BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S SECOND ANNUAL GRID MODERNIZATION REVIEW FILING PURSUANT TO THE COMMISSION'S FINAL ORDER	)	**Docket No. 26-00000__**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant.	)	

DIRECT TESTIMONY

OF

HEIDI M. PITTS PH.D.

April 10, 2026

NMPRC DOCKET NO. 26-00000__
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WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

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ACRONYM/ABBREVIATION	DESCRIPTION
AMI	Advance Metering Infrastructure
APS	Arizona Public Service
Block 1	Residential 1A monthly energy usage 0-450 kWh
Block 2	Residential 1A monthly energy usage 451-900 kWh
Block 3	Residential 1A monthly energy usage 901+ kWh
CBA	Cost Benefit Analysis
CEMP	Customer Energy Management Platform
Dashboard	Energy Insights Dashboard
Grid Mod	Grid Modernization
NMPRC or Commission	New Mexico Public Regulation Commission
OG&E	Oklahoma Gas & Electric
PNM	Public Service Company of New Mexico
PRAC	Pricing Advisory Committee
PSCo	Public Service Company of Colorado
Rate Schedule 1A	Rate Schedule No. 1A Residential Service
Residential 1A	Rate Schedule No. 1A Residential Service
Rider 60	Rider No. 60 Grid Modernization
Small Power 2A	Rate Scheduled No. 2A Small Power
TEP	Tucson Electric Power Company
TOD	Time-of-Day
TOU	Time-of-Use

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I. INTRODUCTION AND PURPOSE

Q. Please state your name, position and business address.

A. My name is Heidi M. Pitts. I am a Principal Pricing Analyst for Public Service Company of New Mexico ("PNM" or "Company"). My business address is 414 Silver Avenue SW, Albuquerque, NM 87102. I am testifying on behalf of PNM.

Q. Please summarize your educational background and professional qualifications.

A. Please see PNM Exhibit HMP-1 for my educational background and professional qualifications.

Q. Have you previously testified before the New Mexico Public Regulation Commission ("NMPRC" or "Commission")?

A. Yes. A list of cases in which I have filed testimony is included in PNM Exhibit HMP-1.

Q. What is the purpose of your direct testimony?

A. My testimony will address how the current Time-of-Day ("TOD") pilot is well on its way to demonstrating that PNM can meet the objectives for time-varying rates as set forth in the Grid Modernization Cost-Benefit Analysis ("CBA") performed in Docket No. 22-00058-UT. I also provide details on PNM's plan-level roadmap for advanced metering infrastructure ("AMI") enabled rate design changes ("Roadmap to Default Time-of-Day" or "Roadmap to Default TOD"). As part of

this discussion of the Roadmap to Default TOD, I discuss PNM's planned modifications to the residential TOD pilot rate structure and Rate Schedule 1A over the next two general rate cases. I compile six other peer utilities' menu of residential rate plans as a comparison for PNM's plans for time-varying rates post-AMI deployment. Lastly, I also provide the calculations for the illustrative Rider No. 60, Grid Modernization ("Rider 60") customer charges for years two and three of the Grid Modernization ("Grid Mod") plan and calculate bill impacts for the illustrative Rider 60 year two charge.

Q. How is your testimony organized?

A. Section II discusses the current status and implementation of the TOD pilot rates. I provide updates on residential and commercial customer enrollments, customer opt-out statistics, and bill guarantee savings/credit results.[1] I also provide examples of customers who do and do not have the opportunity to benefit from the current TOD rate structure. My testimony provides examples of the benefits associated with the monthly energy report emails and the Energy Insights Dashboard ("Dashboard"), as well as details additional steps the Company will undertake to engage with TOD pilot customers to ensure that these customers know about the benefits that can be captured from using these tools. Finally, in this section, I

[1] As described in more detail below, "opt-out" refers to customers who joined the TOD pilot rate but then later left the pilot. The bill guarantee and credit refers to the comparison the Company undertakes for residential and small power customers on the TOD pilot rate for a consecutive 12 months at the same premise. Per the bill guarantee, PNM compares what the customers paid on their respective TOD pilot rate schedules to what they would have paid on their original rate schedules, Residential 1A or Small Power 2A, and if the TOD pilot rates were higher, the residential or small power customers are refunded the difference.

explain the results of the 2025 load impact analysis, which, among other things, details how the TOD pilot rate is benefiting PNM's system by reducing peak load usage.

Section III details PNM's current proposals regarding the Roadmap to Default TOD modifications for the next two general rate cases. My testimony explains the history of time-of-use rates and how PNM arrived at this place for the TOD pilot. I also describe the Company's plans in the next two rate cases and explain PNM's proposals for each. PNM's next rate case is anticipated to be an intermediate rate case before full AMI deployment and thus will be the rate case prior to when PNM can propose the default TOD rates for all residential customers. In this intermediate rate case, PNM will still propose significant modifications to the TOD pilot in order to ensure that PNM can continue to advance both utility and customer understanding and benefits associated with this pilot. I discuss the role of the Pricing Advisory Committee ("PRAC") in PNM's presentations of the Roadmap to Default TOD. Last in this section, I note PNM's logical next step in future time-varying rates post-AMI rollout. For a comparison point, I provide information on the menu of residential rates offered by six of PNM's peer utilities.

Section IV illustrates Rider 60 charges for year two (2026) and year three (2027) using the forecast annual revenue requirements provided by PNM witness Reina Gutierrez. Bill impacts are calculated using the illustrative Rider 60 year two

charges and rates and riders effective in April 2026. Section V concludes my testimony.

Q. Are you filing any exhibits in addition to PNM Exhibit HMP-1?

A. Yes. I am filing seven additional exhibits:

- PNM Exhibit HMP-2 – TOD Pilot Customer Survey Update – Energy Usage Reports;
- PNM Exhibit HMP-3 – PRAC January 20, 2026 presentation;
- PNM Exhibit HMP-4 – TOD Pilot Impact Analysis Memo PY2025;
- PNM Exhibit HMP-5 – Peer Utilities Residential Rates Table;
- PNM Exhibit HMP-6 – Grid Mod Allocators and Class Revenue Requirements, Year Two and Year Three;
- PNM Exhibit HMP-7 – Illustrative Rider 60 Customer Charge Year Two and Year Three;
- PNM Exhibit HMP-8 – Illustrative Rider 60 Bill Impacts Year Two.

II. TIME-OF-DAY PILOT RATE UPDATE AND BENEFITS

Q. What will Section II discuss?

A. The benefits to PNM's system and residential customers from TOD/TOU rates were integral in the CBA sponsored by PNM witness James Shields in PNM's original Grid Mod application.[2] In this section I will demonstrate and provide

[2] Docket No. 22-00058-UT, Supplemental Testimony in Support of Cost-Benefit Analysis of James W. Shields, at 14-15 (Nov. 22, 2023).

examples of how the current TOD pilot realizes these benefits to the utility system as a whole and to residential customers, albeit at a pilot scale.

First, I provide a status update to customer participation in the pilot (also called customer enrollment), the ability of customers who sign up for the pilot to later opt-out (or cancel the rate, returning to a standard rate), and the one-year bill guarantee credits/savings that was implemented as part of the pilot rate. I discuss the TOD pilot's residential energy management tools, the monthly home energy report emails and the Dashboard analytics that help residential customers understand their energy consumption, shift energy usage away from on-peak hours, and control their electricity bills through budgeting. Second, I discuss the impact analysis recently completed by PNM's third-party evaluator for the 2025 program year of the TOD pilot. Third, I provide the results of PNM's residential energy management survey and PNM's educational outreach goals for 2026. This will inform PNM's progression to default TOD rates by 2030.

