation equipment, such as replacing all of the gasketing on the transformer.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Each project is reviewed for various solutions. Solution can range from temporary repairs to total replacement or redesign. Criteria to evaluate solutions include ability to address performance requirements, maintenance history and availability of parts, ability to meet critical schedules, ability to address compliance or safety issues, and total owning costs.

Technical Aspects

The technical aspects of this project involve subject matter expert (supervisor) identifying critical distribution substation equipment that is in need of replacement or upgrade due to obsolescence, and evaluation of best solutions. From there, ordering the material and coordinating work to accomplish the upgrade or repair of the component. The projects vary depending upon need, but cover the range of work described in the justification section above.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Project Estimate Approach

Based on historical repairs and upgrades, PNM has a good understanding of the pricing for small projects. More complicated or specialty projects are discussed with vendors/contractors prior to work commitment. Budgeted funding includes internal labor (design, project coordination, and in-house crews), materials and equipment, and use of contractors or station specialty services.

PNM reviewed historical spend on an annual basis across the last 5 years to develop the future budget. In addition to the historical funding, PNM also looked at trends which are developing on our system, equipment which is nearing end of productive life, changes developing in compliance, environmental, and safety requirements, results from inspections and testing, all of which need to be considered when estimating budgets and implementing projects. There is a slight uptick in anticipated spend due to 1) the age of much of the system equipment is old and there is likely to be a higher need for repairs / replacements and 2) added compliance issues, which will also result in upgrades / replacements. These estimates also include some funds to address emergent issues such as unforeseen failures.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60005910	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	531,347		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	576,347
	120-Overtime-General	98,176		500	500	500	500	500	500	500	500	500	102,676
	350-Material Issues-Major	1,829,361		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	1,856,361
	370-Outside Services	729,610		2,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	771,610
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	88,649		0	0	0	0	0	0	0	0	0	88,649
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	-235		319,000	0	0	0	0	0	0	0	0	318,765
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	43,905		385	385	385	385	385	385	385	385	385	47,370
	914-Pension and Benefits Load	166,599		1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	177,647
	915-Injuries and Damages Load	44,437		370	370	370	370	370	370	370	370	370	47,769
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	65,624		395	395	395	395	395	395	395	395	395	69,180
	922-Minor Material Load	5,407		0	0	0	0	0	0	0	0	0	5,407
	925-E and S Loads	465,902		1,997	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	487,717
	926-A and G Loads	243,614		874	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	253,473
	928-AFUDC Debt Reg	35,951		1,588	431	117	54	41	38	38	25	35	38,319
	929-AFUDC - Equity Regular	43,324		2,268	615	167	77	58	55	54	36	50	46,704
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	4,391,670		338,605	20,525	19,762	19,609	19,578	19,571	19,570	19,539	19,564	4,887,992
	825-Clearings	-3,942,653		-630,097	-142,439	-44,297	-24,546	-20,571	-19,771	-24,513	-15,631	-18,777	-4,883,298
	Clr Sum	-3,942,653		-630,097	-142,439	-44,297	-24,546	-20,571	-19,771	-24,513	-15,631	-18,777	-4,883,298
	Proj Net	449,017		-291,492	-121,915	-24,535	-4,938	-994	-200	-4,943	3,908	786	4,694

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60005910	Year 2016												Total	
		BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
Cost_Type															
110-Straight Time-General		576,347	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	600,347
120-Overtime-General		102,676	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	113,676
350-Material Issues-Major		1,856,361	3,000	3,000	0	3,000	3,000	3,000	3,000	3,000	0	3,000	0	3,000	1,883,361
370-Outside Services		771,610	0	10,000	10,000	5,000	10,000	10,000	10,000	5,000	10,000	5,000	10,000	10,000	866,610
374-Outside Svcs Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General		88,649	0	0	0	0	0	0	0	0	0	0	0	0	88,649
805-Land and Land Rights		0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution		318,765	0	0	0	0	0	0	0	0	0	0	0	0	318,765
829-Construction Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest		0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load		47,370	140	210	210	210	210	210	210	210	210	210	210	210	49,820
914-Pension and Benefits Load		177,647	446	670	670	670	670	670	670	670	670	670	670	670	185,463
915-Injuries and Damages Load		47,769	135	202	202	202	202	202	202	202	202	202	202	202	50,126
918-San Juan AR-Labor		0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load		69,180	395	395	0	395	395	395	395	395	0	395	0	395	72,735
922-Minor Material Load		5,407	0	0	0	0	0	0	0	0	0	0	0	0	5,407
925-E and S Loads		487,717	915	2,733	2,253	1,933	2,733	2,733	2,733	1,933	2,253	1,933	2,253	2,733	514,855
926-A and G Loads		253,473	416	1,331	1,082	915	1,331	1,331	1,331	915	1,082	915	1,082	1,331	266,535
928-AFUDC Debt Reg		38,319	15	23	24	21	26	28	28	23	22	21	22	26	38,598
929-AFUDC - Equity Regular		46,704	0	0	0	0	0	0	0	0	0	0	0	0	46,704
937-San Juan AR - Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum		4,887,992	7,462	21,564	17,441	15,346	21,567	21,569	21,569	15,348	17,439	15,346	17,439	21,567	5,101,649
825-Clearings		-4,883,298	-9,725	-19,196	-17,791	-15,835	-20,420	-21,339	-21,523	-16,583	-17,267	-15,730	-17,097	-20,673	-5,096,477
Clr Sum		-4,883,298	-9,725	-19,196	-17,791	-15,835	-20,420	-21,339	-21,523	-16,583	-17,267	-15,730	-17,097	-20,673	-5,096,477
Proj Net		4,694	-2,263	2,368	-350	-489	1,147	230	46	-1,235	172	-384	342	894	5,172

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60005910	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	600,347	13,820	13,820	0	0	0	0	0	0	0	0	0	0	627,987	
120-Overtime-General	113,676	0	2,000	0	0	0	0	0	0	0	0	0	0	115,676	
350-Material Issues-Major	1,883,361	5,000	5,000	0	0	0	0	0	0	0	0	0	0	1,893,361	
370-Outside Services	866,610	10,000	20,000	0	0	0	0	0	0	0	0	0	0	896,610	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	88,649	0	0	0	0	0	0	0	0	0	0	0	0	88,649	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	318,765	0	0	0	0	0	0	0	0	0	0	0	0	318,765	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	49,820	967	1,107	0	0	0	0	0	0	0	0	0	0	51,894	
914-Pension and Benefits Load	185,463	3,085	3,531	0	0	0	0	0	0	0	0	0	0	192,079	
915-Injuries and Damages Load	50,126	930	1,065	0	0	0	0	0	0	0	0	0	0	52,121	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	72,735	659	659	0	0	0	0	0	0	0	0	0	0	74,053	
922-Minor Material Load	5,407	0	0	0	0	0	0	0	0	0	0	0	0	5,407	
925-E and S Loads	514,855	5,408	7,444	0	0	0	0	0	0	0	0	0	0	527,707	
926-A and G Loads	266,535	2,398	3,396	0	0	0	0	0	0	0	0	0	0	272,329	
928-AFUDC Debt Reg	38,598	83	167	0	0	0	0	0	0	0	0	0	0	38,848	
929-AFUDC - Equity Regular	46,704	49	99	0	0	0	0	0	0	0	0	0	0	46,852	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	5,101,649	42,399	58,288	0	0	0	0	0	0	0	0	0	0	5,202,336	
825-Clearings	-5,096,477	-23,784	-41,036	0	0	0	0	0	0	0	0	0	0	-5,161,297	
Clr Sum	-5,096,477	-23,784	-41,036	0	0	0	0	0	0	0	0	0	0	-5,161,297	
Proj Net	5,172	18,615	17,252	0	0	0	0	0	0	0	0	0	0	41,039	

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Project No: 89900607 Distr. Remove & Replace

Company: 001-Electric Services
Location: 899 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

This project consists of many individual work orders which are placed in service at various times throughout the year the timing of which are determined by governmental road widening schedules and the occurrence of significant storms.

Project Need Justification

This project includes relocations of facilities in road rights-of-way for road re-alignments or widening projects. The project also includes the removal and replacement of existing electric distribution facilities that have been damaged during storms or deteriorated through normal aging. Generally the work under this project involves the replacement of like for like equipment. Project drivers include the need to replace failed equipment and governmental roadway improvement projects.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Generally, this work is replacement of existing facilities with like equipment. In those instances when facilities must or can be relocated, alternatives are evaluated on a case-by case basis. The designer will select the most cost effective route and configuration solution.

This work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Technical Aspects

Removal and replacement of electric distribution facilities include the design, installation, and removal of wire, poles, pole hardware including insulators, cross arms, cut outs, anchor assemblies, overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

Project Estimate Approach

The activities for this project include governmental roadway improvement projects and replacement of storm damaged facilities. Historical spend in this funding project is analyzed to develop this projects estimated spend. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. The initial budget was adjusted to reflect a spend rate more consistent with that experienced in years prior to 2014.

The typical breakdown of cost by categories is as follows: outside services (28%), company labor (27%), materials (39%), and company transportation (6%). This breakdown can fluctuate depending on the nature of the removals and replacement facilities including whether they are overhead construction or underground facilities.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	89900607	Year	2015									Total
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
110-Straight Time-General	839,895		2,927	6,972	6,421	12,414	21,641	18,518	6,869	3,616	1,565	920,837
120-Overtime-General	201,686		1,214	1,638	2,213	3,155	10,366	5,580	3,181	-111	1,519	230,440
350-Material Issues-Major	1,337,132		2,717	8,969	7,692	1,191	18,293	23,094	9,147	13,764	100	1,422,098
370-Outside Services	898,680		14,551	918	21,943	27,728	8,360	41,387	6,231	9,883	914	1,030,595
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	20,949		-210	0	0	0	0	109	0	252	30	21,131
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	416,740		1,137	3,642	4,021	6,092	11,325	9,818	4,007	3,163	860	460,805
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-1,696,801		-1,396	-1,383	-1,035	-27,712	-16,862	-86,913	-2,212	-15,105	-1,391	-1,850,809
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	75,692		290	603	604	1,090	2,241	1,687	704	245	216	83,371
914-Pension and Benefits Load	285,378		924	1,922	1,927	3,475	7,144	5,379	2,243	782	688	309,862
915-Injuries and Damages Load	78,981		279	579	581	1,048	2,154	1,622	676	236	208	86,364
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	161,834		358	1,181	1,013	157	2,409	3,041	1,205	1,813	13	173,024
922-Minor Material Load	94,044		0	0	0	0	0	0	0	0	0	94,044
925-E and S Loads	644,919		3,813	4,039	7,264	8,991	13,044	17,151	5,289	5,093	976	710,578
926-A and G Loads	219,046		1,858	1,842	3,519	4,208	5,823	8,196	2,449	2,543	415	249,898
928-AFUDC Debt Reg	1,052		0	0	0	0	0	0	0	0	0	1,052
929-AFUDC - Equity Regular	384		0	0	0	0	0	0	0	0	0	384
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	3,579,610		28,464	30,921	56,163	41,835	85,937	48,668	39,789	26,174	6,111	3,943,674
825-Clearings	-3,366,702		-77,239	-62,417	-60,416	-54,470	-64,540	-59,461	-53,166	-44,529	-32,235	-3,875,175
Clr Sum	-3,366,702		-77,239	-62,417	-60,416	-54,470	-64,540	-59,461	-53,166	-44,529	-32,235	-3,875,175
Proj Net	212,907		-48,775	-31,496	-4,253	-12,635	21,398	-10,792	-13,377	-18,354	-26,124	68,499

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	89900607	Year	2016											Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	920,837	11,192	15,801	16,942	8,190	20,181	12,539	9,245	20,878	17,813	10,623	6,012	4,342	1,074,595
120-Overtime-General	230,440	4,835	1,280	3,079	3,398	4,741	4,321	2,349	10,000	5,368	4,919	-185	4,215	278,760
350-Material Issues-Major	1,422,098	25,577	9,410	21,324	7,549	25,782	14,919	880	17,526	22,062	14,049	22,726	276	1,604,178
370-Outside Services	1,030,595	17,906	27,375	17,434	40,508	2,645	42,638	20,547	8,026	39,616	9,589	16,350	2,524	1,275,753
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	21,131	787	47	0	-584	0	0	0	0	104	0	417	83	21,985
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	460,805	4,838	6,836	5,001	3,166	10,490	7,814	4,514	10,872	9,398	6,166	5,233	2,375	537,508
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-1,850,809	-731	-12,065	-27,954	-3,885	-3,983	-2,011	-20,536	-16,187	-83,194	-3,405	-24,989	-3,842	-2,053,591
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	83,371	1,122	1,196	1,401	811	1,745	1,180	812	2,161	1,623	1,088	408	599	97,517
914-Pension and Benefits Load	309,862	3,577	3,812	4,469	2,586	5,563	3,763	2,588	6,892	5,174	3,469	1,301	1,910	354,966
915-Injuries and Damages Load	86,364	1,079	1,150	1,347	780	1,677	1,135	780	2,078	1,560	1,046	392	576	99,964
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	173,024	3,368	1,239	2,808	994	3,395	1,965	116	2,308	2,906	1,850	2,993	36	197,002
922-Minor Material Load	94,044	0	0	0	0	0	0	0	0	0	0	0	0	94,044
925-E and S Loads	710,578	11,346	10,705	11,360	10,625	11,652	14,129	6,674	12,549	16,435	8,152	8,425	2,704	835,334
926-A and G Loads	249,898	5,419	5,054	5,306	5,177	5,311	6,842	3,123	5,600	7,851	3,773	4,206	1,149	308,709
928-AFUDC Debt Reg	1,052	0	0	0	0	0	0	0	0	0	0	0	0	1,052
929-AFUDC - Equity Regular	384	0	0	0	0	0	0	0	0	0	0	0	0	384
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,943,674	90,315	71,840	62,517	79,315	89,199	109,234	31,092	82,703	46,716	61,319	43,289	16,947	4,728,160
825-Clearings	-3,875,175	-50,821	-57,547	-59,138	-65,595	-73,148	-84,696	-67,542	-72,394	-64,177	-63,262	-56,870	-44,095	-4,634,460
Clr Sum	-3,875,175	-50,821	-57,547	-59,138	-65,595	-73,148	-84,696	-67,542	-72,394	-64,177	-63,262	-56,870	-44,095	-4,634,460
Proj Net	68,499	39,494	14,293	3,379	13,720	16,051	24,538	-36,450	10,309	-17,461	-1,943	-13,581	-27,148	93,700

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	89900607	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	1,074,595	13,941	19,682	0	0	0	0	0	0	0	0	0	0	1,108,218	
120-Overtime-General	278,760	6,022	1,595	0	0	0	0	0	0	0	0	0	0	286,377	
350-Material Issues-Major	1,604,178	31,611	11,630	0	0	0	0	0	0	0	0	0	0	1,647,419	
370-Outside Services	1,275,753	22,196	33,934	0	0	0	0	0	0	0	0	0	0	1,331,883	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	21,985	975	58	0	0	0	0	0	0	0	0	0	0	23,018	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	537,508	5,997	8,474	0	0	0	0	0	0	0	0	0	0	551,979	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-2,053,591	-906	-14,955	0	0	0	0	0	0	0	0	0	0	-2,069,452	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	97,517	1,397	1,489	0	0	0	0	0	0	0	0	0	0	100,403	
914-Pension and Benefits Load	354,966	4,456	4,749	0	0	0	0	0	0	0	0	0	0	364,171	
915-Injuries and Damages Load	99,964	1,344	1,432	0	0	0	0	0	0	0	0	0	0	102,740	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	197,002	4,163	1,532	0	0	0	0	0	0	0	0	0	0	202,697	
922-Minor Material Load	94,044	0	0	0	0	0	0	0	0	0	0	0	0	94,044	
925-E and S Loads	835,334	14,070	13,287	0	0	0	0	0	0	0	0	0	0	862,691	
926-A and G Loads	308,709	6,718	6,271	0	0	0	0	0	0	0	0	0	0	321,698	
928-AFUDC Debt Reg	1,052	0	0	0	0	0	0	0	0	0	0	0	0	1,052	
929-AFUDC - Equity Regular	384	0	0	0	0	0	0	0	0	0	0	0	0	384	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,728,160	111,984	89,178	0	0	0	0	0	0	0	0	0	0	4,929,322	
825-Clearings	-4,634,460	-65,819	-73,294	0	0	0	0	0	0	0	0	0	0	-4,773,573	
Clr Sum	-4,634,460	-65,819	-73,294	0	0	0	0	0	0	0	0	0	0	-4,773,573	
Proj Net	93,700	46,165	15,884	0	0	0	0	0	0	0	0	0	0	155,749	

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Project No: 89900707 Distr. system Improvements

Company: 001-Electric Services
Location: 899 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date N/A

List Interim In-Service Dates

Project consists of many individual work orders which are placed in service at various times throughout the year.

