

PUBLIC SERVICE COMPANY OF NEW MEXICO  
ELECTRIC SERVICES

12<sup>TH</sup> REVISED RIDER NO. 8  
CANCELING 11<sup>TH</sup> REVISED RIDER NO. 8

INCREMENTAL INTERRUPTIBLE POWER RATE  
APPLICABLE TO RATE NOS. 3B, 3C, 4B and 35B

x

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EXPLANATION OF RIDER: Public Service Company of New Mexico (the Company) is offering an Incremental Interruptible Power Rate ("IIPR") Rider to qualifying Customers who can interrupt their incremental On-Peak billed demand requirements during the on-peak period. The Company's purpose in offering this Rider is to promote efficient and flexible utilization of the Company's generation and transmission capacity now and in the future.

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The Company may petition to revise the terms and conditions of the Rider in the future to accommodate changing conditions and experience. Potential changes may include but not be limited to requiring participants to install direct load control equipment, reducing the response time to 10 minutes, or changes in the rates to reflect changing costs and requirements. All such changes will be submitted to the New Mexico Public Regulation Commission (NMPRC) for approval with appropriate notice to Customers.

ELIGIBILITY: This rider is available only to customers who were taking service under PNM's Rider 8 as of the date of the execution of the Stipulation in NMPRC Case 2761. Qualifying customers must also meet each of the following conditions:

1. Eligibility for this Rider requires a Customer to maintain a special contract with the Company for service under this Rider.
2. Continued eligibility for this Rider requires Incremental Interruptible Demand ("IID") of at least 100 kW on average over the Base Period above the Base Demand, as described below that can be interrupted within 30 minutes after notice from the Company.
3. Customers taking service under this Rider cannot take service under any other PNM Economic Development rider.

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APPLICATION: Applications are no longer accepted for service under this rider.

BASE PERIOD BILLING DETERMINANTS: Base Period billing determinants will consist of Average Base Demand, Peak Base Demand, On-Peak Average Base Energy and Off-Peak Minimum Base energy. These billing determinants shall be determined for each of the two PNM seasonal billing periods, the Summer period (June, July and August) and the Other period (all remaining months). The Average Base Demands shall be the 3-month average peak demand in the Summer period and the 9-month average peak demand in the Other period. The Peak Base Demands shall be the highest peak demand in the Summer period and the highest peak demand in the Other period.

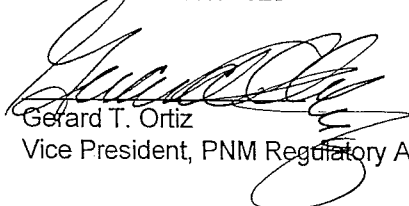
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OCT - 1 2016

REPLACED BY NMPRC

Final Order Case No. 15-00261-UT

Advice Notice No. 529

  
Gerard T. Ortiz  
Vice President, PNM Regulatory Affairs

GCG#522338

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These billing determinants may be adjusted to reflect the Customer's normal operations as specified in paragraph 2 of the Contract section below, and may be adjusted to include any incremental demand not designated as IID. To the extent that some portion of the Customer's incremental demand is not designated as IID, the Base Period billing determinants shall be specified in accordance with an analysis of the nature of the designated IID and its impact on the Customer's load profile that is acceptable to both the Company and Customer. For existing Customers, the Base Period shall be the 12 billing months immediately preceding the effective date of the contract for service under this Rider. Base Demand and Base Energy shall be zero for Customers with no billing history only to the extent that all incremental demand is designated as IID.

INCREMENTAL INTERRUPTIBLE DEMAND (IID):