A. TOD Pilot Status Update: Customer Enrollments

Q. Please provide a high-level status update of the TOD pilot.

A. As of April 2026, there are approximately 2,380 customers participating in the TOD pilot between residential (rate and control groups) and commercial customers.[3]

[3] The TOD control group exists for the residential TOD pilot only. It acts as a proxy for what the TOD rate group's energy consumption would be if they were not on a time-varying rate and allows PNM's third-party evaluator to calculate load shifting due to TOD rates.

Approximately 5 percent of these customers have rooftop solar. There have been 56 customers, almost entirely residential, who canceled the TOD rate post-meter installation and returned to their original rate, which is a cancelation or opt-out rate of about 4%. New enrollments are averaging about 18 per week in 2026. In the most recent billing cycle, there were 170 meters exchanged, bringing that many new customers into the pilot. There have been 432 customers who have completed the one-year bill guarantee cycle, where PNM calculated the difference between the annual bills that residential and small power customers paid on their respective TOD pilot rate schedules versus what they would have paid on their original rate schedules, Residential 1A or Small Power 2A. If customers paid more on their TOD pilot rate schedules, PNM credited them the difference. For the 432 customers whose bill guarantee analysis has been calculated, approximately 59% have received a bill guarantee credit.

Q. Please provide an update on commercial customers enrollments in the TOD pilot rate.

A. At the time of the first annual Grid Mod review filing in June 2025,[4] there were 66 commercial customers on the TOD pilot rate. As of this second annual review filing, there are 184 commercial customers on the TOD pilot rate. The breakdown between rate schedules is provided in PNM Table HMP-1.

[4] Docket No. 25-00049-UT.

PNM Table HMP-1: Commercial TOD Pilot Customers by Rate Schedule

Rate Schedule	June 2025	April 2026
2B Small Power TOD	31	56
3B General Power TOD	21	63
3C General Power Low Load Factor TOD	10	35
3D General Power Government TOD	2	3
3E General Power LLF Gov't TOD	0	1
4B Large Power TOD	2	23
11B Water & Sewage TOD	0	3
Total	**66**	**184**

Q. Please provide an update on residential customer enrollments.

A. Between the control and rate groups, there are 2,194 residential customers taking service on the pilot. There are 1,771 who have been enrolled in the pilot for at least one month and have received a bill, while 170 have had their meter exchanged in the previous billing cycle but have not received their first bill. This latter group is what is referred to as "New Meter Exchanges" in PNM Table HMP-2.

PNM Table HMP-2: Residential TOD Pilot by Rate and Control Group

Rate Schedule	June 2025 Review Filing[1]	April 2026 Review Filing[1]
1A Residential (Control)	581	253
1B Residential (TOD Rate)	604	1,771
New Meter Exchanges		170[5]
Total	**1,185**	**2,194**

1 – The June 2025 review filing in Docket No. 25-00049-UT TOD data was as of May 9, 2025, and the April 2026 review filing TOD data represents the March billing cycle.

Q. Why have the Residential TOD control group numbers decreased since the June 2025 first annual review filing?

[5] While my testimony notes above that there is an average of 18 TOD enrollments weekly, there is a time lag between when a residential customer signs up and eventually starts service under the TOD pilot. This time lag is a result of customer meter exchanges occurring on customers' billing cycle dates, as well as the time it takes to inform the customer whether they have been assigned to the TOD rate group or the control group.

A. When residential customers initially sign up for the TOD pilot, PNM's independent evaluators randomly assign them to either the residential control group or the residential TOD rate group ("rate group"). Residential control group customers stay on the regular Residential 1A rate for approximately 12 months before being moved over to the TOD rate group. As such, the residential control group numbers constantly change as new customers are added and customers who have been in the control group for 12 months are switched over to the rate group. Initially the evaluators assigned TOD enrollees to the control and rate groups equally. After about 18 months of TOD implementation, the evaluators determined that assigning new TOD pilot enrollees 20% to the control group and 80% to the rate group would maintain the control group at a sufficient size to allow for statistically significant analysis. The reduction in the control group size is a direct result of a reduced allocation of customers to the control group.

B. TOD Pilot Status Update: Customer Opt-Out, Bill Guarantee Results, and Lessons Learned

Q. What will this section discuss?

A. This section begins by discussing the customers who have opted out of the TOD pilot, which means they left the TOD pilot and returned to their original rate schedule. I discuss whether there is any connection between opting out and receiving a one-time bill guarantee credit. Next, I examine data as to the customers who have completed the one-time bill guarantee process, the statistics on bill savings or bill credits as a result, and the lessons learned from our analysis of the

bill guarantee results to date. I end the section by calculating energy charge comparisons between the current TOD rates and Rate Schedule 1A Residential for three hypothetical customers with low-energy consumption, mid-energy consumption, and high-energy consumption. The three comparison tables demonstrate how, under the current TOD pilot rate structure, it is almost impossible for a low-energy use customer to be able to realize bill savings by taking service on the TOD pilot as compared to Rate Schedule 1A. This lesson learned supports PNM's plan in its next rate case to propose modifications to the residential TOD pilot, as well as Rate Schedule 1A, which I will explain in a later section.

Q. What is meant by the term "customer opt-out"?

A. The TOD pilot is a series of voluntary rates that customers must choose to take service on. There is no requirement that they stay on the rate for a specific period of time and customers are free to leave the TOD pilot and return to their original rate schedule at any time.[6] When a customer does leave the TOD pilot and returns to their original rate, that is considered a customer opt-out.

Q. Please discuss customer opt-out statistics and lessons learned.

[6] The exception to this is if a residential or small power TOD customer was originally taking service on the residential time-of-use ("TOU") legacy rate (Rate Schedule No. 1B) or the small power TOU legacy rate (Rate Schedule No. 2B). Those rates are closed to new customers effective January 15, 2024. If a residential or small power customer left the TOD pilot rate option and their original rate was the TOU legacy rate option, they would be placed on Rate Schedule 1A Residential or Rate Schedule 2A Small Power given that the TOU legacy rate for those two customer classes is closed.

A. In the following table, the numbers given represent the 56 customers who have chosen to opt-out of the TOD pilot and return to their original rate.

PNM Table HMP-3 Residential* Opt-Out by Month

Month & Year	# Customers Who Opted to Return to Original Rate	Month & Year	# Customers Who Opted to Return to Original Rate
July 2024	1	May 2025	5
August 2024	1	June 2025	3
September 2024	1	July 2025	2
October 2024	1	August 2025	4
December 2024	2	September 2025	8
January 2025	3	October 2025	4
February 2025	1	November 2025	4
March 2025	1	December 2025	4
April 2025	5	January 2026	3

*Only two Small Power customers and one General Power customer have opted out of the TOD pilot.

Even though the numbers are small, two things are notable about this table. The first customers completed the bill guarantee process in May/June 2025. It was unknown when the pilot began how the decision to opt-out of the TOD pilot would be impacted by a customer receiving a bill guarantee credit and realizing that they paid more on the TOD pilot rate than on their original rate. In examining these numbers, customers have generally not chosen to opt-out of the TOD rate even if they received monies as a result of the bill guarantee. The second data point relevant to PNM Table HMP-3 is that there are more opt-outs in September 2025 relative to other months in 2025. Billing cycles reflect usage from the previous month; September bills are for August electricity consumption, which is one of the highest energy use months of the year. In addition, the summer on-peak to off-peak ratio is 4:1, meaning on-peak electricity rates are four times more expensive than off-peak

electricity rates. High summer usage coupled with the Phase 1 rate increase from PNM's most recent general rate case, Docket No. 24-00089-UT, might have made summer bills in that August and September 2025 time period appear high relative to prior months. In total, however, considering that 2025 was the first summer of the pilot where the bill guarantee process was being completed and there was a rate increase, the number of customers opting out of the TOD rate remains relatively limited.