Project Need Justification

This project provides for numerous small miscellaneous distribution facility improvements to improve service and operation by providing voltage support, enhancing system protection, and maintaining or improving system reliability. System improvements can include the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. This project includes replacement of vandalized copper pole grounds with copper clad steel grounds which are less susceptible to theft. The project also includes installation of insulating covers to prevent wildlife from contacting energized equipment causing outages by birds and other small animals. Cost components include labor, materials, outside services (contractors), and transportation and equipment necessary to install the improvements. This project supports required standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

The need for the improvements are identified in several ways including; annual load analysis and system modeling of the distribution system to identify operational issues caused by normal load growth, during design of line extensions to serve new customers, operating problems that may arise during the year such as customer low voltage complaints, and the need for replacement of obsolete or problematic equipment.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Alternatives are evaluated on a case-by case basis. This usually involves analysis by PNM's Distribution Planning or Distribution Protection departments using simulation models of the distribution system. With these distribution models the engineers can evaluate different equipment or configuration alternatives to arrive at the best solutions for maintaining adequate voltage to all customers or for enhancing reliability. For example, the engineer might evaluate multiple options for correcting a low voltage issue such as installation of voltage regulators, increasing wire size to reduce voltage drop, or adding additional wires (phases) to split load and reduce voltage drop. The engineer will select the most cost effective and practical solution.

Projects with clearings in 2015 and 2016, Budget data for 2015 – 2017

Technical Aspects

Distribution system improvements can include the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor controlling devices, and protection equipment. Examples include the installation of: capacitor banks; voltage regulators; protective devices such as fusing, sectionalizers, or reclosures; increased wire sizes or adding additional wire (such as changing single phase circuits to three phase); switches; and supervisory control and data acquisitions for monitoring and operating above devices (aka SCADA systems). System improvements can also include replacing obsolete or problematic equipment with better alternatives such as the replacement of vandalized copper pole grounds with copper clad steel grounds which are less susceptible to theft or vandalism. This project also includes the installation of electrically insulated guarding materials to prevent wildlife from making contact with energized equipment that can cause outages. This includes covers for transformer bushings, wire and insulator covers, and covers for cutouts and lightning arresters.

Project Estimate Approach

Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project is developed by applying escalators to the actual 12 months spend ending May 2014. The resulting forecasted spend is adjusted quarterly as appropriate consistent with the trends in identified system improvement activity.

The typical breakdown of cost by categories is as follows: outside services (61%), company labor (24%), materials (12%), and company transportation (3%). This breakdown can fluctuate depending on the nature of the system improvement work.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	89900707	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	316,116		4,177	10,071	2,575	3,173	3,194	4,075	2,116	2,313	420	348,229
	120-Overtime-General	81,703		1,322	1,329	47	0	381	3,945	2,640	3,116	468	94,950
	350-Material Issues-Major	1,030,862		8,700	2,803	-2,533	863	6,240	28,651	44,660	7,368	-48	1,127,565
	370-Outside Services	754,837		-1,945	1,353	6,371	2,874	8,873	-973	6,130	23,031	9,069	809,620
	374-Outside Svcs Legal	13,582		0	0	0	0	0	0	0	0	0	13,582
	377-Outside Services-Temp Labor	9,146		0	0	0	0	0	0	0	0	0	9,146
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	137,645		1,494	1,677	2,833	1,331	762	2,858	2,210	1,528	175	152,514
	805-Land and Land Rights	6,000		0	0	0	0	0	0	0	0	0	6,000
	807-Non Refundable Contribution	-107,261		0	-22,313	0	0	0	-914	0	0	0	-130,488
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	28,266		385	798	184	222	250	561	333	380	62	31,441
	914-Pension and Benefits Load	110,639		1,227	2,544	585	708	798	1,790	1,062	1,212	198	120,763
	915-Injuries and Damages Load	28,964		370	767	176	214	241	540	320	365	60	32,016
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	88,875		1,146	369	-334	114	822	3,773	5,882	970	-6	101,611
	922-Minor Material Load	54,980		0	0	0	0	0	0	0	0	0	54,980
	925-E and S Loads	374,386		2,517	3,415	1,638	1,501	3,318	6,632	9,515	6,290	1,664	410,877
	926-A and G Loads	152,986		1,144	1,434	773	686	1,618	3,208	4,805	3,108	839	170,601
	928-AFUDC Debt Reg	35,209		90	99	100	108	133	204	323	406	395	37,066
	929-AFUDC - Equity Regular	29,985		128	141	142	154	190	292	461	580	564	32,637
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	3,146,919		20,755	4,487	12,558	11,946	26,821	54,642	80,457	50,667	13,858	3,423,110
	825-Clearings	-3,122,437		-9,047	-8,135	-9,020	-9,605	-13,048	-21,367	-33,185	-36,681	-32,117	-3,294,643
	Clr Sum	-3,122,437		-9,047	-8,135	-9,020	-9,605	-13,048	-21,367	-33,185	-36,681	-32,117	-3,294,643
	Proj Net	24,482		11,708	-3,648	3,538	2,341	13,772	33,275	47,272	13,986	-18,259	128,467

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	89900707	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	348,229	4,171	5,373	2,047	4,144	1,645	2,103	2,556	3,505	4,949	10,382	4,699	1,679	395,482
120-Overtime-General	94,950	2,965	200	2,341	1,311	217	38	0	418	4,793	12,952	6,329	1,870	128,384
350-Material Issues-Major	1,127,565	11,941	-968	31,517	8,571	455	-2,055	690	6,800	34,563	217,608	14,865	-192	1,451,360
370-Outside Services	809,620	62,992	128,265	13,781	-1,920	221	5,177	2,304	9,689	-1,476	29,930	46,556	36,097	1,141,536
374-Outside Svcs Legal	13,582	0	0	0	0	0	0	0	0	0	0	0	0	13,582
377-Outside Services-Temp Labor	9,146	0	0	20	0	0	0	0	0	0	0	0	0	9,166
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	152,514	1,869	2,650	870	1,475	273	2,302	1,066	832	3,454	10,788	3,090	696	181,879
805-Land and Land Rights	6,000	0	0	0	0	0	0	0	0	0	0	0	0	6,000
807-Non Refundable Contribution	-130,488	0	0	-904	0	-3,626	0	0	0	-1,105	0	0	0	-136,123
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	31,441	500	390	307	382	130	150	179	275	682	1,633	772	248	37,089
914-Pension and Benefits Load	120,763	1,593	1,244	979	1,218	416	478	570	876	2,174	5,208	2,461	792	138,772
915-Injuries and Damages Load	32,016	480	375	295	367	125	144	172	264	656	1,570	742	239	37,445
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	101,611	1,573	-127	4,151	1,129	60	-271	91	896	4,552	28,659	1,958	-25	144,257
922-Minor Material Load	54,980	0	0	0	0	0	0	0	0	0	0	0	0	54,980
925-E and S Loads	410,877	13,842	22,005	8,345	2,488	557	1,334	1,206	3,625	8,015	46,412	12,722	6,629	538,057
926-A and G Loads	170,601	6,984	11,275	4,208	1,130	234	629	550	1,768	3,876	23,434	6,285	3,340	234,314
928-AFUDC Debt Reg	37,066	320	482	565	518	430	354	299	272	295	622	859	803	42,885
929-AFUDC - Equity Regular	32,637	0	0	0	0	0	0	0	0	0	0	0	0	32,637
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	3,423,110	109,230	171,164	68,522	20,813	1,137	10,383	9,683	29,220	65,728	389,198	101,338	52,176	4,451,702
825-Clearings	-3,294,643	-47,539	-72,264	-71,516	-61,375	-49,328	-41,539	-35,168	-33,978	-40,328	-110,102	-108,349	-97,115	-4,063,244
Clr Sum	-3,294,643	-47,539	-72,264	-71,516	-61,375	-49,328	-41,539	-35,168	-33,978	-40,328	-110,102	-108,349	-97,115	-4,063,244
Proj Net	128,467	61,691	98,900	-2,994	-40,562	-48,191	-31,156	-25,485	-4,758	25,400	279,096	-7,011	-44,939	388,458

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	89900707	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	395,482	5,196	6,692	0	0	0	0	0	0	0	0	0	0	407,370	
120-Overtime-General	128,384	3,694	249	0	0	0	0	0	0	0	0	0	0	132,327	
350-Material Issues-Major	1,451,360	14,759	-1,196	0	0	0	0	0	0	0	0	0	0	1,464,923	
370-Outside Services	1,141,536	78,083	158,993	0	0	0	0	0	0	0	0	0	0	1,378,612	
374-Outside Svcs Legal	13,582	0	0	0	0	0	0	0	0	0	0	0	0	13,582	
377-Outside Services-Temp Labor	9,166	0	0	0	0	0	0	0	0	0	0	0	0	9,166	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	181,879	2,316	3,285	0	0	0	0	0	0	0	0	0	0	187,480	
805-Land and Land Rights	6,000	0	0	0	0	0	0	0	0	0	0	0	0	6,000	
807-Non Refundable Contribution	-136,123	0	0	0	0	0	0	0	0	0	0	0	0	-136,123	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
425-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	37,089	622	486	0	0	0	0	0	0	0	0	0	0	38,197	
914-Pension and Benefits Load	138,772	1,984	1,549	0	0	0	0	0	0	0	0	0	0	142,305	
915-Injuries and Damages Load	37,445	598	467	0	0	0	0	0	0	0	0	0	0	38,510	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	144,257	1,944	-158	0	0	0	0	0	0	0	0	0	0	146,043	
922-Minor Material Load	54,980	0	0	0	0	0	0	0	0	0	0	0	0	54,980	
925-E and S Loads	538,057	17,160	27,284	0	0	0	0	0	0	0	0	0	0	582,501	
926-A and G Loads	234,314	8,657	13,980	0	0	0	0	0	0	0	0	0	0	256,951	
928-AFUDC Debt Reg	42,885	1,444	1,667	0	0	0	0	0	0	0	0	0	0	45,996	
929-AFUDC - Equity Regular	32,637	855	987	0	0	0	0	0	0	0	0	0	0	34,479	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,451,702	137,312	214,285	0	0	0	0	0	0	0	0	0	0	4,803,299	
825-Clearings	-4,063,244	-105,154	-126,981	0	0	0	0	0	0	0	0	0	0	-4,295,379	
Clr Sum	-4,063,244	-105,154	-126,981	0	0	0	0	0	0	0	0	0	0	-4,295,379	
Proj Net	388,458	32,158	87,304	0	0	0	0	0	0	0	0	0	0	507,920	

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Specifics

Project No: 10001715 COA ART Project

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 8/1/2015 Estimated Completion Date 12/15/2017

List Interim In-Service Dates

The project will consist of multiple work orders completed at various times and corresponding with City phasing plans over the next year or two.

Project Need Justification

This is a project driven by the City of Albuquerque, requesting PNM to relocate distribution facilities along Central Avenue that are in conflict with the City's proposed rapid transit bus project (ART). The transit project will change lane configurations, sidewalk layouts and widths, and provide new arterial street lighting structures placed along the sidewalks. Some PNM facilities are located within the street right-of-ways and PNM must relocate these facilities under the terms of the franchise agreement.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

PNM is working with the City's engineering design firm to avoid conflicts and minimize relocation work. Where conflicts cannot be mitigated, facilities must be relocated under the franchise agreement with the City. Each facility that must be relocated is evaluated on case-by-case bases assessing all available location and configuration options to arrive at least cost solutions.

Technical Aspects

PNM's design thus far is based upon the City's engineering design firm's drawings which are at 30% completion. Relocations of distribution equipment will involve moving wood pole structures and the associated transformers, customer owned and PNM owned power risers, and other equipment mounted to these poles. Additionally, the overhead wires attached to the poles and in some cases underground lines will be moved. Customer service drop relocations will also be required. The City of Albuquerque will pay for all customer owned risers and service drop relocations as well as any relocations of distribution facilities within easements which may need to be relocated or adjusted for the project. Right-of-way research and easement acquisitions will also be required.

Project Estimate Approach

PNM's preliminary design is based on the best available information from the City's engineering firm (30% drawings) and may change due to final design of the City project and/or site specific conditions. The project cost estimate was developed by applying PNM's Compatible Units (CUs), labor database, and in some cases historical cost information for similar type project components to the preliminary design. The CUs and labor data base provide material quantities and labor hour requirements for specific standard construction components of the project. PNM's work management system combines the estimated material and labor and applies current labor rates and material costs to the quantities to calculate project costs.

Other costs (which include but are not limited to permitting, right-of-way, contractor work, and environmental review) are established by either using historical costs or using estimated costs determined by the governing agency and/or a bidding process. The approximate cost break out by category is as follows: material (40%), contracting and permitting (27%), PNM construction labor (20%), right-of-way (5%), transportation & equipment (4%), and environmental (3%).

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10001715	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	0		0	0	0	2,188	2,344	2,265	4,386	1,991	1,580	14,755
	120-Overtime-General	0		0	0	0	3,369	5,000	5,000	307	4,458	5,445	23,579
	350-Material Issues-Major	0		0	0	0	15,000	9,525	30,000	18,952	15,000	3,862	92,338
	370-Outside Services	0		0	0	0	20,000	40,000	60,000	85,314	80,559	75,000	360,873
	374-Outside Svcs Legal	0		0	0	0	180	372	633	1,250	1,161	589	4,185
	377-Outside Services-Temp Labor	0		0	0	0	10	21	187	493	406	319	1,435
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	8,457	9,656	-101	8,825	4,428	5,358	36,623
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	-5,897	-15,808	-14,198	-3,054	-14,116	-31,570	-84,643
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	389	514	509	329	451	492	2,683
	914-Pension and Benefits Load	0		0	0	0	1,240	1,639	1,622	1,048	1,439	1,568	8,556
	915-Injuries and Damages Load	0		0	0	0	374	494	489	316	434	473	2,580
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	1,976	1,254	3,951	2,496	1,976	509	12,161
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	8,193	11,131	16,097	19,395	17,652	15,150	87,617
	925-A and G Loads	0		0	0	0	4,094	5,568	8,152	9,945	8,986	7,667	44,411
	928-AFUDC Debt Reg	0		0	0	0	77	246	488	832	779	1,056	3,478
	929-AFUDC - Equity Regular	0		0	0	0	110	352	697	1,188	1,112	1,508	4,966
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	0	59,761	72,309	115,790	152,020	126,715	89,004	615,598
	825-Clearings	0		0	0	0	0	0	0	-159,952	0	-182,259	-342,210
	Clr Sum	0		0	0	0	0	0	0	-159,952	0	-182,259	-342,210
Proj Net		0		0	0	0	59,761	72,309	115,790	-7,932	126,715	-93,255	273,388

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10001715	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	14,755	13,238	11,210	11,177	735	2,463	873	926	992	639	1,238	562	446	59,254
120-Overtime-General	23,579	6,136	4,147	4,300	1,499	2,726	3,812	1,426	3,090	2,559	87	1,258	1,537	56,156
350-Material Issues-Major	92,338	14,610	21,133	7,237	8,780	9,517	5,534	10,129	4,032	11,178	5,348	9,400	1,090	200,326
370-Outside Services	360,873	-6,740	-13,419	11,940	27,099	16,480	19,155	18,050	25,263	20,432	24,075	22,733	22,893	548,834
374-Outside Svcs Legal	4,185	0	0	0	74	226	0	76	158	179	353	328	166	5,745
377-Outside Services-Temp Labor	1,435	0	63	0	148	-51	0	4	9	53	139	115	90	2,005
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	36,623	6,019	5,018	4,444	3,366	2,795	4,216	3,580	4,087	-28	2,490	1,250	1,512	75,372
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-84,643	-8,615	-531	-12,430	-11,603	-3,966	-2,118	-2,496	-6,691	-4,007	-862	-3,983	-8,909	-150,854
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	2,683	1,356	1,075	1,083	156	363	328	165	286	224	93	127	139	8,078
914-Pension and Benefits Load	8,556	4,324	3,428	3,454	499	1,158	1,046	525	911	714	296	406	442	25,759
915-Injuries and Damages Load	2,580	1,304	1,034	1,042	150	349	315	158	275	215	89	122	133	7,766
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	12,161	1,924	2,783	953	1,156	1,253	729	1,334	531	1,472	704	1,238	144	26,382
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	87,617	6,439	5,390	7,148	6,801	5,764	5,645	5,606	6,256	5,786	5,473	5,808	4,552	158,285
926-A and G Loads	44,411	2,767	2,342	3,253	3,469	2,842	2,795	2,845	3,131	2,913	2,806	2,966	2,307	78,847
928-AFUDC Debt Reg	3,478	516	592	670	463	537	612	687	472	547	622	433	494	10,123
929-AFUDC - Equity Regular	4,966	0	0	0	0	0	0	0	0	0	0	0	0	4,966
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	615,598	43,278	44,265	44,271	42,792	42,456	42,942	43,015	42,802	42,876	42,951	42,763	27,036	1,117,045
825-Clearings	-342,210	0	0	-162,081	0	0	0	-165,730	0	0	-150,889	0	-118,453	-939,363
Clr Sum	-342,210	0	0	-162,081	0	0	0	-165,730	0	0	-150,889	0	-118,453	-939,363
Proj Net	273,388	43,278	44,265	-117,810	42,792	42,456	42,942	-122,715	42,802	42,876	-107,938	42,763	-91,417	177,682