1. IID is that portion of the Customer's monthly-metered on-peak demand above the Average Base Demand that is served under this Rider. This also means that if the Customer's load grows and the Customer does not wish to interrupt this additional load, the Customer must notify the Company to adjust Base Period billing determinants accordingly. Such adjustments may require review and analysis by the Company. The Customer shall provide 60 days advance written notice of the need for such adjustments.
2. That portion of the Customer's IID load above the Peak Base Demand is subject to interruptions, which begin during the Company's on-peak period with a 30-minute notice. The on-peak period is defined under the base rate schedules under which Rider 8 customers receive service. An interruption may be extended up to two (2) hours into off-peak period, but the initial notice to the customer (the notice that an interruption will begin in 30 minutes) must have occurred during the Company's on-peak period. Interruptions will be made for two reasons: (i) for testing purposes; (ii) in the event of a PNM system emergency.
3. Interruptions for testing purposes will be made to test interrupting or monitoring equipment and the ability of the Customer to effect the required interruption.
4. Test Interruptions will be limited to 2 (two) per calendar year.
5. For system emergency interruptions, which are called during on-peak periods, the Company will endeavor to interrupt participants receiving service under the Rider before interrupting or curtailing service to firm customers.
6. During the period of interruption the Customer's metered demand shall be no greater than the Peak Base Demand. Failure of the Customer to make the required interruption within the specified time for response or to maintain the required interruption shall result in the discount rate applicable to IID be set to \$0.00 per kW for that billing month as described in paragraph 1 of the Rates Section below. In addition, future application of this Rider shall be discontinued if the Customer has failed to make

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the required interruption more than two times during any calendar year as requested by the Company.

7. In the event of an interruption under this Rider, the Company will endeavor to provide notices of interruption to all participants receiving service under the Rider at or about the same time, consistent with the interruption notification arrangements in place between the Company and the Customer.

CONTRACT:

1. Existing Customer contracts will be automatically renewed for subsequent one-year periods except as follows: no less than one year prior to the end of the contract period, Customer gives notice to PNM of its desire to renew the contract for a period of less than one year. The Customer has the right to terminate the contract at any time by giving thirty (30) days written notice to the Company. In the event that amended terms and conditions of the Rider are approved by the NMPRC, participants' contracts will be subject to such amended terms and conditions.
2. IID shall exclude increases in billed demand resulting from resumption of normal Customer operations following a strike, fire, equipment failure, plant shutdown, or other interruption of operations in the Base Period. In the event that such an occurrence has taken place during the Base Period, the base period billing determinants will be adjusted to reflect normal operations.
3. The Company will install and the Company shall be responsible for the cost of installation, and maintenance of all equipment or modifications necessary for the Customer to fulfill its interruption obligation. Such equipment shall include but not be limited to communication equipment such that interruption notification from the Company to the Customer can be reliably accomplished. Any special requirements regarding interruption notification procedures or equipment shall be specified in the contract for service under this Rider. Customers will provide and pay for dedicated phone lines as required.
4. The contract may contain provisions concerning sub-metering of the IID portion of the Customer's load.

TERRITORY: All territory served by the Company.

RATE RIDER LIMITS: It is intended that the rates contained in this Rider shall be greater than or equal to the incremental cost of providing electric service to the customer. If the Company becomes aware that the continued offering of the Rider is detrimental to other existing Customers on the Company's system or that the rates contained in the Rider are no longer projected to be greater than or equal to the incremental

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cost of providing electric service to the Customer, the Company shall discontinue the availability of the Rider to participants or petition the NMPRC for appropriate adjustments in the Rider. If the Company elects to discontinue the availability of the Rider, the Company will promptly notify the NMPRC of such discontinuance. If the Company discontinues the availability of the Rider, Customers with existing contracts will be given notice of non-renewal of such contracts but will continue to receive service under the Rider until the expiration of the existing contract period.

DURATION: This Rider shall remain in effect until it is expressly discontinued.

RATES:

1. The customer's monthly base electric bill shall be calculated in accordance with the terms and conditions set for the in the customer's base electric tariff (Schedules 3B, 3C, 4B & 35B). In addition to monthly base electric charges, all billable demand above the customer's Average Base Demand ("IID Demand") shall be subject to the discount rates described below:

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	Summer Months (Jun. – Aug.)	Other Months (Sep. – May)
Substation (35B)	\$15.83 per kW-mo. Discount	\$7.38 per kW-mo. Discount
Primary (4B)	\$15.83 per kW-mo. Discount	\$4.08 per kW-mo. Discount
Secondary (3B & 3C)	\$ 6.85 per kW-mo. Discount	\$0.38 per kW-mo. Discount

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2. As described in paragraph 6 of the Incremental Interruptible Demand Section above, Customers that fail to make their required interruption will be billed under the normally applicable rate schedule for the billing month in which the failure occurred. All demand and energy will be billed at the normally applicable rates.
3. All other terms and conditions of the applicable rate schedule for a specific Customer are incorporated herein to the extent such terms and conditions are not inconsistent with this Rider.

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