Q. Please provide a high-level overview of the bill guarantee process.

A. Residential 1A and Small Power 2A customers who move over to their respective TOD pilot rates are eligible for a bill guarantee after 12 consecutive months at the same premises. Within three billing months after the first 12 consecutive months, PNM calculates the difference between what the customer would have paid on their original rate and what they paid on the TOD rate over the first 12 months. If the customer paid more on the TOD rate, then PNM credits the customer the difference between what was paid on the TOD rate and what would have been billed under a standard rate. The purpose of the bill guarantee is to reduce risk-averse customers' hesitancy to sign up for the pilot. Customers are only eligible for the bill guarantee in the first consecutive 12 months on the TOD pilot rate. If they leave the TOD pilot before 12 months have passed, they are not eligible for the bill guarantee.

Q. Please discuss the residential and small power customer bill guarantee results.

A. As of the March 2026 billing cycle, 432 customers (404 residential customers and 28 small power customers) have completed a consecutive 12 months of enrollment on the TOD rate and the bill guarantee analysis has been calculated.[7] After the bill guarantee analysis is completed, customers that paid more on the TOD pilot as compared to their original rate receive a one-time bill credit for the difference on their next monthly bill. If the bill guarantee analysis shows that the customer paid less over the course of 12 months on the TOD pilot than on their standard bill, then they saved money on the TOD pilot and so no credit is issued. The bill guarantee results will be discussed in the context of bill guarantee credits and bill guarantee savings.

Of the 432 customers who have received a bill guarantee analysis, approximately 59% have received a bill guarantee credit and 41% had bill savings. PNM Table HMP-4 and PNM Table HMP-5 provide more specifics on the average annual bill guarantee credits and savings realized by residential and small power customers, respectively.

[7] It should be noted that in Docket No. 25-00049-UT, PNM's first annual Grid Mod review filing, there was very little information about the bill guarantee results as only a couple of customers had completed the first year on the pilot. Given the passage of time, there is more analysis that PNM can provide in this case in terms of the bill guarantee results.

PNM Table HMP-4 - Bill Guarantee Detailed Results, Residential TOD Customers

	Residential 1B TOD Pilot	Remain on TOD Rate	Annual Savings or Credit, Average	Annual Savings or Credit, Low	Annual Savings or Credit, High
Paid More on TOD (Received a Credit)	248 Customers	233 Customers	($73.76)	($0.30)	($290.00)
Paid Less on TOD (Saved)	156 Customers	146 Customers	$322.91	$0.31	$1,688.85

PNM Table HMP-5 - Bill Guarantee Detailed Results, Small Power TOD Customers

	Small Power 2B TOD pilot	Remained on TOD Rate	Average Annual Savings or Credit	Annual Savings or Credit, Low	Annual Savings or Credit, High
Paid More on TOD (Received a Credit)	8 Customers	6 Customers	($157.10)	($5.47)	($921.72)
Paid Less on TOD (Saved)	20 Customers	20 Customers	$360.33	$3.16	$2,069.68

The bill guarantee is calculated by comparing the cumulative total of the monthly energy bills. In this context, credits and savings in PNM Table HMP-4 and Table HMP-5 mean a comparison of the annual TOD bill versus the bill from their original rate.

For the residential TOD bill guarantee customers, the average one-time bill credit was $73.76, while the average annual savings was $322.91. For the small power TOD bill guarantee customers, the average one-time bill credit was $157.10, while the average annual savings was $360.33.

The difference in these annual bills is largely due to the difference in energy charges, as the customer charge is the same between the rate options: Residential 1A/Residential TOD pilot and Small Power 2A/Small Power TOD pilot.

Q. Once customers complete the first consecutive 12 months, if they receive the one-time bill guarantee credit, are these customers opting out of the TOD pilot and returning to their original rates?

A. Generally speaking, no. Receiving a credit does not appear to influence the opt-out rate. As can be seen in the tables, the majority of residential and small power customers who completed the bill guarantee process have continued to take service on the TOD pilot rate, regardless of whether they experienced higher or lower bills on the TOD rate as compared to Residential 1A or Small Power 2A.

Q. If a customer receives the one-time bill guarantee credit, did they pay more on the TOD pilot every single month?

A. Not necessarily. A customer may have one month where they pay less under TOD pilot rates followed by a month where they pay more under TOD pilot rates. The analysis to determine the bill guarantee credit calculates the cumulative sum of all the bills during the 12-month bill guarantee period. Whether or not a residential customer pays more on the TOD pilot as compared to Residential 1A is largely a function of the total energy consumption, the on-peak energy consumption ratio, and the season.

Q. Please explain why benefiting on the TOD pilot is a function of total energy consumption and the on-peak energy consumption ratio and the relevancy for Company's Roadmap to Default TOD.

A. PNM's analysis of the bill guarantee results to-date demonstrates that low-energy use and mid-energy use consumers do not have an adequate opportunity to achieve bill savings under the current TOD pilot rate structure. As a result, these low-energy use and mid-energy use customers are the majority of the customers who have received a bill guarantee credit. As mentioned earlier in my testimony, the Roadmap to Default TOD will outline PNM's rate design modifications to be proposed in the next two general rate cases so that PNM may ultimately implement an effective default TOD rate for residential customers. The bill guarantee analysis results support PNM's proposed rate design modifications that will make the opportunity for bill savings more achievable for low-energy use and mid-energy use customers. As discussed in more detail below, one planned change is to modify the residential TOD pilot to include the super off-peak period of 8:00 am to 5:00 pm Monday through Friday year-round. The second anticipated change is to move Residential 1A from a three-block inclining rate structure to a two-block inclining structure.

The concepts my testimony address below are the same for Small Power, but I will use the Residential TOD pilot as my example. As mentioned previously, the customer charge is the same on Residential 1A and Residential 1B TOD pilot. But the energy charges and rate structure differ. Residential 1A has a seasonal inclining block rate structure with three blocks; the Residential 1B TOD pilot has seasonal on-peak and off-peak rate structure. Whether or not a customer can lower their bill on the TOD pilot means that we need to compare energy rates on the two residential

rate schedules, Residential 1A and Residential TOD pilot. The kWh comparison looks at when the customer is consuming that kWh (TOD pilot) versus what energy block that kWh is in (Residential 1A).

Q. Please provide an example that compares Residential 1A energy charges to Residential TOD pilot energy charges for three usage levels and relate it to the customers who received a one-time bill guarantee credit.

A. PNM Table HMP-6 provides the rates for the two residential rate schedules. PNM Tables HMP-7, HMP-8, and HMP-9 provide energy charge comparisons for three energy users. Each energy usage customer (A, B, and C) has two scenarios (1 and 2). The total consumption is the same for both scenarios for each customer, so the energy distribution among block energy rates is the same under Residential 1A. Since the TOD pilot has on-peak and off-peak energy rates, the on-peak energy consumption ratio is used. Each energy usage customer shifts additional on-peak energy to the off-peak period in Scenario 2 to provide a second energy comparison that demonstrates how the benefit of saving money on TOD pilot rates may or may not occur as energy is shifted away from on-peak hours.

	Residential 1A	Residential TOD pilot
•	Scenario A1: Block 1, 400 kWh	On-peak 20%, Off-peak 80%
•	Scenario A2: Block 1, 400 kWh	On-peak 10%, Off-peak 90%
•	Scenario B1: Blocks 1 and 2, 810 kWh	On-peak 30%, Off-peak 70%
•	Scenario B2: Blocks 1 and 2, 810 kWh	On-peak 20%, Off-peak 80%
•	Scenario C1: all blocks, 2,400 kWh	On-peak 30%, Off-peak 70%
•	Scenario C2: all blocks, 2,400 kWh	On-peak 20%, Off-peak 80%

Scenarios A1 and A2 reflect a low-energy user. Scenarios B1 and B2 reflect a mid-energy user. Scenarios C1 and C2 reflect a high-energy user. Because the total energy consumption in each separate scenario is the same (i.e., total consumption is the same for both versions of Scenario A), the Residential 1A seasonal block energy charge remains the same. However, for each scenario, when the on-peak ratio decreases, meaning less energy is consumed during on-peak hours, then the seasonal energy charge decreases.