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10001715	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	59,254	18,533	15,694	0	0	0	0	0	0	0	0	0	0	0	93,481
120-Overtime-General	56,156	8,590	5,806	0	0	0	0	0	0	0	0	0	0	0	70,552
350-Material Issues-Major	200,326	20,454	29,586	0	0	0	0	0	0	0	0	0	0	0	250,366
370-Outside Services	548,834	-9,436	-18,786	0	0	0	0	0	0	0	0	0	0	0	520,612
374-Outside Svcs Legal	5,745	0	0	0	0	0	0	0	0	0	0	0	0	0	5,745
377-Outside Services-Temp Labor	2,005	0	88	0	0	0	0	0	0	0	0	0	0	0	2,093
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	75,372	8,426	7,026	0	0	0	0	0	0	0	0	0	0	0	90,824
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	-150,854	-12,061	-743	0	0	0	0	0	0	0	0	0	0	0	-163,658
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	8,078	1,899	1,505	0	0	0	0	0	0	0	0	0	0	0	11,482
914-Pension and Benefits Load	25,759	6,054	4,799	0	0	0	0	0	0	0	0	0	0	0	36,612
915-Injuries and Damages Load	7,766	1,825	1,447	0	0	0	0	0	0	0	0	0	0	0	11,038
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	26,382	2,694	3,896	0	0	0	0	0	0	0	0	0	0	0	32,972
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
925-E and S Loads	158,285	9,015	7,546	0	0	0	0	0	0	0	0	0	0	0	174,846
926-A and G Loads	78,847	3,874	3,279	0	0	0	0	0	0	0	0	0	0	0	86,000
928-AFUDC Debt Reg	10,123	657	852	0	0	0	0	0	0	0	0	0	0	0	11,632
929-AFUDC - Equity Regular	4,966	389	505	0	0	0	0	0	0	0	0	0	0	0	5,860
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	1,117,045	60,913	62,500	0	0	0	0	0	0	0	0	0	0	0	1,240,458
825-Clearings	-939,363	0	0	0	0	0	0	0	0	0	0	0	0	0	-939,363
Clr Sum	-939,363	0	0	0	0	0	0	0	0	0	0	0	0	0	-939,363
Proj Net	177,682	60,913	62,500	0	0	0	0	0	0	0	0	0	0	0	301,095

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Project No: 10001912 Wayne Feeder 23

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2016 Estimated Completion Date 6/30/2016

List Interim In-Service Dates

NA

Project Need Justification

The purpose of the project is to decrease the load on the existing feeder (distribution circuit) by building a new feeder that will provide additional feeder capacity and dividing the load between the two. The project need is driven by conductor overloads during contingency which will cause outages if not relieved. The single contingency back up of the Wayne feeder 13 is Montano feeder 12 and the backup for Montano feeder 12 is Wayne 13. During an outage of Wayne feeder 13, the Montano feeder 12 getaway and feeder conductor is projected to be loaded to 113% of the emergency rating in 2016. Montano feeder 12 will exceed its emergency rating by 94 hours in 2016. The new Wayne feeder 23 will split Wayne feeder 13 load in half. The two feeders will be served from different Wayne Substation transformers and will be the single contingency back up for each other. The types of costs that are covered by the project funds are internal labor, external labor, materials, equipment, and ROW.

Project Alternatives

One alternative was considered, to upgrade the existing distribution feeder conductor from Wayne Unit 1 Substation to Montano Substation. This would increase the available feeder capacity for backup, but this would not alleviate transformer capacity availability at Montano Substation for an outage of Wayne Unit 1 Substation. Wayne Unit 2 was installed with the intent to back up Wayne Unit 1 and has available capacity.

Technical Aspects

Build a new feeder from Wayne Unit II Substation which is located on 4th street at Paseo Del Norte to split the present Wayne Feeder 13 service area in half to eliminate conductor overloads which will cause outages. Construction consists of a new feeder getaway, approximately 270 ft., from Wayne Substation east to 4th Street. A new three-phase overhead line, approximately 2,930 ft., utilizing or rebuilding the existing service poles on the west side of 4th Street going south along 4th Street to Ranchitos Rd. and connecting to the overhead line going west on Ranchitos Rd. Installation of a normally open Scadamate switch near Ranchitos Rd. south of 4th Street. Upgrading approximately 1,300 ft. of the existing overhead circuit going west on Ranchitos Rd. from 4th Street to Guadalupe Trail. Upgrading approximately 5,400 ft. of the existing overhead conductor south along Guadalupe Trail to the intersection of Guadalupe Trail and Green Valley Rd (Pole F13B322). Upgrading approximately 2,100 ft. of the existing conductor from Pole F13B322 east to 4th St, removing the existing Sectionalizer, S23, and 400 amp bypass switch, SW073, and installing a normally closed Scadamate switch between Poles F13B246 and F13B248. Upgrading approximately 600 ft. of the existing conductor from Pole F13B002 south to Pole F13D399. Replacing the existing 400 amp switch, SW004, with a 600 amp GOLB switch. Replacing the existing 1,800 KVAR capacitor bank C622 with a 1,200 KVAR capacitor bank and installing a new 1,200 KVAR RCCS capacitor on Guadalupe Trail between Pole F12D164 and Pole F12D156.

Project Estimate Approach

The project cost estimates are developed using PNM's Compatible Units (CUs) and in some cases historical cost information for similar type projects. The CUs provide unit costs for materials, equipment and labor. Initial estimates developed using CUs are based on best available information at the time of preliminary design and may change due to unforeseen routing or site specific conditions. For the materials and equipment cost, the items identified in the design are costed out using the corresponding CUs which represents approximately 48% of the project cost. For the labor cost, similar calculations are performed by using the identified labor hours from the design and costing them out using the CUs. The labor represents 49% of the total project cost. Other costs (which include but are not limited to include permitting, right-of-way, contractor costs, environmental screening and monitoring) are established by either using historical costs or using estimated costs determined by the governing agency and/or a bidding process. The other costs represents 3% of the total project cost.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10001912	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	0		0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0		0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	0	0	0	0	0	0	0	0
	825-Clearings	0		0	0	0	0	0	0	0	0	0	0
	Clr Sum	0		0	0	0	0	0	0	0	0	0	0
Proj Net		0		0	0	0	0	0	0	0	0	0	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10001912	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	0	5,325	533	533	533	9,852	9,852	0	0	0	0	0	0	26,528	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	0	0	263,264	32,908	32,908	0	0	0	0	0	0	0	329,080	
370-Outside Services	0	61,583	6,158	6,158	6,158	113,929	113,929	0	0	0	0	0	0	307,915	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	3,823	3,823	3,823	3,823	3,823	1,558	0	0	0	0	0	0	20,673	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	0	373	37	37	37	690	690	0	0	0	0	0	0	1,864	
914-Pension and Benefits Load	0	1,189	119	119	119	2,199	2,199	0	0	0	0	0	0	5,944	
915-Injuries and Damages Load	0	358	36	36	36	663	663	0	0	0	0	0	0	1,792	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	0	0	0	34,672	4,334	4,334	0	0	0	0	0	0	0	43,340	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	11,624	1,713	43,835	6,978	26,250	20,622	0	0	0	0	0	0	111,022	
926-A and G Loads	0	5,885	875	22,778	3,613	13,355	10,428	0	0	0	0	0	0	56,934	
928-AFUDC Debt Reg	0	79	170	510	890	1,125	1,449	0	0	0	0	0	0	4,223	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	0	90,239	13,464	375,765	59,429	209,128	161,390	0	0	0	0	0	0	909,415	
825-Clearings	0	0	0	0	0	0	-909,415	0	0	0	0	0	0	-909,415	
Clr Sum	0	0	0	0	0	0	-909,415	0	0	0	0	0	0	-909,415	
Proj Net	0	90,239	13,464	375,765	59,429	209,128	-748,025	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10001912	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	26,628	0	0	0	0	0	0	0	0	0	0	0	0	26,628	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	329,080	0	0	0	0	0	0	0	0	0	0	0	0	329,080	
370-Outside Services	307,915	0	0	0	0	0	0	0	0	0	0	0	0	307,915	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	20,673	0	0	0	0	0	0	0	0	0	0	0	0	20,673	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	1,864	0	0	0	0	0	0	0	0	0	0	0	0	1,864	
914-Pension and Benefits Load	5,944	0	0	0	0	0	0	0	0	0	0	0	0	5,944	
915-Injuries and Damages Load	1,792	0	0	0	0	0	0	0	0	0	0	0	0	1,792	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	43,340	0	0	0	0	0	0	0	0	0	0	0	0	43,340	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	111,022	0	0	0	0	0	0	0	0	0	0	0	0	111,022	
926-A and G Loads	56,934	0	0	0	0	0	0	0	0	0	0	0	0	56,934	
928-AFUDC Debt Reg	4,223	0	0	0	0	0	0	0	0	0	0	0	0	4,223	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	909,415	0	0	0	0	0	0	0	0	0	0	0	0	909,415	
825-Clearings	-909,415	0	0	0	0	0	0	0	0	0	0	0	0	-909,415	
Clr Sum	-909,415	0	0	0	0	0	0	0	0	0	0	0	0	-909,415	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 10002314 Albuquerque Feeder testing and repl

Company: 001-Electric Services
Location: 100 Distribution

Project Information

Construction Start Date 1/1/2013 Estimated Completion Date 1/31/2016

List Interim In-Service Dates

This project has numerous partial in-service dates throughout the multi-year project life as many individual WO's are completed for segments or groups of segments of replaced cable.

Project Need Justification

This project provides for the targeted replacement of failing underground cable based upon cable testing results. Costs include engineering, project coordination, testing, material, and labor. This is a multi-year project with testing completed in the first year and cable replacements made over subsequent years.

Approximately 46% of PNM distribution lines are of overhead construction. The remaining 54% of the distribution is built as underground construction. Underground cable has a life expectancy of 30-40 years. The risk of not replacing aging and failing cable includes more frequent and extended power outages which adversely affect reliability and customer satisfaction.

Project Alternatives

One alternative to testing cable before replacing it is to eliminate testing of cable. Under this alternative, all cable repairs are made after a failure (outage) occurs. This involves cutting out the failed section of cable and splicing new cable in its place. Under this alternative cable runs are scheduled for replacement only after multiple failures have occurred on sections of the cable. Generally this practice results in the same customers experiencing multiple outages before the cable segments are replaced. Under this method adjacent cable segments of the same cable type and vintage that have experienced fewer failures or no failures at all may also be replaced based on the expectation that failures experience on adjacent segments are imminent on these sections as well.

Another option is to inject a substance to improve the integrity of insulation materials and extend the life of the cable. This technique has shortcomings as it does not identify the weak areas of cable first and does not address potential problems with cable splices made during installation or the ends of cable where terminating equipment is installed.

Cable testing is a superior approach providing predictive identification of cable failures before they occur via specific targeting and replacement of cable, reducing the number of outages experienced by customers, and maximizing efficiency by replacing only those elements of the cable that are failing as verified by tests.

Cable testing is a superior approach providing predictive identification of cable failures before they occur via specific targeting and replacement of cable, reducing the number of outages experienced by customers, and maximizing efficiency by replacing only those elements of the cable that are failing.

Technical Aspects

The cable testing is performed by disconnecting a cable segment from the system and applying a specialized calibrated equipment voltage to the cable. Based on partial discharge observed during testing the condition of the cable is determined to be good, in need of repair (replacement of splices or terminations or limited cable replacement), or recommended for full replacement. The repairs or replacements are further categorized as an immediate need or scheduled need within the next year or so. Cable that are scheduled for replacement are either replaced in the same location or re-routed along an alternate path if it improves future access and facilitates maintenance. This work involves boring and excavation, installing new cable and duct, splices, and terminations.

Project Estimate Approach

There are two considerations in estimating the project cost; the amount of testing and the amount of replacement work. Several factors are considered in determining the amount of testing to be performed including: the number of cable segment failures in a year, the vintage or age of cable, and the cable type. The amount of cable replacement required is not known until the testing results are known. However, past experience in terms of the percentage of tested cable requiring replacement provides a good benchmark for budgeting. Costs are estimated based on historical cable replacement costs per foot.

This project includes costs for outside services which include cable testing, testing results analysis and reporting, and boring in new conduit and cable. The project also includes company labor for items such as; engineering, testing and construction coordination, switching, and cable termination. The typical breakdown of cost by categories is as follows: outside services (74%), company labor (8%), materials (16%), and company transportation (2%). This breakdown can fluctuate depending on the site conditions and the type and condition of the cable being tested.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	10002314	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	88,334		0	1,953	1,953	2,075	7,734	1,584	1,953	1,953	1,038	108,576
	120-Overtime-General	9,565		0	131	131	98	222	1,862	131	131	49	12,320
	350-Material Issues-Major	208,078		0	6,854	9,854	8,665	6,580	748	3,854	3,854	0	248,488
	370-Outside Services	1,277,191		0	21,924	21,924	74,152	159,414	13,542	21,924	21,924	37,076	1,649,070
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	24,891		0	559	559	562	1,697	1,204	559	559	281	30,871
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	-2,754	0	0	0	-839	0	0	0	-3,593
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	6,376		0	146	146	152	557	241	146	146	76	7,986
	914-Pension and Benefits Load	24,139		0	465	465	485	1,776	769	465	465	243	29,272
	915-Injuries and Damages Load	6,451		0	140	140	146	535	232	140	140	73	7,999
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	55,377		0	903	1,298	1,141	867	99	508	508	0	60,699
	922-Minor Material Load	31,764		0	0	0	0	0	0	0	0	0	31,764
	925-E and S Loads	214,293		0	5,147	5,627	13,814	28,562	3,229	4,667	4,667	6,214	286,222
	926-A and G Loads	134,395		0	2,614	2,864	7,118	14,614	1,576	2,365	2,365	3,199	171,108
	928-AFUDC Debt Reg	26,492		1,918	1,979	1,690	1,898	1,722	2,050	2,142	1,589	1,708	43,189
	929-AFUDC - Equity Regular	37,661		2,738	2,825	2,413	2,711	2,458	2,928	3,058	2,269	2,439	61,501
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	2,145,007		4,656	42,886	49,064	113,019	226,738	29,226	41,911	40,569	52,396	2,745,471
	825-Clearings	-1,400,754		0	-158,359	0	-238,656	0	0	-256,422	0	-691,282	-2,745,471
	Clr Sum	-1,400,754		0	-158,359	0	-238,656	0	0	-256,422	0	-691,282	-2,745,471
Proj Net		744,253		4,656	-115,473	49,064	-125,637	226,738	29,226	-214,511	40,569	-638,886	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	10002314	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	108,576	0	0	0	0	0	0	0	0	0	0	0	0	108,576	
120-Overtime-General	12,320	0	0	0	0	0	0	0	0	0	0	0	0	12,320	
350-Material Issues-Major	248,488	0	0	0	0	0	0	0	0	0	0	0	0	248,488	
370-Outside Services	1,649,070	0	0	0	0	0	0	0	0	0	0	0	0	1,649,070	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	30,871	0	0	0	0	0	0	0	0	0	0	0	0	30,871	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-3,593	0	0	0	0	0	0	0	0	0	0	0	0	-3,593	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	7,986	0	0	0	0	0	0	0	0	0	0	0	0	7,986	
914-Pension and Benefits Load	29,272	0	0	0	0	0	0	0	0	0	0	0	0	29,272	
915-Injuries and Damages Load	7,999	0	0	0	0	0	0	0	0	0	0	0	0	7,999	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	60,699	0	0	0	0	0	0	0	0	0	0	0	0	60,699	
922-Minor Material Load	31,764	0	0	0	0	0	0	0	0	0	0	0	0	31,764	
925-E and S Loads	286,222	0	0	0	0	0	0	0	0	0	0	0	0	286,222	
926-A and G Loads	171,108	0	0	0	0	0	0	0	0	0	0	0	0	171,108	
928-AFUDC Debt Reg	43,189	0	0	0	0	0	0	0	0	0	0	0	0	43,189	
929-AFUDC - Equity Regular	61,501	0	0	0	0	0	0	0	0	0	0	0	0	61,501	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,745,471	0	0	0	0	0	0	0	0	0	0	0	0	2,745,471	
825-Clearings	-2,745,471	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,471	
Clr Sum	-2,745,471	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,471	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	10002314	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	108,576	0	0	0	0	0	0	0	0	0	0	0	0	108,576	
120-Overtime-General	12,320	0	0	0	0	0	0	0	0	0	0	0	0	12,320	
350-Material Issues-Major	248,488	0	0	0	0	0	0	0	0	0	0	0	0	248,488	
370-Outside Services	1,649,070	0	0	0	0	0	0	0	0	0	0	0	0	1,649,070	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	30,871	0	0	0	0	0	0	0	0	0	0	0	0	30,871	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	-3,593	0	0	0	0	0	0	0	0	0	0	0	0	-3,593	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	7,986	0	0	0	0	0	0	0	0	0	0	0	0	7,986	
914-Pension and Benefits Load	29,272	0	0	0	0	0	0	0	0	0	0	0	0	29,272	
915-Injuries and Damages Load	7,999	0	0	0	0	0	0	0	0	0	0	0	0	7,999	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	60,699	0	0	0	0	0	0	0	0	0	0	0	0	60,699	
922-Minor Material Load	31,764	0	0	0	0	0	0	0	0	0	0	0	0	31,764	
925-E and S Loads	286,222	0	0	0	0	0	0	0	0	0	0	0	0	286,222	
926-A and G Loads	171,108	0	0	0	0	0	0	0	0	0	0	0	0	171,108	
928-AFUDC Debt Reg	43,189	0	0	0	0	0	0	0	0	0	0	0	0	43,189	
929-AFUDC - Equity Regular	61,501	0	0	0	0	0	0	0	0	0	0	0	0	61,501	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM R D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,745,471	0	0	0	0	0	0	0	0	0	0	0	0	2,745,471	
825-Clearings	-2,745,471	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,471	
Clr Sum	-2,745,471	0	0	0	0	0	0	0	0	0	0	0	0	-2,745,471	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 15001715 Tularosa/Alamo Transformer

Company: 001-Electric Services
Location: 150 Distribution

Project Information

Construction Start Date 7/1/2015 Estimated Completion Date 12/31/2015

List Interim In-Service Dates

Project Need Justification

This project is to replace the failed 25-12.47kV, 5 MVA transformer in Tularosa Substation with a new 115-12.47kV, 22.4 MVA transformer with a four feeder switchgear to permanently restore service to the Tularosa area.