PNM Table HMP-6: Residential 1A and Residential TOD Pilot Rates, April 2026

Energy Rate by Schedule	Summer	Non-summer
Res. 1A Block 1	$0.0896783	$0.0896783
Res. 1A Block 2	$0.1486546	$0.1282683
Res. 1A Block 3	$0.1994661	$0.1701214
Res. TOD On-peak	$0.3751823	$0.2131688
Res. TOD Off-peak	$0.0931305	$0.0854760

As shown in PNM Table HMP-7, the Block 1 low-energy user decreases their on-peak consumption from 20% to 10% of their total energy consumption and still has an energy charge that is greater than the Residential 1A block energy charge. That

is because only the non-summer off-peak energy charge is less than the Block 1 energy charge, which is the same year-round. Under the current Residential TOD pilot rate design, it is impossible for a Block 1 energy user to lower their energy charges on the TOD pilot in the summer as compared to Residential 1A and nearly impossible in the non-summer (unless they have close to zero energy consumption during on-peak hours). Thus, low-energy users are the majority of the residential customers who received the one-time bill guarantee credits.

PNM Table HMP-7: Residential TOD and 1A Comparison Block 1 Energy User

Block or Peak Period Scenario A1	kWh	Energy Charge, Summer	Energy Charge, Non-summer	Block or Peak Period Scenario A2	kWh	Energy Charge, Summer	Energy Charge, Non-summer
Block 1	400	$35.87	$35.87	Block 1	400	$35.87	$35.87
Total 1A	**400**	**$35.87**	**$35.87**	**Total 1A**	**400**	**$35.87**	**$35.87**
On-peak 20%	80	$30.01	$17.05	On-peak 10%	40	$15.01	$8.53
Off-peak 80%	320	$29.80	$27.35	Off-peak 90%	360	$33.53	$30.77
Total TOD	**400**	**$59.82**	**$44.41**	**Total TOD**	**400**	**$48.53**	**$39.30**

PNM Table HMP-8 provides the results for the mid-energy use customer. Mid-energy use customers have a hard time benefitting from the current TOD pilot rate structure, but they can come closer to breaking even. In comparing energy charges, the reduction in on-peak usage gets the non-summer monthly energy charge closer to the point of the Residential 1A non-summer energy charge. But the TOD pilot summer charge is still higher as compared to the Residential 1A summer energy charge.

PNM Table HMP-8: Residential TOD and 1A Comparison Block 2 Energy User

Block or Peak Period Scenario B1	kWh	Energy Charge, Summer	Energy Charge, Non-summer	Block or Peak Period Scenario B2	kWh	Energy Charge, Summer	Energy Charge, Non-summer
Block 1	450	$40.36	$40.36	Block 1	450	$40.36	$40.36
Block 2	360	$53.52	$46.18	Block 2	360	$53.52	$46.18
Total 1A	**810**	**$93.87**	**$86.53**	**Total 1A**	**810**	**$93.87**	**$86.53**
On-peak 30%	243	$91.17	$51.80	On-peak 20%	162	$60.78	$34.53
Off-peak 70%	567	$52.80	$48.47	Off-peak 80%	648	$60.35	$55.39
Total TOD	**810**	**$143.97**	**$100.26**	**Total 1A**	**810**	**$121.13**	**$89.92**

PNM Table HMP-9 shows how high-energy users benefit from the TOD pilot through lower total bills under the current structure. In particular, it is notable that the Block 3 energy consumption is much less (1,500 kWh) than the TOD off-peak ratio of 80% (1,920 kWh) and yet the off-peak energy charges are considerably lower in both seasons as compared to the Block 3 energy charges in both seasons.

PNM Table HMP-9: Residential TOD and 1A Comparison Block 3 Energy User

Block or Peak Period Scenario C1	kWh	Energy Charge, Summer	Energy Charge, Non-summer	Block or Peak Period Scenario C2	kWh	Energy Charge, Summer	Energy Charge, Non-summer
Block 1	450	$40.36	$40.36	Block 1	450	$40.36	$40.36
Block 2	450	$66.89	$57.72	Block 2	450	$66.89	$57.72
Block 3	1,500	$299.20	$255.18	Block 3	1,500	$299.20	$255.18
Total 1A	**2,400**	**$406.45**	**$353.26**	**Total 1A**	**2,400**	**$406.45**	**$353.26**
On-peak 30%	720	$270.13	$153.48	On-peak 20%	480	$180.09	$102.32
Off-peak 70%	1,680	$156.46	$143.60	Off-peak 80%	1,920	$178.81	$164.11
Total TOD	**2,400**	**$426.59**	**$297.08**	**Total TOD**	**2,400**	**$358.90**	**$266.43**

Q. Is paying less on monthly energy bills the overall intent of time-of-day pricing?

A. No, but it is an important factor for customers. As stated in PNM's original Grid Modernization application, Docket No. 22-00058-UT, the overall intent of default time-of-date rates is to lower the costs the utility must incur to serve customers

during peak periods.[8] However, PNM is seeking to design a default TOD rate that, at the very least, provides customers with price incentives that offer them the opportunity to save money if they change behavior consistent with the peak period pricing, essentially by reducing their usage during on-peak periods. Under the current design of the TOD pilot in conjunction with the inclining block rate structure, as seen in PNM Tables HMP-4 and HMP-5, only 40% of residential and small power TOD pilot customers have been able to achieve bill savings and those have primarily been high-energy users. The Company needs to make additional changes to its residential rate design, as well as work with the available customer education tools, to inform customers as to their energy consumption patterns and how they may lower their energy bills on a TOD rate.

Q. Please summarize the bill guarantee analysis results and their relevance to PNM's Roadmap to Default TOD?

A. Sixty percent of TOD pilot customers who have completed the one-year bill guarantee process paid more on the TOD pilot than they would have on their original rate schedules. Additional analysis indicates that the customers paying more under the TOD rates are largely low-energy and mid-energy use customers. As part of Docket 22-00270-UT, when PNM proposed the structure of the TOD pilot, PNM said that it would revise and refine the TOD structure based on lessons

[8] *See* Case No. 22-00058-UT, Supplemental Testimony in Support of Cost-Benefit Analysis of Michael J. Settlage, at 8-11 (Nov. 22, 2023).

learned in the pilot. As PNM refines its Roadmap to Default TOD, these lessons learned from the bill guarantee results analysis will influence decisions about the appropriate next steps.

C. TOD Pilot Status Update: Home Energy Usage Reports and Dashboard

Q. What will this section discuss?

A. This section will discuss the home energy reports emails and the Energy Insights Dashboard ("Dashboard"), which are benefits that all residential TOD pilot customers can access, and are a pilot version of the Customer Energy Management Platform ("CEMP") benefit associated with the Grid Mod AMI project. The email and Dashboard have features that can be customized to alert customers should they exceed their energy budgets or usage thresholds and provide a summary of energy consumption with tips for shifting energy usage. The Dashboard provides analytics on hourly, daily, and monthly energy consumption patterns as related to the temperature and various home appliances. To fully benefit from the emails and analytics, customers need to understand how to customize features like their monthly energy budget (which can be updated every month) and their home appliances (for instance, a gas dryer or an electric dryer). This section will also discuss PNM's survey on the customer experience with these tools, as well as PNM's plan for increasing education and outreach over the next 12 months.

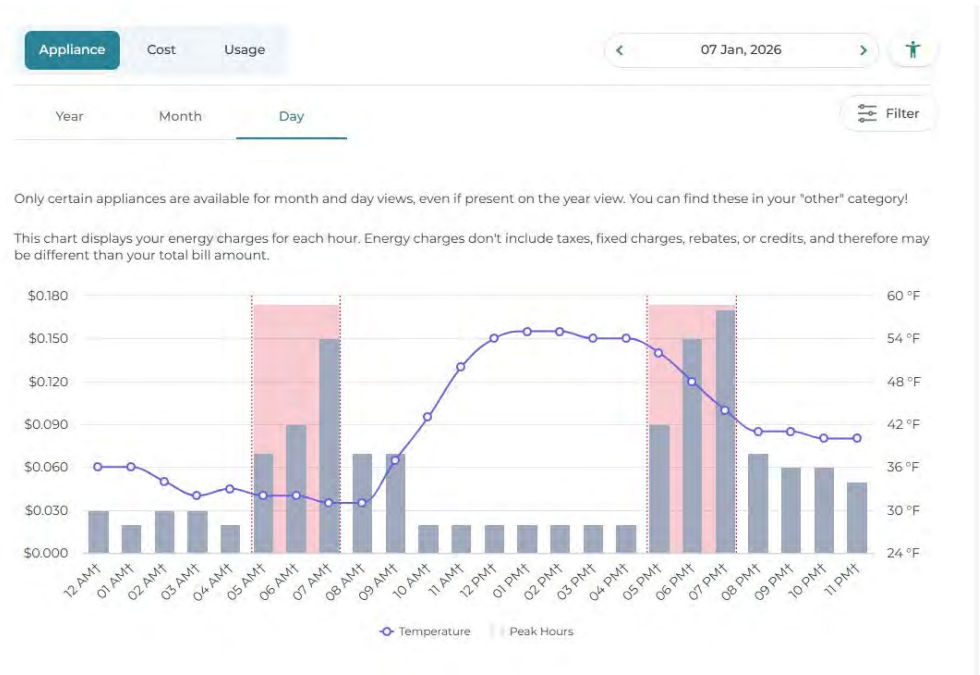
Q. Please describe the home energy report emails and the Dashboard that all residential TOD customers can access.

A. TOD pilot participants receive up to three emails every month that provide information on energy consumption, projected bills, and (if they pre-set a monthly budget) a budget alert. There is a link in each email to a Dashboard with additional energy consumption information. Customers are able to go into their profile on the Dashboard and add a second household email to receive all the energy insights emails as well as to set a monthly budget. If they set a monthly budget, then they will receive a high budget alert when they are at 75% and 100% of their budget. This email is not sent if they do not set a budget. PNM wants to increase TOD pilot customers' awareness of these emails and engagement with the Dashboard to optimize the potential benefits of participation in the TOD pilot.

Q. Please provide an example of how the Dashboard's daily usage analytics can help customers control their electricity bills.

A. The Dashboard provides hourly energy consumption data broken down in three ways: hourly energy details, monthly summaries, and bill analysis. The Energy Details tab provides energy consumption data by hour, by peak period, and by appliance. For instance, PNM Figure HMP-1 is a bar graph of one day's energy consumption with the bars representing each hour of energy consumption over the 24-hour period. On-peak hours are shaded pink to provide visual guidance as to the most expensive hours overlaid with the dotted line showing the hourly temperatures. This example is a non-summer day when the on-peak hours are 5:00 am to 8:00 am and 5:00 pm to 8:00 pm.

PNM Figure HMP-1: Hourly Energy Consumption by Appliance on January 7, 2026



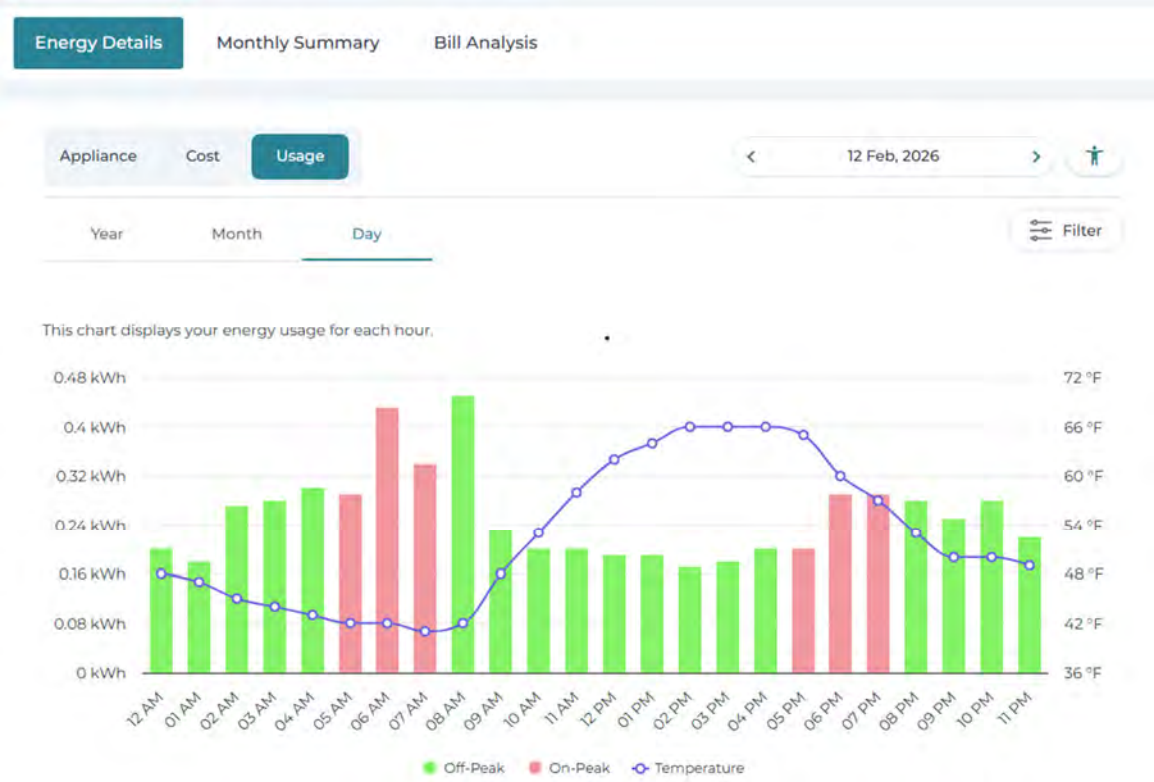
The highest consumption in this graph occurred during the on-peak hours of 7:00-8:00 am and 7:00-8:00 pm. If this customer is looking to shift usage to the cheaper hours, they might think about whether the household activities occurring from 7:00-8:00 pm could be shifted to the cheaper off-peak hours that start at 8:00 pm.[9]

Now take a look at PNM Figure HMP-2, hourly energy usage for a single day; each bar represents one hour of energy consumption and is shaded pink for on-peak hours and green for off-peak hours. The figure shows a non-winter weekday, so the on-peak hours are the same as in PNM Figure HMP-1. This graph is for the same customer as in Figure HMP-1. Now this customer has shifted some energy usage

[9] If the customer in Figure HMP-1 had updated their home profile with appliance information, then these bars would indicate which appliances were likely the source of energy usage, which is useful data in see what could be shifted to a non-peak period. Because there is no appliance information, the bar graph is gray.

from 7:00-8:00 am to 8:00-9:00 am, when the green bar is higher, indicating more energy consumption than the previous hour represented by the pink bar.