This plan of service has the advantage of eliminating the non-standard 25/12.47kV transformer and improving reliability due to the 115kV source. The added transformer capacity in Tularosa allows for the construction of a new Tularosa Feeder 13 to reduce the load on Alamogordo Feeder 12-12 and the Alamogordo North transformer. The added transformer and feeder capacity allows Tularosa Substation to provide backup support for Alamogordo Feeder 12-12 for an Alamogordo North transformer outage. Likewise, the added transformer capacity can also serve north Alamogordo where long-term growth is expected. Also, since the "Alamogordo Substation Capacity Study," completed by Distribution Planning in April 2012, assumed that a substation transformer would always be located in Tularosa, installing a 115/12.47kV 22.4 MVA transformer in Tularosa Substation is the best long-term solution. Funds would cover the major equipment, minor material, engineering, internal and external labor and construction management.

Project Alternatives

One alternative considered replacing the failed transformer with one of the same voltage classification and rating. This alternative was dismissed because the 25-12.47kV transformer is considered non-standard PNM equipment.

A second alternative considered replacing the 115-25kV, 10 MVA transformer in the Alamogordo 2 Station with a 115-12.47kV, 22.4 MVA transformer and eliminating the failed Tularosa 25-12.47kV, 5 MVA transformer. This alternative would require repairing and reconductoring the existing 11-mile long 25kV Alamogordo 20-10 circuit so that the entire Tularosa load could be served from the Alamogordo 2 Station. New capacitor banks and voltage regulators would also need to be installed on Alamogordo 20-10 for voltage regulation on the 11 mile line. Distribution Planning's high level analysis of Alternative 2 showed that maintaining ANSI C84.1 Range A voltage in Tularosa while serving the entire Tularosa load through the 11 mile long refurbished Alamogordo 20-10 line operated at 12.47kV would be a challenge. Preliminary results show that the new capacitors and voltage settings required for the new voltage regulators during peak load conditions to prevent low voltage below ANSI C84.1 Range A would cause over-voltage in Tularosa during medium to light load conditions. A detailed study to carefully coordinate these devices would need to be completed to see if ANSI C84.1 Range A voltage could be maintained for all load conditions. Also, this option would require that the Alamogordo 20-10 line be rebuilt and recondored immediately, adding a significant cost to the project.

The final alternative was the one chosen as it best resolves the issues related to the failed transformer, permanently restores service to the area, eliminates a non-standard transformer, and facilitates the construction of the new Tularosa Feeder.

Technical Aspects

This project is to replace the failed 25-12.47kV, 5 MVA transformer in Tularosa Substation with a new 115-12.47kV, 22.4 MVA transformer with a four feeder switchgear. The project also includes connecting the transformer to two existing Tularosa feeders and building a third feeder getaway to an existing overhead distribution line so that a third Tularosa feeder can be placed into service. Other equipment will include a steel tap structure, switches, station steel, and distribution feeder materials including wire, poles, and insulators.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment including the transformer and switchgear, we contacted our alliance vendors (SPX/Waukesha, and Central Electric/AZZ) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature, for this project past unit substation project (Prager Substation) was referenced. The equipment costs are estimated at approximately 50% of the total cost to install. Engineering costs are estimated at approximately 10% of the total cost to install. Internal and external labor and construction management are estimated at approximately 40% of the total installation cost.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	15001715	Year	2015									
Cost_Type	Bal 3/31/15		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	0		0	0	0	13,274	29,404	28,138	28,000	28,000	28,000	154,816
120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
350-Material Issues-Major	0		0	0	0	32,631	0	0	175,000	10,000	10,000	227,631
370-Outside Services	0		0	0	0	1,108,990	40,000	40,000	160,000	160,000	160,000	1,668,990
374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	0		0	0	0	929	2,058	1,970	1,960	1,960	1,960	10,837
914-Pension and Benefits Load	0		0	0	0	2,963	6,563	6,280	6,250	6,250	6,250	34,555
915-Injuries and Damages Load	0		0	0	0	893	1,979	1,894	1,884	1,884	1,884	10,419
918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	0		0	0	0	3,971	0	0	21,298	1,217	1,217	27,703
922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
925-E and S Loads	0		0	0	0	185,549	12,801	12,525	59,695	33,295	33,295	337,160
926-A and G Loads	0		0	0	0	96,087	5,774	5,669	30,202	16,474	16,474	170,680
928-AFUDC Debt Reg	0		0	0	0	1,862	3,863	4,138	4,913	5,901	6,606	27,283
929-AFUDC - Equity Regular	0		0	0	0	2,659	5,516	5,909	7,014	8,426	9,432	38,955
937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
Cost Sum	0		0	0	0	1,449,809	107,958	106,523	496,215	273,406	275,117	2,709,028
825-Clearings	0		0	0	0	0	0	0	0	0	-2,709,028	-2,709,028
Clr Sum	0		0	0	0	0	0	0	0	0	-2,709,028	-2,709,028
Proj Net	0		0	0	0	1,449,809	107,958	106,523	496,215	273,406	-2,433,911	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	15001715	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	154,816	0	0	0	0	0	0	0	0	0	0	0	0	154,816	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	227,631	0	0	0	0	0	0	0	0	0	0	0	0	227,631	
370-Outside Services	1,668,990	0	0	0	0	0	0	0	0	0	0	0	0	1,668,990	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,837	0	0	0	0	0	0	0	0	0	0	0	0	10,837	
914-Pension and Benefits Load	34,555	0	0	0	0	0	0	0	0	0	0	0	0	34,555	
915-Injuries and Damages Load	10,419	0	0	0	0	0	0	0	0	0	0	0	0	10,419	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	27,703	0	0	0	0	0	0	0	0	0	0	0	0	27,703	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	337,160	0	0	0	0	0	0	0	0	0	0	0	0	337,160	
926-A and G Loads	170,680	0	0	0	0	0	0	0	0	0	0	0	0	170,680	
928-AFUDC Debt Reg	27,283	0	0	0	0	0	0	0	0	0	0	0	0	27,283	
929-AFUDC - Equity Regular	38,955	0	0	0	0	0	0	0	0	0	0	0	0	38,955	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,709,028	0	0	0	0	0	0	0	0	0	0	0	0	2,709,028	
825-Clearings	-2,709,028	0	0	0	0	0	0	0	0	0	0	0	0	-2,709,028	
Clr Sum	-2,709,028	0	0	0	0	0	0	0	0	0	0	0	0	-2,709,028	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	15001715	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	154,816	0	0	0	0	0	0	0	0	0	0	0	0	154,816	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	227,631	0	0	0	0	0	0	0	0	0	0	0	0	227,631	
370-Outside Services	1,668,990	0	0	0	0	0	0	0	0	0	0	0	0	1,668,990	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,837	0	0	0	0	0	0	0	0	0	0	0	0	10,837	
914-Pension and Benefits Load	34,555	0	0	0	0	0	0	0	0	0	0	0	0	34,555	
915-Injuries and Damages Load	10,419	0	0	0	0	0	0	0	0	0	0	0	0	10,419	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	27,703	0	0	0	0	0	0	0	0	0	0	0	0	27,703	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	337,160	0	0	0	0	0	0	0	0	0	0	0	0	337,160	
925-A and G Loads	170,680	0	0	0	0	0	0	0	0	0	0	0	0	170,680	
928-AFUDC Debt Reg	27,283	0	0	0	0	0	0	0	0	0	0	0	0	27,283	
929-AFUDC - Equity Regular	38,955	0	0	0	0	0	0	0	0	0	0	0	0	38,955	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,709,028	0	0	0	0	0	0	0	0	0	0	0	0	2,709,028	
825-Clearings	-2,709,028	0	0	0	0	0	0	0	0	0	0	0	0	-2,709,028	
Clr Sum	-2,709,028	0	0	0	0	0	0	0	0	0	0	0	0	-2,709,028	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 41001915 Mejia 14 Estrada Calabasa Line Extension

Company: 001-Electric Services
Location: 410 Distribution

Project Information

Construction Start Date 1/1/2016 Estimated Completion Date 6/30/2016

List Interim In-Service Dates

NA

Project Need Justification

The scope of the project is to construct overhead distribution facilities that are required to resolve voltages that are below ANSI C84.1 Range A level of 118.7 volts and increase reliability by minimizing outage restoration times. The proposed project will reduce outage restoration times and improve feeder voltages.

The existing distribution system is a radial design. This design does not provide for a back-up during a power outage. Converting the radial design to a looped design provides redundancy and will minimize outage restoration times.

The project funds will cover materials, labor, equipment and other costs (which include but are not limited to permitting, right-of-way, contractor costs, environmental screening and monitoring).

Project Alternatives

The only alternatives are to either convert the radial system design to a loop system design, or continue to operate the current radial system design. The primary difference between radial and loop system designs is that a radial system design provides a single source to serve the load. With a loop system design, an alternate route to either the same source or different source is provided, thus allowing a portion of the loop system that sustained a power outage to be returned to service while repairs are made to the remaining portion that must be fixed. The alternative that includes the use of a second source requires the current radial system design to be converted to a loop system design.

Technical Aspects

The project consists of the following items:

- From the PMH-9 switch which replaced junction box J59F, located at the intersection of Paseo De La Tierra and Vuelta Montuosa, install about 3,200ft of 750AL Jacketed Concentric Neutral cable in the existing conduit south to Paseo De La Tierra and Estrada Calabasa to a new riser.
- Build 14,000ft of 397AAC overhead conductor designed to support a 570amp rating from the intersection of Paseo De La Tierra and Estrada east along Estrada Calabasa then east along Estrada Redondo, then south along Vuelta Herradura to SW2530F located on Camino Ladera Rd west of Tierra De Tano and Paseo De Aguila intersection.

Completion of this work facilitates the development of a 3-phase underground system thus improving system voltages and the ability to transfer loads.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Project Estimate Approach

The project cost estimates are developed using PNM's Compatible Units (CUs) and in some cases historical cost information for similar type projects is used. The CUs provide unit costs for materials, labor, equipment. Initial estimates developed using CUs are based on best available information at the time of preliminary design and may change due to unforeseen routing or site specific conditions. Material & Equipment accounts for 78% of the total project costs, labor accounted for 4% of the total project costs, and other costs accounted for 18% of the total project costs. Other costs, which include but are not limited to, are permitting, right-of-way, contractor costs and environmental. These costs are established by either using historical costs or using estimated costs determined by the governing agency and/or a bidding process.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	41001915	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	0		0	0	0	0	0	0	0	0	0	0
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	0		0	0	0	0	0	0	0	0	0	0
	370-Outside Services	0		0	0	0	0	0	0	0	0	0	0
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	0		0	0	0	0	0	0	0	0	0	0
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	0		0	0	0	0	0	0	0	0	0	0
	914-Pension and Benefits Load	0		0	0	0	0	0	0	0	0	0	0
	915-Injuries and Damages Load	0		0	0	0	0	0	0	0	0	0	0
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	0		0	0	0	0	0	0	0	0	0	0
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	0		0	0	0	0	0	0	0	0	0	0
	926-A and G Loads	0		0	0	0	0	0	0	0	0	0	0
	928-AFUDC Debt Reg	0		0	0	0	0	0	0	0	0	0	0
	929-AFUDC - Equity Regular	0		0	0	0	0	0	0	0	0	0	0
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	0		0	0	0	0	0	0	0	0	0	0
	825-Clearings	0		0	0	0	0	0	0	0	0	0	0
	Clr Sum	0		0	0	0	0	0	0	0	0	0	0
Proj Net		0		0	0	0	0	0	0	0	0	0	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	41001915	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	0	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	0	0	0	30,000	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	0	50,000	44,979	445,000	100,000	100,000	50,000	0	0	0	0	0	0	789,979	
370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	0	350	350	350	350	350	350	0	0	0	0	0	0	2,100	
914-Pension and Benefits Load	0	1,116	1,116	1,116	1,116	1,116	1,116	0	0	0	0	0	0	6,696	
915-Injuries and Damages Load	0	337	337	337	337	337	337	0	0	0	0	0	0	2,022	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	0	6,585	5,924	58,607	13,170	13,170	6,585	0	0	0	0	0	0	104,041	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	0	9,088	8,285	72,288	17,088	17,088	9,088	0	0	0	0	0	0	132,925	
926-A and G Loads	0	4,576	4,158	37,440	8,736	8,736	4,576	0	0	0	0	0	0	68,222	
928-AFUDC Debt Reg	0	67	196	801	1,472	1,730	1,928	0	0	0	0	0	0	6,194	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	0	77,119	70,345	620,939	147,269	147,527	78,980	0	0	0	0	0	0	1,142,179	
825-Clearings	0	0	0	0	0	0	-1,142,178	0	0	0	0	0	0	-1,142,178	
Clr Sum	0	0	0	0	0	0	-1,142,178	0	0	0	0	0	0	-1,142,178	
Proj Net	0	77,119	70,345	620,939	147,269	147,527	-1,063,198	0	0	0	0	0	0	1	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	41001915	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	30,000	0	0	0	0	0	0	0	0	0	0	0	0	30,000	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	789,979	0	0	0	0	0	0	0	0	0	0	0	0	789,979	
370-Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	2,100	0	0	0	0	0	0	0	0	0	0	0	0	2,100	
914-Pension and Benefits Load	6,696	0	0	0	0	0	0	0	0	0	0	0	0	6,696	
915-Injuries and Damages Load	2,022	0	0	0	0	0	0	0	0	0	0	0	0	2,022	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	104,041	0	0	0	0	0	0	0	0	0	0	0	0	104,041	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	132,925	0	0	0	0	0	0	0	0	0	0	0	0	132,925	
926-A and G Loads	68,222	0	0	0	0	0	0	0	0	0	0	0	0	68,222	
928-AFUDC Debt Reg	6,194	0	0	0	0	0	0	0	0	0	0	0	0	6,194	
929-AFUDC - Equity Regular	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,142,179	0	0	0	0	0	0	0	0	0	0	0	0	1,142,179	
825-Clearings	-1,142,178	0	0	0	0	0	0	0	0	0	0	0	0	-1,142,178	
Clr Sum	-1,142,178	0	0	0	0	0	0	0	0	0	0	0	0	-1,142,178	
Proj Net	1	0	0	0	0	0	0	0	0	0	0	0	0	1	

Project No: 41002113 Downtown Manhattan Feeder phase 1

Company: 001-Electric Services
Location: 410 Distribution

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date 7/31/2015

List Interim In-Service Dates

This is a multiple year, multi work order project. Clearing take place as the different phases of work are completed.

Project Need Justification

This is the next phase of the Santa Fe downtown system improvement continuation. Replacement of 35+ yr. old equipment. Christmas Eve 2010 outage took out our downtown commercial for 16 hours. We are replacing and upgrading vac pacs with new underground switches and interrupters. This allows us to isolate circuits from the back bone reducing the number of customers experiencing an outage due to cable faults or failed equipment. We will also be creating circuit loops, replacing transformers and cable.

Project Alternatives

The alternative is to leave existing system in place and continue to repair underground circuits when they fail. This could take years to complete and will continue to cause large scale outages. PNM performed research and compared several switching/protection options. The selected option was based on balancing cost with the desired durability considerations to best address the issue.

Technical Aspects

This project involves the design, purchase of equipment and right-of-way ("ROW"), and installation of new underground switches and protection devices, underground conduit and cable to create looped systems. Overall objective to create manageable circuits, reduce customer outages and segregate single phase from three phase circuits.

Project Estimate Approach

The estimated costs for this project are based on the three major cost categories for upgrading the Downtown Santa Fe system: design, materials, and installation. The first step to develop the estimate was to design the necessary upgrades to facilitate modern technology implementation 3%
The overall service cost is based upon both contractor estimates and recent work that PNM has performed (57%). The contractor that provided the estimate has supported a number PNM projects over the years including projects of similar size and scope.