PNM Figure HMP-2: Energy Details Usage by Day, Thursday February 12, 2026

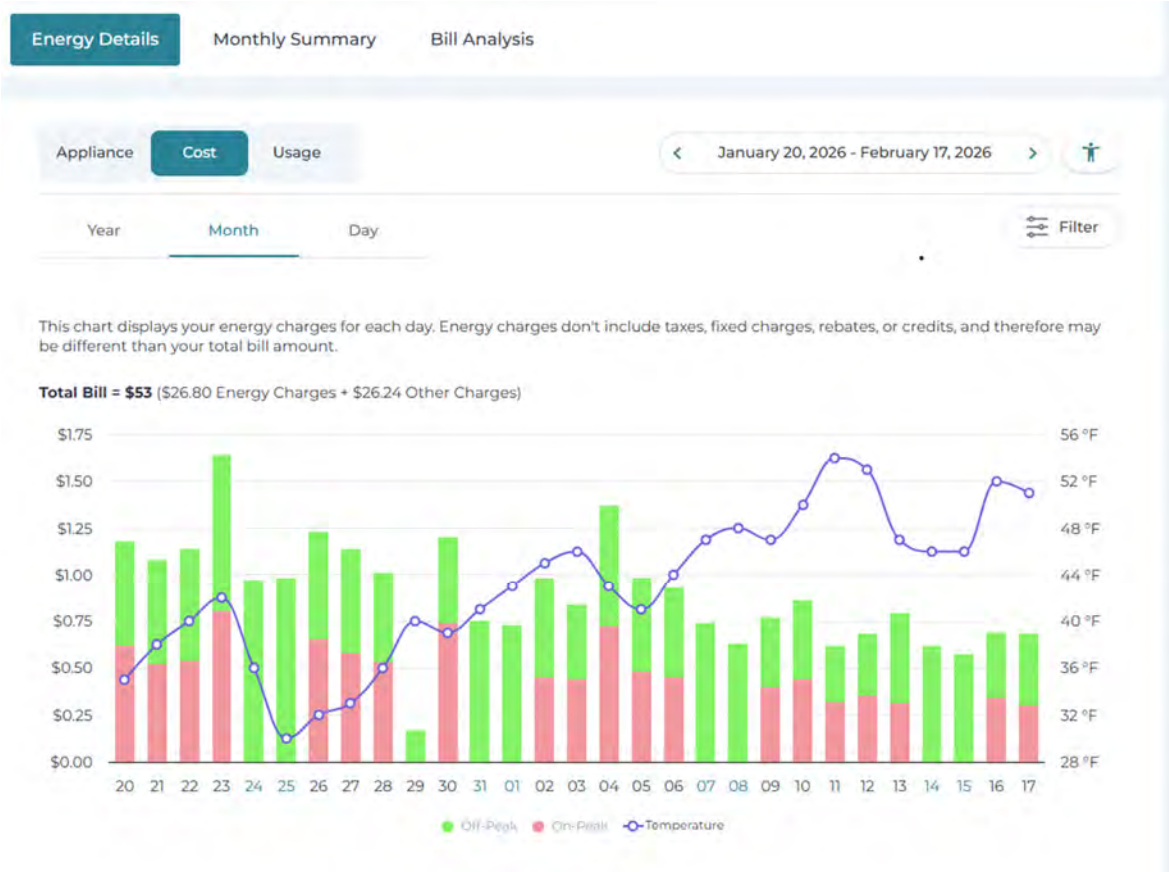


Q. Please provide an example of how the Dashboard's bill cycle usage analytics can help customers control their electricity bills.

A. The Dashboard can show entire billing cycles with the total bill or monthly energy budget related to the daily energy usage broken out by peak periods. PNM Figure HMP-3 and PNM Figure HMP-4 show the same energy usage data in the bar graphs, with the left axis of the graph representing energy charges in dollar amounts and the right axis of the graph representing daily temperatures. Each day's energy

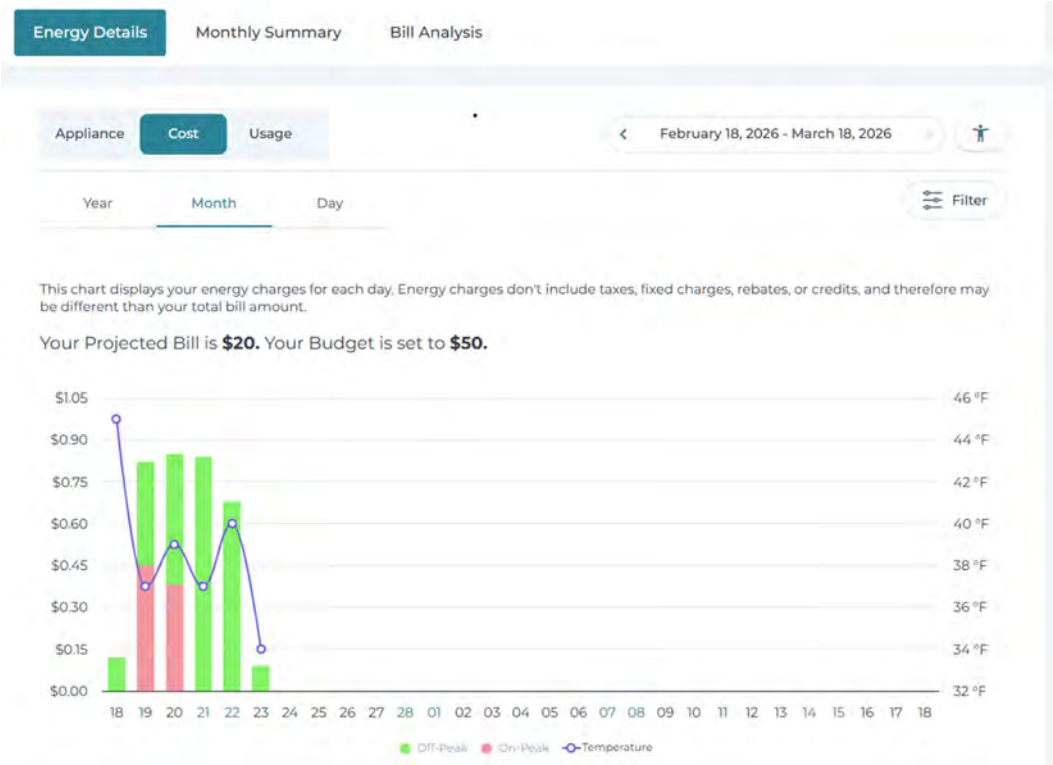
usage is broken out between on-peak (pink) and off-peak (green). The days that are solid green are weekend days because weekends are all off-peak. PNM Figure HMP-3 is a previous billing cycle so can provide the total bill information (breaking the total bill out by energy charges and other charges); the customer can see if they had excessive on-peak usage on some days or which days had overall higher usage. For instance, this customer's highest usage of the billing cycle occurred on January 23, which was a weekday, because there was on-peak and off-peak consumption. With this information, the customer can determine if changes can be made.

PNM Figure HMP-3: Energy Details, Cost Previous Bill Cycle



Another example of how the Dashboard analytics help customers control electricity costs is PNM Figure HMP-4. This example is the current billing cycle, displaying the completed days of the cycle so far, but includes the monthly budget of $50 that the TOD customer set and the projected billed energy charges of $20. This gives the customer daily insight of how their current consumption is related to their monthly energy budget.[10]

PNM Figure HMP-4: Energy Details, Cost in Current Billing Cycle with Budget



[10] The daily energy usage downloads from the cellular interval meter into PNM's system once per day, around 4:00 am. That is why PNM Figure HMP-4 shows the previous day as an incomplete with energy usage only until 4:00 am.

These screenshots provide just a small snapshot of the TOD pilot benefits available through the Dashboard analytics. For these features to be useful in controlling electricity bills, customers need to be aware of both the monthly emails and the Dashboard, and engage to some degree. Improving that awareness and engagement is PNM's goal for the upcoming year. The first step was establishing a baseline for TOD pilot customers' awareness and engagement with these features.

Q. How does PNM plan to educate customers about the benefits available in the Dashboard?

A. PNM's awareness survey, conducted in early 2026, was sent out to 1,390 residential TOD pilot customers who had been on the rate for at least three months (90 days) as of January 2026.[11] The survey had two goals: 1) gauge the level of awareness of the monthly home energy report emails, and 2) measure how engaged TOD pilot customers were with their personalized energy portal features. Responses were received from 425 TOD pilot customers. This survey asked about three monthly emails that customers can receive: i) home energy report, ii) the bill projection alert, and iii) budget alert. The survey also asked how helpful these emails were in managing energy usage and costs, if the customer had set up a personalized budget alert, and if they have accessed the Dashboard.

[11] The 90-day requirement is because customers do not start receiving the home energy report emails until they have been on the rate for 90 days.

Q. Please provide an overview of the results from the TOD pilot customer survey on the home energy reports.

A. Respondents had a high degree of awareness of the home energy report (86%) and the bill projection alert that is sent in the middle of the billing cycle (79%). A high percentage of customers found both tools helpful in managing energy usage and costs, 95% and 87% respectively. There was less awareness of the budget alert feature; 42% indicated they would set one up if they knew how to do so. See PNM Exhibit HMP-2 for a presentation with more details.

Q. What is PNM's next step in terms of educational goals.

A. PNM's first educational goal is to improve the level of engagement with regards to setting up budget alerts. As noted in PNM Exhibit HMP-2, 42% of survey respondents would like to set up a budget alert but do not know how. PNM will send out budget alert instructions in April 2026. The second educational goal is to develop other informational tools such as 20-30 second audio guides to teach TOD customers how to navigate bill projection alert emails and the Dashboard. Slide 7 of PNM Exhibit HMP-2 details PNM's next steps in creating educational outreach methods. PNM plans to follow up with the same awareness survey every six months going forward to measure the increased engagement and awareness from customers regarding these features.

Q. How do the home energy report emails and the Dashboard relate to the quantitative and qualitative benefits that PNM customers should receive from the Grid Modernization AMI projects?

A. The residential analytics and email features currently provided to residential TOD pilot customers are very similar to what the CEMP will enable. In the CBA performed in PNM's original Grid Modernization application, direct customer benefits are quantified as TOD/TOU benefits ($147,111,917) and Improved Customer Budgeting ($2,704,098).[12] PNM witness Shields notes that the TOD/TOU benefit "is realized when customer behavior changes consumption use to off peak periods."[13] "The improved customer budgeting benefit captures the benefit of customers having access to AMI usage data throughout monthly billing periods that enables them to adjust their usage and avoid becoming an uncollectable."[14] PNM witness Omni Warner lists benefits associated with Grid Modernization projects that are qualitative in nature and were not quantitatively measured as a part of the CBA. The qualitative benefits of AMI are given as "customer satisfaction and other customer benefits from Customer Energy Management Platform." These benefits include usage alerts, high bill (or high budget) alerts, analytics and tools to help customers gain more insight into their

[12] Docket No. 22-00058-UT, Supplemental Testimony in Support of Cost-Benefit Analysis of James W. Shields, PNM Table JWS-3 (CBA), p. 15 (Nov. 22, 2023).
[13] Ibid, pg. 14, lines 6-7.
[14] Ibid, pg. 15, lines 9-12.

energy usage behavior.[15] The lessons learned from how current residential pilot customers utilize the emails, alerts, and Dashboard can be applied on a broader scale to the entire customer base when TOD is the default rate in the future. PNM is testing outreach methods and engagement strategies to improve customer usage of these beneficial tools.

D. TOD Pilot Status Update: 2025 Load Impact Analysis and Customer Satisfaction Survey Report

Q. What is important about this section?

A. I will discuss the 2025 load impact analysis that shows a summer on-peak load reduction of 9%. This is an example of how the TOD/TOU benefits described by PNM witnesses Shields, Warner and Michael Settlage in the Grid Mod Application proceeding (Docket No. 22-00058-UT) are actually occurring in practice. The load shifting impact analysis is provided as PNM Exhibit HMP-4.

Q. Describe the third-party evaluator doing the analysis.

A. PNM worked with a third-party evaluator during the planning stage of the TOD pilot to develop the TOD pilot metrics of success and the methodology for measuring the residential TOD pilot load shifting, which included the residential control group. Now, during the pilot implementation stage, this same third-party

[15] Docket No. 22-00058-UT, Supplemental Testimony in Support of Cost-Benefit Analysis of Omni B. Warner, PNM Exhibit OBW-2 (CBA), Qualitative Benefits of PNM's Grid Mod Plan, page 3 (Nov. 22, 2023).

evaluator provides two annual reports on the TOD pilot: (i) customer satisfaction, and (ii) the 2025 load impact analysis of the residential TOD rate structure. Both documents were provided as exhibits in the first annual Grid Mod review.[16]

Q. Is the annual customer satisfaction report also included with your testimony?

A. No, the report is not yet available at the time of filing. The customer satisfaction survey has been sent out and is finishing the contact phase. It is a multi-step process that involves multiple contacts for each customer. Furthermore, it was augmented with additional questions to gather information on why customers may or may not be shifting energy usage away from on-peak hours, which delayed the roll out. Initial contacts resulted in a 32% response rate with 524 completed responses. One final contact phase is in process before the analysis can be started; the final response results may be higher. PNM will provide it to all parties as soon as it is ready.

Q. Please discuss the 2025 load impact analysis at a high level.

A. The 2025 load impact analysis shows the effect of the TOD rates for program year 2025 on summer and non-summer load reduction/shifting. This analysis compares the adjusted control group load with the rate group load, with a second analysis done for income level. There are graphs showing the numbers of meters for control and TOD rate groups, and also by income level. The high-level results indicate

[16] Docket No. 25-00049-UT, Direct Testimony of Heidi M. Pitts, Ph.D. at PNM Exhibit HMP-5 and PNM Exhibit HMP-6 (June 20, 2025).

TOD rate customers reduced on-peak summer usage by approximately 9%, a statistically significant result. The 2025 load impact analysis results also show that this reduction in on-peak energy usage is more a result of reduced overall energy consumption rather than a shifting of energy usage outside of the on-peak hours. This is consistent with last year's report.

Q. What is meant by "adjusted control group"?

A. The purpose of the TOD control group is to act as a proxy for the TOD rate group customers before they were on a time-varying rate so that the evaluation can measure how the TOD rate group customers are shifting usage away from the on-peak hours. Their load shapes should mostly overlap outside of the on-peak hours. Figure 2-1 of the 2025 load impact analysis shows the average weekday seasonal shapes of the TOD rate group (solid green line) and the TOD control group (dashed blue line). While the load shapes are similar, they do not overlap in the off-peak hours, as they should. The TOD rate group uses less in every hour, which is unexpected. Unlike the 2024 load impact analysis from last year,[17] this year the TOD rate group includes pilot customers who spent a year in the TOD control group prior to moving into the TOD rate group. The evaluators hypothesize that perhaps the TOD rate group made other energy efficiency improvements once they were taking service on the TOD rate. In order to measure load shifting away from on-

[17] Docket No. 25-00049-UT, Direct Testimony of Heidi M. Pitts, Ph.D. at PNM Exhibit HMP-6 (June 20, 2025).

peak hours, the TOD control group's load profile was adjusted so that it more closely matched the TOD rate group's load profile. The adjustment process is detailed in Appendix C of the 2025 load impact analysis; the result is the "adjusted control group." Figure 3-3 in the analysis memo shows the weekend load shape profiles of both groups post-adjustment and now the load profiles match, which is necessary for the next step of measuring load shifting.

Q. Please discuss the load shifting results.

A. The main takeaway from the 2025 load impact analysis is similar to that of the 2024 load impact analysis: customers reduced their energy usage during on-peak hours more than they shifted it away from on-peak hours. The summer on-peak reduction of 9% is noticeable and significant, while the non-summer evening on-peak period experiences a slight but not significant reduction.[18] The non-summer morning on-peak period saw no change between the TOD rate and TOD control groups.