Material approx. 40%

The costs for all three of these components were combined to establish the overall project estimate.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	41002113	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	58,586		0	0	0	0	0	0	0	0	0	58,586
	120-Overtime-General	13,859		0	0	0	0	0	0	0	0	0	13,859
	350-Material Issues-Major	363,928		0	0	50,000	0	0	0	0	0	0	413,928
	370-Outside Services	360,360		0	0	100,000	0	0	0	0	0	0	460,360
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	27,995		0	0	0	0	0	0	0	0	0	27,995
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	4,767		0	0	0	0	0	0	0	0	0	4,767
	914-Pension and Benefits Load	17,644		0	0	0	0	0	0	0	0	0	17,644
	915-Injuries and Damages Load	4,788		0	0	0	0	0	0	0	0	0	4,788
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	12,979		0	0	6,585	0	0	0	0	0	0	19,564
	922-Minor Material Load	13,705		0	0	0	0	0	0	0	0	0	13,705
	925-E and S Loads	76,006		0	0	24,000	0	0	0	0	0	0	100,006
	926-A and G Loads	67,462		0	0	12,480	0	0	0	0	0	0	79,942
	928-AFUDC Debt Reg	21,203		2,765	2,783	3,049	3,317	3,337	3,358	3,379	3,400	3,422	50,013
	929-AFUDC - Equity Regular	29,860		3,948	3,973	4,353	4,735	4,765	4,795	4,825	4,855	4,885	70,996
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,073,142		6,714	6,756	200,467	8,052	8,102	8,153	8,204	8,255	8,307	1,336,152
	825-Clearings	0		0	0	0	0	0	0	0	0	-1,336,152	-1,336,152
	Clr Sum	0		0	0	0	0	0	0	0	0	-1,336,152	-1,336,152
	Proj Net	1,073,142		6,714	6,756	200,467	8,052	8,102	8,153	8,204	8,255	-1,327,845	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	41002113	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	58,586	0	0	0	0	0	0	0	0	0	0	0	0	58,586	
120-Overtime-General	13,859	0	0	0	0	0	0	0	0	0	0	0	0	13,859	
350-Material Issues-Major	413,928	0	0	0	0	0	0	0	0	0	0	0	0	413,928	
370-Outside Services	460,360	0	0	0	0	0	0	0	0	0	0	0	0	460,360	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	27,995	0	0	0	0	0	0	0	0	0	0	0	0	27,995	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	4,767	0	0	0	0	0	0	0	0	0	0	0	0	4,767	
914-Pension and Benefits Load	17,644	0	0	0	0	0	0	0	0	0	0	0	0	17,644	
915-Injuries and Damages Load	4,788	0	0	0	0	0	0	0	0	0	0	0	0	4,788	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,564	0	0	0	0	0	0	0	0	0	0	0	0	19,564	
922-Minor Material Load	13,705	0	0	0	0	0	0	0	0	0	0	0	0	13,705	
925-E and S Loads	100,006	0	0	0	0	0	0	0	0	0	0	0	0	100,006	
926-A and G Loads	79,942	0	0	0	0	0	0	0	0	0	0	0	0	79,942	
928-AFUDC Debt Reg	50,013	0	0	0	0	0	0	0	0	0	0	0	0	50,013	
929-AFUDC - Equity Regular	70,996	0	0	0	0	0	0	0	0	0	0	0	0	70,996	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,336,152	0	0	0	0	0	0	0	0	0	0	0	0	1,336,152	
825-Clearings	-1,336,152	0	0	0	0	0	0	0	0	0	0	0	0	-1,336,152	
Clr Sum	-1,336,152	0	0	0	0	0	0	0	0	0	0	0	0	-1,336,152	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	41002113	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	58,586	0	0	0	0	0	0	0	0	0	0	0	0	58,586	
120-Overtime-General	13,859	0	0	0	0	0	0	0	0	0	0	0	0	13,859	
350-Material Issues-Major	413,928	0	0	0	0	0	0	0	0	0	0	0	0	413,928	
370-Outside Services	460,360	0	0	0	0	0	0	0	0	0	0	0	0	460,360	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	27,995	0	0	0	0	0	0	0	0	0	0	0	0	27,995	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	4,767	0	0	0	0	0	0	0	0	0	0	0	0	4,767	
914-Pension and Benefits Load	17,644	0	0	0	0	0	0	0	0	0	0	0	0	17,644	
915-Injuries and Damages Load	4,788	0	0	0	0	0	0	0	0	0	0	0	0	4,788	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,564	0	0	0	0	0	0	0	0	0	0	0	0	19,564	
922-Minor Material Load	13,705	0	0	0	0	0	0	0	0	0	0	0	0	13,705	
925-E and S Loads	100,006	0	0	0	0	0	0	0	0	0	0	0	0	100,006	
926-A and G Loads	79,942	0	0	0	0	0	0	0	0	0	0	0	0	79,942	
928-AFUDC Debt Reg	50,013	0	0	0	0	0	0	0	0	0	0	0	0	50,013	
929-AFUDC - Equity Regular	70,996	0	0	0	0	0	0	0	0	0	0	0	0	70,996	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,336,152	0	0	0	0	0	0	0	0	0	0	0	0	1,336,152	
825-Clearings	-1,336,152	0	0	0	0	0	0	0	0	0	0	0	0	-1,336,152	
Clr Sum	-1,336,152	0	0	0	0	0	0	0	0	0	0	0	0	-1,336,152	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 60001713 SF Switchgear Replacements

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 9/1/2013 Estimated Completion Date 12/31/2019

List Interim In-Service Dates

Multiple work orders will be written, possibly one for each switchgear, thus the individual WOs will be cleared as soon as possible after the switchgear is replaced.

Project Need Justification

This project involves replacing approximately 50 non-load break pad-mounted switchgear in the Santa Fe Division over a three year period. Older style switchgear pose an operational hazard and reliability exposure. Switchgear flashovers and fires have occurred in past attempts of removing non-load break fuses. Fires have also been caused by the failure of aging and the interior design of older mechanical switch mechanisms. A survey of nearly half of the switchgear in Santa Fe has identified 48 such switchgears of this older, non-load break, style.

Project Alternatives

The current alternative to replacement is an operational edict that disallows operation of these switches or removal of fuses in these switchgear while energized. Thus, performing planned or emergency outages for customers or for utility needs requires locating load break capable switchgear elsewhere on the feeder which increases the number of customers affected by outages when switching or fuse removals are required. This is not a viable long-term solution due to the increased inconvenience (reliability) of customers' service. It also effectively negates the operational capabilities envisioned when the switches were initially installed and results in operational inefficiencies.

Each repair is evaluated by an engineer, who evaluates the gear configuration and determines how to best address the issue to today's standards. Alternatives to each repair is evaluated on a case-by-case basis.

Technical Aspects

Switchgear with a higher priority need for replacement will be worked first beginning with eight switchgear to be replaced in 2013, 25 in 2014 and 17 in 2015. We are replacing non load break switches that pose an arc flash potential with switch gears that are design to perform load break operations. Replacement of switchgears are both timely and costly. They require switching, outages, after hours work, excavation, disassembly and installation.

Project Estimate Approach

Project estimates are based on the individual replacement of a switchgear multiplied by the expected number of switchgears to be replaced. For this work, materials make up ~50% of the cost and engineering and labor make up the other ~50% of the total cost.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60001713	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	72,482	0	0	9,951	0	0	9,951	0	0	4,976	97,360	
120-Overtime-General	20,197	0	0	0	0	0	0	0	0	0	20,197	
350-Material Issues-Major	443,787	0	0	22,391	0	0	22,391	0	0	0	488,569	
370-Outside Services	60,902	0	0	0	0	0	0	0	0	0	60,902	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	31,111	0	0	0	0	0	0	0	0	0	31,111	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	6,314	0	0	697	0	0	697	0	0	348	8,055	
914-Pension and Benefits Load	23,340	0	0	2,221	0	0	2,221	0	0	1,111	28,892	
915-Injuries and Damages Load	6,204	0	0	670	0	0	670	0	0	335	7,878	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	16,466	0	0	2,949	0	0	2,949	0	0	0	22,364	
922-Minor Material Load	34,749	0	0	0	0	0	0	0	0	0	34,749	
925-E and S Loads	73,077	0	0	5,749	0	0	5,749	0	0	1,083	85,658	
926-A and G Loads	50,710	0	0	2,691	0	0	2,691	0	0	414	56,506	
928-AFUDC Debt Reg	9,581	921	927	993	795	800	866	700	704	719	17,006	
929-AFUDC - Equity Regular	13,605	1,315	1,323	1,418	1,136	1,143	1,237	999	1,005	1,027	24,208	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	862,524	2,236	2,250	49,730	1,931	1,943	49,421	1,698	1,709	10,013	983,455	
825-Clearings	-505,162	0	0	-102,894	0	0	-90,495	0	0	-284,904	-983,455	
Clr Sum	-505,162	0	0	-102,894	0	0	-90,495	0	0	-284,904	-983,455	
Proj Net	357,363	2,236	2,250	-53,165	1,931	1,943	-41,074	1,698	1,709	-274,892	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60001713	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	97,360	0	0	12,457	0	0	24,913	0	0	24,913	0	0	12,457	172,100	
120-Overtime-General	20,197	0	0	0	0	0	0	0	0	0	0	0	0	20,197	
350-Material Issues-Major	488,569	0	0	37,370	0	0	56,056	0	0	56,056	0	0	0	638,051	
370-Outside Services	60,902	0	0	0	0	0	0	0	0	0	0	0	0	60,902	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	31,111	0	0	0	0	0	0	0	0	0	0	0	0	31,111	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	8,055	0	0	872	0	0	1,744	0	0	1,744	0	0	872	13,287	
914-Pension and Benefits Load	28,892	0	0	2,780	0	0	5,561	0	0	5,561	0	0	2,780	45,574	
915-Injuries and Damages Load	7,878	0	0	838	0	0	1,677	0	0	1,677	0	0	838	12,908	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	22,364	0	0	4,922	0	0	7,383	0	0	7,383	0	0	0	42,052	
922-Minor Material Load	34,749	0	0	0	0	0	0	0	0	0	0	0	0	34,749	
925-E and S Loads	85,658	0	0	8,691	0	0	14,392	0	0	14,392	0	0	2,712	125,845	
926-A and G Loads	56,506	0	0	4,146	0	0	6,737	0	0	6,737	0	0	1,036	75,162	
928-AFUDC Debt Reg	17,006	0	0	63	95	95	199	227	227	331	327	327	346	19,243	
929-AFUDC - Equity Regular	24,208	0	0	0	0	0	0	0	0	0	0	0	0	24,208	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	983,455	0	0	72,139	95	95	118,662	227	227	118,794	327	327	21,041	1,315,389	
825-Clearings	-983,455	0	0	-18,035	0	0	-43,238	0	0	-62,241	0	0	-208,418	-1,315,387	
Clr Sum	-983,455	0	0	-18,035	0	0	-43,238	0	0	-62,241	0	0	-208,418	-1,315,387	
Proj Net	0	0	0	54,104	95	95	75,424	227	227	56,553	327	327	-187,377	2	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60001713	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	172,100	0	0	0	0	0	0	0	0	0	0	0	0	172,100	
120-Overtime-General	20,197	0	0	0	0	0	0	0	0	0	0	0	0	20,197	
350-Material Issues-Major	638,051	0	0	0	0	0	0	0	0	0	0	0	0	638,051	
370-Outside Services	60,902	0	0	0	0	0	0	0	0	0	0	0	0	60,902	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	31,111	0	0	0	0	0	0	0	0	0	0	0	0	31,111	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	13,287	0	0	0	0	0	0	0	0	0	0	0	0	13,287	
914-Pension and Benefits Load	45,574	0	0	0	0	0	0	0	0	0	0	0	0	45,574	
915-Injuries and Damages Load	12,908	0	0	0	0	0	0	0	0	0	0	0	0	12,908	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	42,052	0	0	0	0	0	0	0	0	0	0	0	0	42,052	
922-Minor Material Load	34,749	0	0	0	0	0	0	0	0	0	0	0	0	34,749	
925-E and S Loads	125,845	0	0	0	0	0	0	0	0	0	0	0	0	125,845	
926-A and G Loads	75,162	0	0	0	0	0	0	0	0	0	0	0	0	75,162	
928-AFUDC Debt Reg	19,243	0	0	0	0	0	0	0	0	0	0	0	0	19,243	
929-AFUDC - Equity Regular	24,208	0	0	0	0	0	0	0	0	0	0	0	0	24,208	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,315,389	0	0	0	0	0	0	0	0	0	0	0	0	1,315,389	
825-Clearings	-1,315,387	0	0	0	0	0	0	0	0	0	0	0	0	-1,315,387	
Clr Sum	-1,315,387	0	0	0	0	0	0	0	0	0	0	0	0	-1,315,387	
Proj Net	2	0	0	0	0	0	0	0	0	0	0	0	0	2	

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Project No: 60001714 College Substation

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date 12/31/2015

List Interim In-Service Dates

NA

Project Need Justification

This project is to serve the area south of Hwy 263 to Marquez Rd. and east of the Rio Grande River in southeast Valencia County by developing a new distribution substation. The new substation is recommended due to existing demand and is expected to support growth along the Hwy 47 corridor and the Manzano Expressway. Tome, Manzano, and El Cerro Substations are currently providing the distribution delivery capacity for this area.

College Substation will provide backup capacity to the aforementioned substations. Currently a Manzano Substation outage during peak load periods would overload the adjacent area El Cerro and Tome Substation transformers by over 180 hours per year. This project will greatly simplify operation of the system, by eliminating several supplemental cascading load transfers presently utilized, minimize outage restoration times, and allow distribution operations more certainty that adjacent facilities, required to accomplish the proposed restoration, will be available when needed.

Project Alternatives

Two alternatives were considered:

The first was to install a unit two transformer at the existing Manzano Substation. A Manzano Unit II option could be used to provide backup support for Manzano Unit I and Tome Substation. However, due to the length of the feeders from Tome Substation to the existing Manzano Substation, voltage levels would be on the low side of the acceptable voltage range for contingency situations. Any additional load growth would require additional distribution feeder voltage support improvements. This option would also only allow two new feeders from a second unit at Manzano Substation that could be effectively used at this time to unload Manzano Feeder 11 and 13 and to provide backup support to the area.

The second alternative considered was to install a unit two transformer at the existing El Cerro Substation. An El Cerro Unit II option could be used to provide backup support for El Cerro Unit I and Manzano. The proposed feeders brought out of the substation do not help resolve issues associated with Tome Substation outages to the south which is a less efficient use of the new transformer capacity in comparison to the preferred alternative. This location also would not alleviate the long length of the feeders between Tome Substation and Manzano substation, so voltage levels will initially be on the low side of the acceptable voltage range for contingency situations. Any additional load growth would require additional distribution feeder voltage support improvements. Again, this alternative has only two feeders that could be effectively used to unload El Cerro 12 and Manzano 11 and to provide backup support to the area.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Technical Aspects

This project includes the purchase of a new substation site under the 115 kV AT transmission line in the vicinity of the UNM Valencia College. The substation will consist of a new 115-12.47 kV, 22.4 MVA substation transformer and four-breaker switchgear.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. A market value analysis is conducted to determine the land costs. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like transformers and switchgears we contacted our alliance vendors (SPX/Waukesha and Central Electric/AZZ respectively) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature, for this project past unit substations (Snow Vista and Scenic) were referenced. All overhead costs are standard and calculated using the approved corporate software. Internal labor accounts for 7%, material accounts for 14%, contract services accounts for 50%, and overhead costs account for 29% of the total cost.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60001714	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	67,867		73,617	73,617	73,617	118,945	113,945	0	0	0	0	521,607
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	112,237		0	110,000	188,267	17,283	17,283	0	0	0	0	445,070
	370-Outside Services	1,105,487		9,807	123,000	120,000	194,199	100,000	0	0	0	0	1,652,493
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	2,262		0	0	0	0	0	0	0	0	0	2,262
	805-Land and Land Rights	21,798		0	0	0	0	0	0	0	0	0	21,798
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	4,481		5,153	5,153	5,153	8,326	7,976	0	0	0	0	36,242
	914-Pension and Benefits Load	16,754		16,431	16,431	16,431	26,548	25,432	0	0	0	0	118,028
	915-Injuries and Damages Load	4,519		4,954	4,954	4,954	8,005	7,668	0	0	0	0	35,055
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	28,710		0	14,487	24,795	2,276	2,276	0	0	0	0	72,544
	922-Minor Material Load	0		0	0	0	0	0	0	0	0	0	0
	925-E and S Loads	148,733		17,594	53,305	65,348	59,729	43,569	0	0	0	0	388,277
	926-A and G Loads	106,070		6,941	25,511	31,773	27,492	19,238	0	0	0	0	217,024
	928-AFUDC Debt Reg	25,673		4,507	5,258	6,523	7,644	8,924	9,414	0	0	0	68,142
	929-AFUDC - Equity Regular	37,057		6,435	7,507	9,314	11,199	12,741	13,442	0	0	0	97,695
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	1,681,647		145,439	439,222	546,175	481,846	359,053	22,856	0	0	0	3,676,238
	825-Clearings	0		0	0	0	0	0	-3,676,238	0	0	0	-3,676,238
	Clr Sum	0		0	0	0	0	0	-3,676,238	0	0	0	-3,676,238
Proj Net		1,681,647		145,439	439,222	546,175	481,846	359,053	-3,653,383	0	0	0	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60001714	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	521,607	0	0	0	0	0	0	0	0	0	0	0	0	521,607	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	445,070	0	0	0	0	0	0	0	0	0	0	0	0	445,070	
370-Outside Services	1,652,493	0	0	0	0	0	0	0	0	0	0	0	0	1,652,493	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,262	0	0	0	0	0	0	0	0	0	0	0	0	2,262	
805-Land and Land Rights	21,798	0	0	0	0	0	0	0	0	0	0	0	0	21,798	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	36,242	0	0	0	0	0	0	0	0	0	0	0	0	36,242	
914-Pension and Benefits Load	118,028	0	0	0	0	0	0	0	0	0	0	0	0	118,028	
915-Injuries and Damages Load	35,055	0	0	0	0	0	0	0	0	0	0	0	0	35,055	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	72,544	0	0	0	0	0	0	0	0	0	0	0	0	72,544	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	388,277	0	0	0	0	0	0	0	0	0	0	0	0	388,277	
926-A and G Loads	217,024	0	0	0	0	0	0	0	0	0	0	0	0	217,024	
928-AFUDC Debt Reg	68,142	0	0	0	0	0	0	0	0	0	0	0	0	68,142	
929-AFUDC - Equity Regular	97,695	0	0	0	0	0	0	0	0	0	0	0	0	97,695	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,676,238	0	0	0	0	0	0	0	0	0	0	0	0	3,676,238	
825-Clearings	-3,676,238	0	0	0	0	0	0	0	0	0	0	0	0	-3,676,238	
Clr Sum	-3,676,238	0	0	0	0	0	0	0	0	0	0	0	0	-3,676,238	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60001714	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	521,607	0	0	0	0	0	0	0	0	0	0	0	0	521,607	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	445,070	0	0	0	0	0	0	0	0	0	0	0	0	445,070	
370-Outside Services	1,652,493	0	0	0	0	0	0	0	0	0	0	0	0	1,652,493	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,262	0	0	0	0	0	0	0	0	0	0	0	0	2,262	
805-Land and Land Rights	21,798	0	0	0	0	0	0	0	0	0	0	0	0	21,798	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	36,242	0	0	0	0	0	0	0	0	0	0	0	0	36,242	
914-Pension and Benefits Load	118,028	0	0	0	0	0	0	0	0	0	0	0	0	118,028	
915-Injuries and Damages Load	35,055	0	0	0	0	0	0	0	0	0	0	0	0	35,055	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	72,544	0	0	0	0	0	0	0	0	0	0	0	0	72,544	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	388,277	0	0	0	0	0	0	0	0	0	0	0	0	388,277	
926-A and G Loads	217,024	0	0	0	0	0	0	0	0	0	0	0	0	217,024	
928-AFUDC Debt Reg	66,142	0	0	0	0	0	0	0	0	0	0	0	0	66,142	
929-AFUDC - Equity Regular	97,695	0	0	0	0	0	0	0	0	0	0	0	0	97,695	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,676,238	0	0	0	0	0	0	0	0	0	0	0	0	3,676,238	
825-Clearings	-3,676,238	0	0	0	0	0	0	0	0	0	0	0	0	-3,676,238	
Clr Sum	-3,676,238	0	0	0	0	0	0	0	0	0	0	0	0	-3,676,238	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 60001814 La Morada Substation

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 1/1/2014 Estimated Completion Date 09/30/2015

List Interim In-Service Dates

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Project Need Justification

The purpose of building the new La Mirada Substation is to provide normal and backup capacity in the area currently served by St. Joseph & Unser substations in Albuquerque, NM. Currently for an outage of St. Joseph 12 and Unser 14, there is a risk of leaving load unserved during an outage of either St. Joseph or Unser Substations. The types of costs that are covered by the project funds are internal labor, external labor, materials, equipment, and ROW.

Project Alternatives

One alternative considered was to locate the substation at 98th and Ladera. The 98th and Ladera location is southwest of the Project and would primarily support future growth to the west of 98th and Ladera. However, if this alternative was chosen only two of four feeders from a 98th and Ladera Substation could be effectively used to unload Unser feeder 14 and to provide backup support to the area. The Project is the preferred alternative because of the centralized location to existing load.

A second alternative considered was to install a second transformer at the existing Unser Substation. The transformer could be used to provide backup support for an Unser Unit I transformer outage. However, there are physical impediments on both sides of Unser substation limiting feeder routes. The Ladera Golf Course to the east of Unser makes it difficult for Unser Unit II feeders to support a St Joseph Substation outage. The Petroglyph National Monument to the west does not allow Unser Unit II feeders to support load growth west of Unser Substation. Also costly express feeders would have been needed to be built to support load growth to the south of Unser Substation making this option unviable.

Technical Aspects

This project includes installing a new 115-12.47kV, 33.6 MVA substation transformer and a six bay, four-feeder switchgear at the new La Morada Substation location. Transmission service to the new substation will be from the 115kV WB line, which exits West Mesa Station and crosses Unser Blvd. near the proposed location.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. A market value analysis is conducted to determine the land costs. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like transformers and switchgears we contacted our alliance vendors (SPX/Waukesha and Central Electric/AZZ respectively) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature, for this project past unit substations (Snow Vista and Scenic) were referenced. All overhead costs are standard and calculated using the approved corporate software. Internal labor accounts for 7%, material accounts for 9%, contract services accounts for 48%, land rights account for 8% and overhead costs account for 28% of the total cost.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60001814	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	67,846		2,000	21,077	33,187	35,633	3,865	7,730	0	0	0	171,338
	120-Overtime-General	0		0	0	0	0	0	0	0	0	0	0
	350-Material Issues-Major	133,374		8,000	122,000	65,000	15,000	9,464	808	0	0	0	353,646
	370-Outside Services	1,789,981		11,000	263,061	247,773	314,067	52,740	50,293	0	0	0	2,728,915
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	4,913		0	0	0	0	0	0	0	0	0	4,913
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	4,494		140	1,475	2,323	2,494	271	541	0	0	0	11,739
	914-Pension and Benefits Load	16,474		446	4,704	7,407	7,953	863	1,725	0	0	0	39,573
	915-Injuries and Damages Load	4,494		135	1,418	2,233	2,398	260	520	0	0	0	11,459
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	41,841		1,054	16,067	8,561	1,976	1,246	106	0	0	0	70,851
	922-Minor Material Load	1,630		0	0	0	0	0	0	0	0	0	1,630
	925-E and S Loads	248,261		3,475	66,198	57,268	60,407	10,794	9,859	0	0	0	456,262
	926-A and G Loads	165,694		1,747	33,791	28,784	30,343	5,497	4,895	0	0	0	270,751
	928-AFUDC Debt Reg	37,411		6,660	7,421	8,733	9,976	10,754	11,030	0	0	0	91,985
	929-AFUDC - Equity Regular	54,309		9,510	10,595	12,469	14,244	15,355	15,748	0	0	0	132,231
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	2,570,722		44,167	547,808	473,738	494,492	111,109	103,255	0	0	0	4,345,292
	825-Clearings	0		0	0	0	0	0	-4,345,292	0	0	0	-4,345,292
	Clr Sum	0		0	0	0	0	0	-4,345,292	0	0	0	-4,345,292
Proj Net		2,570,722		44,167	547,808	473,738	494,492	111,109	-4,242,037	0	0	0	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60001814	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	171,338	0	0	0	0	0	0	0	0	0	0	0	0	171,338	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	353,646	0	0	0	0	0	0	0	0	0	0	0	0	353,646	
370-Outside Services	2,728,915	0	0	0	0	0	0	0	0	0	0	0	0	2,728,915	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,913	0	0	0	0	0	0	0	0	0	0	0	0	4,913	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	11,739	0	0	0	0	0	0	0	0	0	0	0	0	11,739	
914-Pension and Benefits Load	39,573	0	0	0	0	0	0	0	0	0	0	0	0	39,573	
915-Injuries and Damages Load	11,459	0	0	0	0	0	0	0	0	0	0	0	0	11,459	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	70,851	0	0	0	0	0	0	0	0	0	0	0	0	70,851	
922-Minor Material Load	1,630	0	0	0	0	0	0	0	0	0	0	0	0	1,630	
925-E and S Loads	456,262	0	0	0	0	0	0	0	0	0	0	0	0	456,262	
926-A and G Loads	270,751	0	0	0	0	0	0	0	0	0	0	0	0	270,751	
928-AFUDC Debt Reg	91,985	0	0	0	0	0	0	0	0	0	0	0	0	91,985	
929-AFUDC - Equity Regular	132,231	0	0	0	0	0	0	0	0	0	0	0	0	132,231	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,345,292	0	0	0	0	0	0	0	0	0	0	0	0	4,345,292	
825-Clearings	-4,345,292	0	0	0	0	0	0	0	0	0	0	0	0	-4,345,292	
Clr Sum	-4,345,292	0	0	0	0	0	0	0	0	0	0	0	0	-4,345,292	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60001814	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	171,338	0	0	0	0	0	0	0	0	0	0	0	0	171,338	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	353,646	0	0	0	0	0	0	0	0	0	0	0	0	353,646	
370-Outside Services	2,728,915	0	0	0	0	0	0	0	0	0	0	0	0	2,728,915	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	4,913	0	0	0	0	0	0	0	0	0	0	0	0	4,913	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	11,739	0	0	0	0	0	0	0	0	0	0	0	0	11,739	
914-Pension and Benefits Load	39,573	0	0	0	0	0	0	0	0	0	0	0	0	39,573	
915-Injuries and Damages Load	11,459	0	0	0	0	0	0	0	0	0	0	0	0	11,459	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	70,851	0	0	0	0	0	0	0	0	0	0	0	0	70,851	
922-Minor Material Load	1,630	0	0	0	0	0	0	0	0	0	0	0	0	1,630	
925-E and S Loads	456,262	0	0	0	0	0	0	0	0	0	0	0	0	456,262	
926-A and G Loads	270,751	0	0	0	0	0	0	0	0	0	0	0	0	270,751	
928-AFUDC Debt Reg	91,985	0	0	0	0	0	0	0	0	0	0	0	0	91,985	
929-AFUDC - Equity Regular	132,231	0	0	0	0	0	0	0	0	0	0	0	0	132,231	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	4,345,292	0	0	0	0	0	0	0	0	0	0	0	0	4,345,292	
825-Clearings	-4,345,292	0	0	0	0	0	0	0	0	0	0	0	0	-4,345,292	
Clr Sum	-4,345,292	0	0	0	0	0	0	0	0	0	0	0	0	-4,345,292	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 60002313 Emergency and Aging Equip Distr

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 5/31/2013 Estimated Completion Date 12/31/2018

List Interim In-Service Dates

As equipment is delivered, approximately 6 W.O.'s per year.

Project Need Justification

Project involves purchasing long lead specialty equipment that cannot be reasonably acquired in a few days when an emergency occurs. Equipment purchased/replaced under this program includes medium power transformers, relays, circuit switches, and metal enclosed switchgear. This project also addresses the replacement of failing or functionally obsolete equipment, primarily at distribution stations.

Project Alternatives

Alternative is not to purchase emergency equipment or not to replace failing equipment. This may require reconfiguration of the system, loss of redundancy, and loss of load during the time it takes to acquire and install this equipment. It is not readily available on the market or from other utilities. When an emergency occurs, PNM evaluates alternative for reinstatement of service on a case-by-case basis. An example of the use of this program is the unexpected failure of the Prager Unit Substation. PNM evaluated the project based on alternatives of repair, ability to reliably support the load through the underlying distribution system, or use of the emergency spare program. Based on long term costs and system reliability provided, use of the emergency spare was chosen. When the emergency spare was selected to be put into permanent service at Prager, another transformer was ordered for the emergency program.

Technical Aspects

Through the recent history of PNM's equipment performance, staff knowledge, and industry information, PNM determined those items that if out-of-service for an extended period of time could adversely affect ability to provide reliable service in accordance with established criteria. These items were then evaluated for purchase as emergency spares and/or were directly placed into service.

Through the recent history of PNM's equipment performance, staff knowledge, and industry information, PNM determined those items that if out-of-service for an extended period of time could adversely affect ability to provide reliable service in accordance with established criteria. These items were then evaluated for purchase as emergency spares and/or were directly placed into service. Items purchased have included medium power transformers, relays, disconnect switches, 115kv surge arrestors, 115kV circuit switches, and metal enclosed switchgear. This equipment may require specialty design or characteristics (especially for direct replacement.)

Project Estimate Approach

PNM utilized exiting long-term agreements for the purchase of larger items such as transformer, switchgear, and relays. Pricing has been evaluated at the time of development/renewal of the agreement. Other items were competitively priced from known quality vendors. Construction is performed under

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

established unit rate contracts with known specialty firms. Where possible, historic data used to assist in developing estimates.

The estimate for this program is \$2.2 Mil. Of this, less than 5% is associated with direct PNM labor. Approx. 40% is the purchase of industry standard items such as circuit switchers, and relays. 55% is associated with specialty work including engineered equipment (medium voltage transformers, metal enclosed switchgear) and contract construction for the installation. A spare medium voltage transformer runs about \$800k. A switchgear is about \$400k. These items are both considered engineered equipment and make up a significant portion of the 55%.

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Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	6002313	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	30,769	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	53,269	
120-Overtime-General	924	0	0	0	0	0	0	0	0	0	924	
350-Material Issues-Major	612,112	15,000	15,000	0	10,000	15,000	0	10,000	5,000	0	682,112	
370-Outside Services	792,610	26,767	15,000	175,000	15,000	0	15,000	30,000	0	12,000	1,081,377	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,300	0	0	0	0	0	0	0	0	0	2,300	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	2,087	175	175	175	175	175	175	175	175	175	3,662	
914-Pension and Benefits Load	7,705	558	558	558	558	558	558	558	558	558	12,727	
915-Injuries and Damages Load	2,095	168	168	168	168	168	168	168	168	168	3,609	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	26,808	1,976	1,976	0	1,317	1,976	0	1,317	659	0	36,027	
922-Minor Material Load	76	0	0	0	0	0	0	0	0	0	76	
925-E and S Loads	114,343	7,227	5,344	28,544	4,544	2,944	2,944	6,944	1,344	2,464	176,644	
926-A and G Loads	119,516	3,683	2,704	14,768	2,288	1,456	1,456	3,536	624	1,206	151,237	
928-AFUDC Debt Reg	29	4,359	4,517	4,887	2,649	2,744	2,823	1,506	1,601	1,650	26,765	
929-AFUDC - Equity Regular	43	6,224	6,450	6,978	3,782	3,919	4,031	2,150	2,286	2,355	38,218	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,711,416	68,638	54,392	233,579	42,981	31,440	29,655	58,855	14,914	23,077	2,268,947	
825-Clearings	-48,693	0	0	-1,009,666	0	0	-556,871	0	0	-653,717	-2,268,947	
Clr Sum	-48,693	0	0	-1,009,666	0	0	-556,871	0	0	-653,717	-2,268,947	
Proj Net	1,662,722	68,638	54,392	-776,087	42,981	31,440	-527,216	58,855	14,914	-630,640	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60002313	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	53,269	0	0	0	0	0	0	0	0	0	0	0	0	53,269	
120-Overtime-General	924	0	0	0	0	0	0	0	0	0	0	0	0	924	
350-Material Issues-Major	682,112	0	0	0	0	0	0	0	0	0	0	0	0	682,112	
370-Outside Services	1,081,377	0	0	0	0	0	0	0	0	0	0	0	0	1,081,377	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,300	0	0	0	0	0	0	0	0	0	0	0	0	2,300	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	3,662	0	0	0	0	0	0	0	0	0	0	0	0	3,662	
914-Pension and Benefits Load	12,727	0	0	0	0	0	0	0	0	0	0	0	0	12,727	
915-Injuries and Damages Load	3,609	0	0	0	0	0	0	0	0	0	0	0	0	3,609	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	36,027	0	0	0	0	0	0	0	0	0	0	0	0	36,027	
922-Minor Material Load	76	0	0	0	0	0	0	0	0	0	0	0	0	76	
925-E and S Loads	176,644	0	0	0	0	0	0	0	0	0	0	0	0	176,644	
926-A and G Loads	151,237	0	0	0	0	0	0	0	0	0	0	0	0	151,237	
928-AFUDC Debt Reg	26,765	0	0	0	0	0	0	0	0	0	0	0	0	26,765	
929-AFUDC - Equity Regular	38,218	0	0	0	0	0	0	0	0	0	0	0	0	38,218	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,268,947	0	0	0	0	0	0	0	0	0	0	0	0	2,268,947	
825-Clearings	-2,268,947	0	0	0	0	0	0	0	0	0	0	0	0	-2,268,947	
Clr Sum	-2,268,947	0	0	0	0	0	0	0	0	0	0	0	0	-2,268,947	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60002313	Year	2017												
Cost_Type\	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	53,269	2,500	2,500	0	0	0	0	0	0	0	0	0	0	58,269	
120-Overtime-General	924	0	1,000	0	0	0	0	0	0	0	0	0	0	924	
350-Material Issues-Major	682,112	2,000	2,000	0	0	0	0	0	0	0	0	0	0	686,112	
370-Outside Services	1,081,377	0	20,000	0	0	0	0	0	0	0	0	0	0	1,101,377	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,300	0	0	0	0	0	0	0	0	0	0	0	0	2,300	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	3,662	175	175	0	0	0	0	0	0	0	0	0	0	4,012	
914-Pension and Benefits Load	12,727	558	558	0	0	0	0	0	0	0	0	0	0	13,843	
915-Injuries and Damages Load	3,609	168	168	0	0	0	0	0	0	0	0	0	0	3,945	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	36,027	263	263	0	0	0	0	0	0	0	0	0	0	36,553	
922-Minor Material Load	76	0	0	0	0	0	0	0	0	0	0	0	0	76	
925-E and S Loads	176,644	864	4,064	0	0	0	0	0	0	0	0	0	0	181,572	
926-A and G Loads	151,237	374	2,038	0	0	0	0	0	0	0	0	0	0	153,649	
928-AFUDC Debt Reg	26,765	11	72	0	0	0	0	0	0	0	0	0	0	26,848	
929-AFUDC - Equity Regular	38,218	6	43	0	0	0	0	0	0	0	0	0	0	38,267	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,268,947	6,919	31,881	0	0	0	0	0	0	0	0	0	0	2,307,747	
825-Clearings	-2,268,947	0	0	0	0	0	0	0	0	0	0	0	0	-2,268,947	
Clr Sum	-2,268,947	0	0	0	0	0	0	0	0	0	0	0	0	-2,268,947	
Proj Net	0	6,919	31,881	0	0	0	0	0	0	0	0	0	0	38,800	

Project No: 60002315 Zamora Substation Upgrade

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 12/18/2014 Estimated Completion Date 12/30/2015

List Interim In-Service Dates

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Project Need Justification

The purpose of this project is to increase capacity at the Zamora substation to maintain reliable service to customers located near Tijeras and south towards Chilili, NM in PNM's East Mountain division. Acceptable operating limits on the existing Zamora Substation and feeders will be exceeded based on projected load during normal system conditions. With the upgraded transformer capacity, Zamora will have the capability to accommodate load transfers of a portion of Tijeras Substation load in the event of a Tijeras transformer outage. Completion of the project will allow PNM to provide sufficient substation transformer capacity and add substation feeder capacity to support existing and projected load growth in the Tijeras to Chilili, NM area.

Project Alternatives

1. A no-action alternative was not an option as it could result in an emergency rating overload of the Zamora transformer for outages of Tijeras Substation, resulting damage/failure of the Zamora transformer. If this occurred, PNM would be required to implement rolling black-outs in the area to maintain acceptable loading on the Zamora transformer.
2. The construction of a new substation located nearby State Highway 217 and State Highway 222 was rejected due to significant transmission line construction costs that were estimated to be more than twice the cost of this project.

Technical Aspects

This project is to replace the existing 46-12.47kV, 6.25 MVA unit transformer at Zamora Substation with a dual voltage high side 115/46-12.47 kV, 22 MVA unit transformer. Due to increased load rating of the transformer additional equipment must be upgraded including: 1) a new 1200 Amp rated four feeder switchgear will replace the existing two feeder 300 Amp rated switchgear and 2) a new 115kV rated circuit switcher will replace the 46kV transformer fuses as the primary form of transformer protection.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like transformers and switchgears, we contacted our alliance vendors (SPX/Waukesha and Central Electric/AZZ respectively) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were developed by leveraging past projects that are similar in scope. For this project past unit substation projects (Snow Vista and Scenic) were referenced. All engineering, project management, inspection and testing was estimated as internal work, all construction was estimated as being performed by an external contractor. Project breakdown is 6% Labor, 57% Material, 18% Contract Labor and 19% Loads and other costs. All overhead costs are standard and calculated using the approved corporate software.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60002315	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	39,131	14,600	14,600	14,600	10,000	18,000	18,000	10,000	2,500	2,500	143,931	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	86,412	10,000	10,000	25,000	50,000	50,000	50,000	0	0	0	281,412	
370-Outside Services	1,260,654	118,000	125,000	125,000	145,000	140,000	88,595	35,000	0	0	2,037,249	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	1,589	0	0	0	0	0	1,000	0	0	0	2,589	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	2,679	1,022	1,022	1,022	700	1,260	1,260	700	175	175	10,015	
914-Pension and Benefits Load	9,022	3,259	3,259	3,259	2,232	4,018	4,018	2,232	558	558	32,413	
915-Injuries and Damages Load	2,616	983	983	983	673	1,211	1,211	673	168	168	9,669	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	25,130	1,317	1,317	3,293	6,585	6,585	6,585	0	0	0	50,811	
922-Minor Material Load	4,063	0	0	0	0	0	0	0	0	0	4,063	
925-E and S Loads	132,963	23,658	24,778	27,178	33,377	34,318	26,253	7,777	544	544	311,391	
926-A and G Loads	115,674	11,864	12,447	13,695	17,056	17,306	13,112	3,744	208	208	205,313	
928-AFUDC Debt Reg	20,746	4,698	5,215	5,772	6,426	7,160	7,827	8,224	5	16	66,091	
929-AFUDC - Equity Regular	30,218	6,708	7,446	8,242	9,176	10,223	11,176	11,742	8	23	94,962	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,730,897	196,109	206,066	228,043	281,225	290,082	229,037	80,092	4,166	4,193	3,249,909	
825-Clearings	0	0	0	0	0	0	0	-3,241,550	0	-8,359	-3,249,909	
Clr Sum	0	0	0	0	0	0	0	-3,241,550	0	-8,359	-3,249,909	
Proj Net	1,730,897	196,109	206,066	228,043	281,225	290,082	229,037	-3,161,458	4,166	-4,166	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60002315	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	143,931	0	0	0	0	0	0	0	0	0	0	0	0	143,931	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	281,412	0	0	0	0	0	0	0	0	0	0	0	0	281,412	
370-Outside Services	2,037,249	0	0	0	0	0	0	0	0	0	0	0	0	2,037,249	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,589	0	0	0	0	0	0	0	0	0	0	0	0	2,589	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,015	0	0	0	0	0	0	0	0	0	0	0	0	10,015	
914-Pension and Benefits Load	32,413	0	0	0	0	0	0	0	0	0	0	0	0	32,413	
915-Injuries and Damages Load	9,669	0	0	0	0	0	0	0	0	0	0	0	0	9,669	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	50,811	0	0	0	0	0	0	0	0	0	0	0	0	50,811	
922-Minor Material Load	4,063	0	0	0	0	0	0	0	0	0	0	0	0	4,063	
925-E and S Loads	311,391	0	0	0	0	0	0	0	0	0	0	0	0	311,391	
926-A and G Loads	205,313	0	0	0	0	0	0	0	0	0	0	0	0	205,313	
928-AFUDC Debt Reg	66,091	0	0	0	0	0	0	0	0	0	0	0	0	66,091	
929-AFUDC - Equity Regular	94,962	0	0	0	0	0	0	0	0	0	0	0	0	94,962	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,249,909	0	0	0	0	0	0	0	0	0	0	0	0	3,249,909	
825-Clearings	-3,249,909	0	0	0	0	0	0	0	0	0	0	0	0	-3,249,909	
Clr Sum	-3,249,909	0	0	0	0	0	0	0	0	0	0	0	0	-3,249,909	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60002315	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	143,931	0	0	0	0	0	0	0	0	0	0	0	0	143,931	
120-Overtime-General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
350-Material Issues-Major	281,412	0	0	0	0	0	0	0	0	0	0	0	0	281,412	
370-Outside Services	2,037,249	0	0	0	0	0	0	0	0	0	0	0	0	2,037,249	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	2,589	0	0	0	0	0	0	0	0	0	0	0	0	2,589	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,015	0	0	0	0	0	0	0	0	0	0	0	0	10,015	
914-Pension and Benefits Load	32,413	0	0	0	0	0	0	0	0	0	0	0	0	32,413	
915-Injuries and Damages Load	9,669	0	0	0	0	0	0	0	0	0	0	0	0	9,669	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	50,811	0	0	0	0	0	0	0	0	0	0	0	0	50,811	
922-Minor Material Load	4,063	0	0	0	0	0	0	0	0	0	0	0	0	4,063	
925-E and S Loads	311,391	0	0	0	0	0	0	0	0	0	0	0	0	311,391	
926-A and G Loads	205,313	0	0	0	0	0	0	0	0	0	0	0	0	205,313	
928-AFUDC Debt Reg	66,091	0	0	0	0	0	0	0	0	0	0	0	0	66,091	
929-AFUDC - Equity Regular	94,962	0	0	0	0	0	0	0	0	0	0	0	0	94,962	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNM D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,249,909	0	0	0	0	0	0	0	0	0	0	0	0	3,249,909	
825-Clearings	-3,249,909	0	0	0	0	0	0	0	0	0	0	0	0	-3,249,909	
Clr Sum	-3,249,909	0	0	0	0	0	0	0	0	0	0	0	0	-3,249,909	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

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Project No: 60002715 12.5kV breaker replacement

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 1/30/2014 Estimated Completion Date 12/1/2018

List Interim In-Service Dates

1 station completed every month

Project Need Justification

This project replaces aging air-magnetic 12.5 kV breakers in distribution switchgear with vacuum replacement circuit breakers to eliminate potential health concerns from asbestos exposure. Additionally, new vacuum breakers offer reduced maintenance requirements, and the breakers they replaced we're reaching end of life. This improvement removes potentially hazardous asbestos arc chutes from the switchgear.

Replacements are conducted on a prioritized basis by taking into account the age and condition of the equipment. The installation of the new modern-style vacuum breakers will increase the required maintenance intervals and lower maintenance costs. The breakers will be purchased and replaced across the system over a 6 year period. The project funds cover both internal and external labor for breaker replacements as well as the purchase of the vacuum replacement breakers.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

Do not replace the breakers which places the electrical distribution system at risk. As these are existing installations, replacement with in-kind equipment is the only feasible alternative. No other circuit breaker technologies exist that meet the replacement criteria.

Technical Aspects

Removal of the aging breakers is conducted while feeders are in an outage. The replacement breakers are a new modern-style vacuum breakers complete with remote racking features which provide increased employee safety by removing the employee from the Arc flash zone while the breaker is being racked onto or off the energized bus.

Project Estimate Approach

Competitive bids were received from multiple vendors. The successful vendor was selected based on overall costs, suitability of the product, ability to meet asbestos remediation requirements, and the ability to meet production and installation requirements. External labor requirements include removing existing circuit breakers, performing asbestos remediation, and the initial installation of the new circuit breakers. Internal labor estimated based on needed support, which included performing switching to establish outages and initial testing and commissioning of the new circuit breakers. Utility loads provided by budget staff.

Approximately 80% of the cost is associated with the purchase of equipment, with the remaining 20% split evenly between internal and external installation labor.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60002715	Year	2015									
Cost_Type	Bal 3/31/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	118,914	7,000	7,000	7,000	15,000	15,000	7,000	7,000	7,000	7,000	197,914	
120-Overtime-General	40,253	0	0	0	0	0	0	0	0	0	40,253	
350-Material Issues-Major	1,940,590	1,000	1,000	1,000	1,000	0	0	0	0	0	1,944,590	
370-Outside Services	249,212	3,000	3,000	3,000	3,000	3,000	3,000	10,000	10,000	3,000	290,212	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	21,734	0	0	0	0	0	0	0	0	0	21,734	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	10,472	490	490	490	1,050	1,050	490	490	490	490	16,002	
914-Pension and Benefits Load	38,737	1,562	1,562	1,562	3,348	3,348	1,562	1,562	1,562	1,562	56,370	
915-Injuries and Damages Load	10,519	471	471	471	1,010	1,010	471	471	471	471	15,836	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	21,246	132	132	132	132	0	0	0	0	0	21,773	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	149,115	2,164	2,164	2,164	3,905	3,745	2,004	3,124	3,124	2,004	173,512	
926-A and G Loads	195,644	915	915	915	1,581	1,498	832	1,414	1,414	832	205,961	
928-AFUDC Debt Reg	25,474	2,184	1,131	602	352	233	156	119	106	89	30,447	
929-AFUDC - Equity Regular	35,290	3,119	1,615	859	503	333	222	170	152	127	42,390	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	2,857,200	22,037	19,481	18,195	30,880	29,217	15,737	24,351	24,320	15,575	3,056,993	
825-Clearings	-2,017,951	-430,643	-225,062	-121,628	-76,254	-52,736	-34,236	-29,294	-26,807	-21,191	-3,035,802	
Clr Sum	-2,017,951	-430,643	-225,062	-121,628	-76,254	-52,736	-34,236	-29,294	-26,807	-21,191	-3,035,802	
Proj Net	839,249	-408,606	-205,581	-103,434	-45,374	-23,519	-18,499	-4,943	-2,487	-5,616	21,191	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60002715	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	197,914	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	208,914	
120-Overtime-General	40,253	0	0	0	0	0	0	0	0	0	0	0	0	40,253	
350-Material Issues-Major	1,944,590	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0	1,954,590	
370-Outside Services	290,212	0	0	0	0	0	0	0	0	7,000	13,500	13,500	10,000	334,212	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	21,734	0	0	0	0	0	0	0	0	0	0	0	0	21,734	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	16,002	0	70	70	70	70	70	70	70	70	70	70	70	16,772	
914-Pension and Benefits Load	56,370	0	223	223	223	223	223	223	223	223	223	223	223	58,823	
915-Injuries and Damages Load	15,836	0	67	67	67	67	67	67	67	67	67	67	67	16,573	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	21,773	0	132	132	132	132	132	132	132	132	132	132	0	23,093	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	173,512	0	378	378	378	378	378	378	378	1,498	2,538	2,538	1,818	184,550	
926-A and G Loads	205,961	0	166	166	166	166	166	166	166	749	1,290	1,290	915	211,367	
928-AFUDC Debt Reg	30,447	37	40	45	27	17	13	10	9	16	31	41	42	30,775	
929-AFUDC - Equity Regular	42,390	0	0	0	0	0	0	0	0	0	0	0	0	42,390	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,056,993	37	3,076	3,081	3,063	3,053	3,049	3,046	3,045	11,755	19,851	19,861	14,135	3,144,045	
825-Clearings	-3,035,802	0	0	-13,693	-8,378	-5,716	-4,382	-3,714	-3,380	-7,567	-13,709	-16,785	-15,460	-3,128,586	
Clr Sum	-3,035,802	0	0	-13,693	-8,378	-5,716	-4,382	-3,714	-3,380	-7,567	-13,709	-16,785	-15,460	-3,128,586	
Proj Net	21,191	37	3,076	-10,612	-5,315	-2,663	-1,333	-668	-335	4,188	6,142	3,076	-1,325	15,459	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60002715	Year	2017												
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	208,914	7,000	7,000	0	0	0	0	0	0	0	0	0	0	222,914	
120-Overtime-General	40,253	0	0	0	0	0	0	0	0	0	0	0	0	40,253	
350-Material Issues-Major	1,954,590	0	1,000	0	0	0	0	0	0	0	0	0	0	1,955,590	
370-Outside Services	334,212	14,000	14,000	0	0	0	0	0	0	0	0	0	0	362,212	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	21,734	0	0	0	0	0	0	0	0	0	0	0	0	21,734	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	16,772	490	490	0	0	0	0	0	0	0	0	0	0	17,752	
914-Pension and Benefits Load	58,823	1,562	1,562	0	0	0	0	0	0	0	0	0	0	61,947	
915-Injuries and Damages Load	16,573	471	471	0	0	0	0	0	0	0	0	0	0	17,515	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	23,093	0	132	0	0	0	0	0	0	0	0	0	0	23,225	
922-Minor Material Load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
925-E and S Loads	184,550	3,764	3,924	0	0	0	0	0	0	0	0	0	0	192,238	
926-A and G Loads	211,367	1,747	1,830	0	0	0	0	0	0	0	0	0	0	214,944	
928-AFUDC Debt Reg	30,775	95	190	0	0	0	0	0	0	0	0	0	0	31,060	
929-AFUDC - Equity Regular	42,390	56	112	0	0	0	0	0	0	0	0	0	0	42,558	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,144,045	29,185	30,711	0	0	0	0	0	0	0	0	0	0	3,203,941	
825-Clearings	-3,128,586	0	0	0	0	0	0	0	0	0	0	0	0	-3,128,586	
Clr Sum	-3,128,586	0	0	0	0	0	0	0	0	0	0	0	0	-3,128,586	
Proj Net	15,459	29,185	30,711	0	0	0	0	0	0	0	0	0	0	75,355	

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Project No: 60003114 Prager Substation

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 10/13/2014 Estimated Completion Date 6/30/2015

List Interim In-Service Dates

N/A

Project Need Justification

In July 2014 the Prager unit substation tripped off-line unexpectedly. Review of the distribution transformer (located in the transmission substation) indicated very dark oil and field indicates an internal failure. This unit is vintage 1964 and is a combination unit with transformer and switchgear constructed as one. PNM's Distribution Operations Center (DOC) performed several operation studies based on real-time loads. The studies documented that an outage of an adjacent substation would result in load that could not be served. Given the age, the estimated costs to repair in-kind, and lack of modern upgrades on this equipment, the recommendation was made to temporarily install a mobile transformer to support customers in the Prager Substation service area and pursue the replacement of the Prager Substation transformer and switchgear.

Project Alternatives

The alternative to replacing the unit is to attempt to repair it. But given the estimated cost to rebuild the unit, its age, the several months that a rebuild would take, uncertain costs, and the limited extended life this would provide, it was recommended to utilize new modern equipment which meets present PNM standards. This is the safest, most reliable, and least costly long-term option.

Technical Aspects

Prager Substation (transformer and switchgear) provides significant support to the I-40 and 12th Street area of Albuquerque. Existing equipment is circa 1964. Although maintained and in-service, equipment of this vintage is generally considered to have exceeded its design and economic life. This unit tripped off-line on July 18, 2014. Review of the equipment indicated an internal failure of the transformer winding. PNM had previously purchased an emergency spare transformer which can be relocated to the site, and could make a switchgear available in a timely manner from existing orders. Support in the interim is provided through the use of PNM's mobile transformer.

Project Estimate Approach

This project was estimated using the standard procedure used by System Engineering. Basic material is estimated using actual costs of past projects. These figures are updated in the estimating software periodically. For major equipment like switchgears we contacted our alliance vendors (Central Electric/AZZ) and requested information regarding the costs and schedules of these major items. Labor and contractor estimates were created from past projects that are similar in nature, for this project past unit substations (Snow Vista and Scenic) were referenced. All overhead costs are standard and calculated using the approved corporate software. Internal labor accounts for 6%, material accounts for 7%, contract services accounts for 57%, and overhead costs account for 30% of the total cost.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60003114	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	91,338		60,000	0	0	0	0	0	0	0	0	151,338
	120-Overtime-General	13,330		7,000	0	0	0	0	0	0	0	0	20,330
	350-Material Issues-Major	265,990		45,000	0	0	0	0	0	0	0	0	310,990
	370-Outside Services	322,674		250,000	0	0	0	0	0	0	0	0	572,674
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	8,608		500	0	0	0	0	0	0	0	0	9,108
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	7,202		4,690	0	0	0	0	0	0	0	0	11,892
	914-Pension and Benefits Load	23,962		14,954	0	0	0	0	0	0	0	0	38,916
	915-Injuries and Damages Load	7,008		4,509	0	0	0	0	0	0	0	0	11,517
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	13,928		5,927	0	0	0	0	0	0	0	0	19,854
	922-Minor Material Load	16,486		0	0	0	0	0	0	0	0	0	16,486
	925-E and S Loads	93,004		61,865	0	0	0	0	0	0	0	0	154,869
	926-A and G Loads	59,084		30,160	0	0	0	0	0	0	0	0	89,244
	928-AFUDC Debt Reg	5,234		3,035	3,679	0	0	0	0	0	0	0	11,947
	929-AFUDC - Equity Regular	7,714		4,334	5,252	0	0	0	0	0	0	0	17,300
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	935,561		491,973	8,931	0	0	0	0	0	0	0	1,436,466
	825-Clearings	0		0	-1,436,466	0	0	0	0	0	0	0	-1,436,466
	Clr Sum	0		0	-1,436,466	0	0	0	0	0	0	0	-1,436,466
Proj Net		935,561		491,973	-1,427,535	0	0	0	0	0	0	0	0

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60003114	Year	2016												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	151,338	0	0	0	0	0	0	0	0	0	0	0	0	151,338	
120-Overtime-General	20,330	0	0	0	0	0	0	0	0	0	0	0	0	20,330	
350-Material Issues-Major	310,990	0	0	0	0	0	0	0	0	0	0	0	0	310,990	
370-Outside Services	572,674	0	0	0	0	0	0	0	0	0	0	0	0	572,674	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	9,108	0	0	0	0	0	0	0	0	0	0	0	0	9,108	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	11,892	0	0	0	0	0	0	0	0	0	0	0	0	11,892	
914-Pension and Benefits Load	38,916	0	0	0	0	0	0	0	0	0	0	0	0	38,916	
915-Injuries and Damages Load	11,517	0	0	0	0	0	0	0	0	0	0	0	0	11,517	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,854	0	0	0	0	0	0	0	0	0	0	0	0	19,854	
922-Minor Material Load	16,486	0	0	0	0	0	0	0	0	0	0	0	0	16,486	
925-E and S Loads	154,869	0	0	0	0	0	0	0	0	0	0	0	0	154,869	
926-A and G Loads	89,244	0	0	0	0	0	0	0	0	0	0	0	0	89,244	
928-AFUDC Debt Reg	11,947	0	0	0	0	0	0	0	0	0	0	0	0	11,947	
929-AFUDC - Equity Regular	17,300	0	0	0	0	0	0	0	0	0	0	0	0	17,300	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,436,466	0	0	0	0	0	0	0	0	0	0	0	0	1,436,466	
825-Clearings	-1,436,466	0	0	0	0	0	0	0	0	0	0	0	0	-1,436,466	
Clr Sum	-1,436,466	0	0	0	0	0	0	0	0	0	0	0	0	-1,436,466	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60003114	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
110-Straight Time-General	151,338	0	0	0	0	0	0	0	0	0	0	0	0	151,338	
120-Overtime-General	20,330	0	0	0	0	0	0	0	0	0	0	0	0	20,330	
350-Material Issues-Major	310,990	0	0	0	0	0	0	0	0	0	0	0	0	310,990	
370-Outside Services	572,674	0	0	0	0	0	0	0	0	0	0	0	0	572,674	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-It Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	9,108	0	0	0	0	0	0	0	0	0	0	0	0	9,108	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	11,892	0	0	0	0	0	0	0	0	0	0	0	0	11,892	
914-Pension and Benefits Load	38,916	0	0	0	0	0	0	0	0	0	0	0	0	38,916	
915-Injuries and Damages Load	11,517	0	0	0	0	0	0	0	0	0	0	0	0	11,517	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	19,854	0	0	0	0	0	0	0	0	0	0	0	0	19,854	
922-Minor Material Load	16,486	0	0	0	0	0	0	0	0	0	0	0	0	16,486	
925-E and S Loads	154,869	0	0	0	0	0	0	0	0	0	0	0	0	154,869	
926-A and G Loads	89,244	0	0	0	0	0	0	0	0	0	0	0	0	89,244	
928-AFUDC Debt Reg	11,947	0	0	0	0	0	0	0	0	0	0	0	0	11,947	
929-AFUDC - Equity Regular	17,300	0	0	0	0	0	0	0	0	0	0	0	0	17,300	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	1,436,466	0	0	0	0	0	0	0	0	0	0	0	0	1,436,466	
825-Clearings	-1,436,466	0	0	0	0	0	0	0	0	0	0	0	0	-1,436,466	
Clr Sum	-1,436,466	0	0	0	0	0	0	0	0	0	0	0	0	-1,436,466	
Proj Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Project No: 60003115 Distr Cable Testing and Replace 2015

Company: 001-Electric Services
Location: 600 Distribution

Project Information

Construction Start Date 1/1/2015 Estimated Completion Date 12/31/2016

List Interim In-Service Dates

This project has multiple partial in-service dates throughout the two year project life as multiple individual WO's are completed for segments or groups of segments of replaced cable.

Project Need Justification

This project provides for the targeted replacement of failing underground cable based upon cable testing results for the Albuquerque metro and Santa Fe areas. Costs include engineering, project coordination, testing, material, and labor. This project spans a two year period with testing completed in the first year and cable replacements made over the two year period.

Approximately 46% of PNM distribution lines are of overhead construction. The remaining 54% of the distribution is built as underground construction. Underground cable has a life expectancy of 30-40 years. The risk of not replacing aging and failing cable includes more frequent and extended power outages which adversely affect reliability and customer satisfaction.

This project is included in the test period projected balances for CWIP related to generation, transmission, distribution, and general and intangible plant as of September 30, 2016 that are projected to be in service within five months after the end of the test period.

Pursuant to NMSA 1978, § 62-6-14(E), a utility is allowed to request to include in rate base CWIP for projects that are projected to be in service the lesser of five months after the end of the test period or 24 months after the end of the base period. PNM is requesting the inclusion of CWIP balances for projects such as this one with a projected in-service date by February 2017.

Project Alternatives

One alternative to testing cable before replacing it is to repair cable by cutting out the failed section of cable and splice new cable in its place. Under this alternative cable runs are scheduled for replacement only after multiple failures have occurred on sections of the cable. Generally this practice results in the same customers experiencing multiple outages before the cable segments are replaced. Another option is to inject a substance to improve the integrity of insulation materials and extend the life of the cable. This technique has short comings as it does not identify the weak areas of cable first and does not address potential problems with cable splices made during installation or the ends of cable where terminating equipment is installed.

Cable testing is a superior approach providing predictive identification of cable failures before they occur, specific targeting and replacement of cable,

reducing the number of outages experienced by customers, and maximizing efficiency by replacing only those elements of the cable that are failing.

Technical Aspects

The cable testing is performed by disconnecting a cable segment from the system and applying a specialized calibrated equipment voltage to the cable. Based on partial discharge observed during testing the condition of the cable is determined to be good, in need of repair (replacement of splices or terminations or limited cable replacement), or recommended for full replacement. The repairs or replacements are further categorized as an immediate need or scheduled need over the next year or so. For that cable which is scheduled for replacement it is either replaced in the same location or re-routed along an alternate path if that makes sense for future access and maintenance. This work involves boring and excavation, installing new cable and duct, splices, and terminations.

Project Estimate Approach

There are two considerations in estimating the project cost: the amount of testing and the amount of replacement work. Several factors are considered in determining the amount of testing to be performed including; the number of cable segment failures in a year, the vintage or age of cable, and the cable type. The amount of cable replacement required is not known until the testing results are known. However, past experience in terms of the percentage of tested cable requiring replacement provides a good benchmark for budgeting. Historically about 48% of cable tested requires replacement. Costs are estimated based on historical cable replacement costs per foot.

This project includes costs for outside services which include cable testing, testing results analysis and reporting, and boring in new conduit and cable. The project also includes company labor for items such as; engineering, testing and construction coordination, switching, and cable termination. The typical breakdown of cost by categories is as follows: outside services (74%), company labor (8%), materials (16%), and company transportation (2%). This breakdown can fluctuate depending on the site conditions and the type and condition of the cable being tested.

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 01

Project	60003115	Year	2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Cost_Type	Bal 3/31/15											
	110-Straight Time-General	13,301		7,396	7,007	9,326	7,893	8,760	6,517	7,377	5,495	6,301	79,373
	120-Overtime-General	483		864	150	0	27	1,165	107	1,201	2,210	1,501	7,708
	350-Material Issues-Major	6,012		12,000	9,191	37,037	25,156	50,000	80,000	39,384	25,056	5,374	289,210
	370-Outside Services	76,726		144,969	160,394	33,244	72,219	21,152	58,960	85,200	60,112	199,210	912,186
	374-Outside Svcs Legal	0		0	0	0	0	0	0	0	0	0	0
	377-Outside Services-Temp Labor	0		0	0	0	0	0	0	0	0	0	0
	391-Jt Proj Bills to PNM-Non-Labor	0		0	0	0	0	0	0	0	0	0	0
	530-Employee Expense	0		0	0	0	0	0	0	0	0	0	0
	610-Expenses - General	2,997		3,169	1,761	3,889	2,864	1,949	3,586	3,053	2,364	2,548	28,180
	805-Land and Land Rights	0		0	0	0	0	0	0	0	0	0	0
	807-Non Refundable Contribution	0		0	0	0	0	0	0	0	0	0	0
	829-Construction Adjustment	0		0	0	0	0	0	0	0	0	0	0
	426-Capitalized Interest	0		0	0	0	0	0	0	0	0	0	0
	908-Luna AR - Labor	0		0	0	0	0	0	0	0	0	0	0
	909-Luna AR - Other	0		0	0	0	0	0	0	0	0	0	0
	913-Payroll Taxes Load	965		578	501	653	554	695	464	600	539	546	6,096
	914-Pension and Benefits Load	3,077		1,844	1,597	2,082	1,768	2,215	1,478	1,915	1,720	1,741	19,437
	915-Injuries and Damages Load	928		556	482	628	533	668	446	577	519	525	5,861
	918-San Juan AR-Labor	0		0	0	0	0	0	0	0	0	0	0
	921-Stores / Purchasing Load	467		1,580	1,210	4,878	3,313	6,585	10,536	5,187	3,300	708	37,765
	922-Minor Material Load	417		0	0	0	0	0	0	0	0	0	417
	925-E and S Loads	15,368		27,420	28,973	13,897	17,762	13,857	24,249	22,289	15,682	34,839	214,338
	926-A and G Loads	8,085		14,011	14,851	6,947	8,999	6,908	12,411	11,333	7,924	17,883	109,351
	928-AFUDC Debt Reg	183		609	896	956	935	910	979	1,073	1,051	1,178	8,771
	929-AFUDC - Equity Regular	280		870	1,280	1,365	1,335	1,299	1,397	1,532	1,501	1,682	12,543
	937-San Juan AR - Other	0		0	0	0	0	0	0	0	0	0	0
	961-Luna A&G PNMR D&V	0		0	0	0	0	0	0	0	0	0	0
	Cost Sum	129,290		215,866	228,294	114,901	143,358	116,163	201,130	180,722	127,473	274,037	1,731,235
	825-Clearings	0		-110,450	-148,160	-137,517	-139,386	-131,955	-154,091	-162,613	-151,368	-190,622	-1,326,163
	Clr Sum	0		-110,450	-148,160	-137,517	-139,386	-131,955	-154,091	-162,613	-151,368	-190,622	-1,326,163
Proj Net		129,290		105,416	80,134	-22,616	3,972	-15,792	47,039	18,109	-23,895	83,415	405,072

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 02

Project	60003115	Year	2016											
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
110-Straight Time-General	79,373	5,501	15,672	17,692	15,198	14,398	19,165	16,220	18,000	13,392	15,158	11,290	12,947	254,006
120-Overtime-General	7,708	91	92	56	1,775	308	0	56	2,394	220	2,468	4,540	3,084	22,792
350-Material Issues-Major	289,210	7,291	42,644	26,337	32,947	18,886	76,102	51,690	156,851	304,713	80,925	51,484	11,041	1,150,121
370-Outside Services	912,186	30,019	28,283	27,538	38,112	16,377	3,947	30,587	54,422	34,581	51,204	31,428	9,337	1,268,021
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
610-Expenses - General	28,180	983	4,118	5,461	6,512	3,618	7,992	5,884	4,006	7,368	6,273	4,859	5,237	90,491
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
913-Payroll Taxes Load	6,096	391	1,103	1,242	1,188	1,029	1,342	1,139	1,428	953	1,234	1,108	1,122	19,375
914-Pension and Benefits Load	19,437	1,248	3,518	3,961	3,788	3,282	4,278	3,633	4,552	3,038	3,934	3,533	3,578	61,780
915-Injuries and Damages Load	5,861	376	1,061	1,194	1,142	990	1,290	1,095	1,373	916	1,186	1,065	1,079	18,628
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0
921-Stores / Purchasing Load	37,765	960	5,616	3,469	4,339	2,487	10,023	6,808	20,657	40,131	10,658	6,780	1,454	151,147
922-Minor Material Load	417	0	0	0	0	0	0	0	0	0	0	0	0	417
925-E and S Loads	214,338	7,344	15,439	13,357	16,106	9,422	18,258	17,649	38,884	58,429	25,981	17,489	7,588	460,284
926-A and G Loads	109,351	3,651	7,555	6,413	7,866	4,458	8,920	8,689	19,608	29,975	12,981	8,620	3,465	231,552
928-AFUDC Debt Reg	8,771	759	661	618	597	550	552	591	770	1,148	1,261	1,110	893	18,281
929-AFUDC - Equity Regular	12,543	0	0	0	0	0	0	0	0	0	0	0	0	12,543
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Sum	1,731,235	58,614	125,762	107,338	129,570	75,805	151,869	144,041	322,945	494,864	213,263	143,306	60,825	3,759,437
825-Clearings	-1,326,163	-148,380	-141,142	-130,326	-130,084	-112,715	-125,244	-131,259	-192,598	-289,324	-264,984	-226,048	-541,176	-3,759,443
Clr Sum	-1,326,163	-148,380	-141,142	-130,326	-130,084	-112,715	-125,244	-131,259	-192,598	-289,324	-264,984	-226,048	-541,176	-3,759,443
Proj Net	405,072	-89,766	-15,380	-22,988	-514	-36,910	26,625	12,782	130,347	205,540	-51,721	-82,742	-480,351	-6

Projects with clearings in 2015 and 2016, Budget data for 2015 - 2017

Cost Year 03

Project	60003115	Year	2017												Total
Cost_Type	BegBal	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
110-Straight Time-General	254,006	0	0	0	0	0	0	0	0	0	0	0	0	254,006	
120-Overtime-General	22,792	0	0	0	0	0	0	0	0	0	0	0	0	22,792	
350-Material Issues-Major	1,150,121	0	0	0	0	0	0	0	0	0	0	0	0	1,150,121	
370-Outside Services	1,268,021	0	0	0	0	0	0	0	0	0	0	0	0	1,268,021	
374-Outside Svcs Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
377-Outside Services-Temp Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
391-Jt Proj Bills to PNM-Non-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
530-Employee Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
610-Expenses - General	90,491	0	0	0	0	0	0	0	0	0	0	0	0	90,491	
805-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
807-Non Refundable Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
829-Construction Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
426-Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
908-Luna AR - Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
909-Luna AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
913-Payroll Taxes Load	19,375	0	0	0	0	0	0	0	0	0	0	0	0	19,375	
914-Pension and Benefits Load	61,780	0	0	0	0	0	0	0	0	0	0	0	0	61,780	
915-Injuries and Damages Load	18,628	0	0	0	0	0	0	0	0	0	0	0	0	18,628	
918-San Juan AR-Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921-Stores / Purchasing Load	151,147	0	0	0	0	0	0	0	0	0	0	0	0	151,147	
922-Minor Material Load	417	0	0	0	0	0	0	0	0	0	0	0	0	417	
925-E and S Loads	460,284	0	0	0	0	0	0	0	0	0	0	0	0	460,284	
926-A and G Loads	231,552	0	0	0	0	0	0	0	0	0	0	0	0	231,552	
928-AFUDC Debt Reg	18,281	0	0	0	0	0	0	0	0	0	0	0	0	18,281	
929-AFUDC - Equity Regular	12,543	0	0	0	0	0	0	0	0	0	0	0	0	12,543	
937-San Juan AR - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
961-Luna A&G PNMR D&V	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost Sum	3,759,437	0	0	0	0	0	0	0	0	0	0	0	0	3,759,437	
825-Clearings	-3,759,443	0	0	0	0	0	0	0	0	0	0	0	0	-3,759,443	
Clr Sum	-3,759,443	0	0	0	0	0	0	0	0	0	0	0	0	-3,759,443	
Proj Net	-6	0	0	0	0	0	0	0	0	0	0	0	0	-6	