A comparison of the load shape profiles for the TOD rate group and the adjusted control group is seen in Figure 3-2, average weekday customer demand for summer and non-summer seasons. The figure on the left is the average weekday demand for June through August 2025. It shows a significant reduction in load during the on-peak hours from 5:00 to 8:00 pm and a slight shifting of load from on-peak hours

[18] Table 3-2 in PNM Exhibit HMP-4 shows the 9% reduction in summer on-peak period usage. In that same exhibit, Figure 3-4 visualizes the results in Table 3-2 to show why the 9% reduction in summer on-peak usage was statistically significant.

to the pre-on-peak hours (i.e., 3:00 or 4:00 pm) and post-on-peak hours (i.e., after 8:00 pm) for a short while. In the non-summer figure (on the right), the load shape patterns follow the same pattern as just described for the evening on-peak hours of 5:00 to 8:00 pm, although not significant, but no change at all in the morning on-peak hours of 5:00 to 8:00 am. The report notes that, in the summer, the reduction in demand was likely driven by air conditioning.

Q. Please discuss the meter availability and the growth in customer enrollment.

A. Figure 3-1 on page 4 of the 2025 load impact analysis provides the meter counts in the residential control and rate group for 2025. Through March 2025, the meter installations for both groups increased at the same rate, reflecting the initial evaluation protocol of assigning new TOD customer enrollees 50% to the control group and 50% to the rate group. In April 2025, the very first customers assigned to the control group had finished their 12 months in the control group and were moved to the TOD rate group. The protocol of assigning new residential TOD customers 50% rate and 50% control continued, but there were more customers being added to the rate group as they moved over from the control group. In June/July 2025, the protocol for assigning new residential TOD customers changed so that 80% of new enrollees were assigned to the rate group and 20% were assigned to the control group. This explains why the TOD rate group numbers increase at a much faster rate than the control group customers from July 2025 onward.

Figure 3-5 on page 8 shows the same information by income level. The customer counts for low-income customers increase at a fairly steady rate from March through the end of the year, while the customer counts for non-low income customers increase sharply from July onward. Approximately 20% of residential TOD pilot customers as of November 2025 were low-income.

Q. Did the 2025 load impact analysis include low-income customers?

A. Yes. According to the analysis, low-income customers account for about 20% of the customers in both the TOD rate and control groups. The average weekday demand by season for low-income customers is shown in Figure 3-6. There is a slight reduction in energy consumption during summer on-peak hours without any apparent load shifting and no change in load profile during the non-summer morning and evening on-peak hours.

Q. Please summarize the takeaway for the Commission for the TOD pilot's current status.

A. Generally speaking, PNM is gaining valuable knowledge and understanding from its TOD pilot, including the customer response to the TOD rates. The TOD pilot has grown and the experience gained from customer participation has provided the Company with statistically significant data it can use to expand the TOD pilot, as well as to move to the next phase of default TOD implementation. In terms of customer benefits, PNM is expanding its communications with customers to be sure customers understand how they may benefit from the TOD rate, as well as how

customers can better use the tools available through the pilot to achieve more benefits. Of particular importance, the TOD pilot is achieving the primary benefit anticipated in the Grid Modernization Application (Docket No. 22-00058-UT), which is shifting load away from the peak periods when PNM incurs its highest costs for serving customers.

III. ROADMAP TO DEFAULT TIME-OF-DAY

Q. What will Section III discuss?

A. This section discusses PNM's current rate case timeline for rate design modifications needed to have default TOD rates for all residential customers once AMI is fully deployed across PNM's service territory. PNM refers to this rate case planning process as the Roadmap to Default Time-of-Day.[19] In this section, I outline the timeline of planned modifications to the residential TOD pilot rate structure as well as other rate design changes to Residential 1A that PNM plans for its next rate case. PNM has been and will continue to present these ideas to participating stakeholders in its Pricing Advisory Committee ("PRAC"). Finally, I present PNM's thoughts on the logical next step in rate design after default TOD rates are approved.

A. Timeline of the Roadmap to Default TOD

[19] The Roadmap to Default Time-of-Day is being provided in accordance with the Commission's Final Order in Docket No. 25-00049-UT. Docket No. 25-00049-UT, Final Order, at 14 (Feb. 26, 2026).

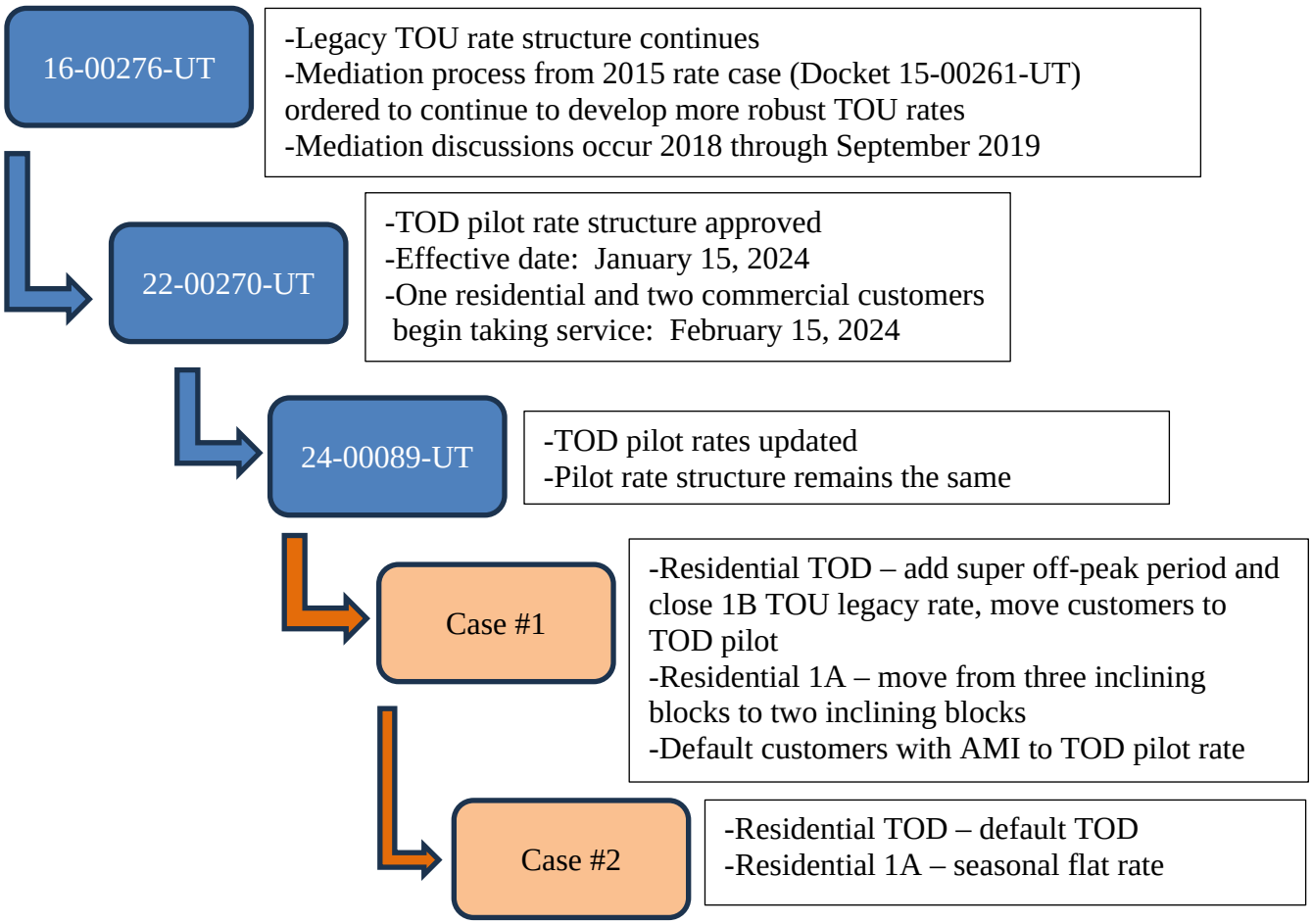
Q. Please connect the Roadmap to Default TOD to specific rate case timelines.

A. The Roadmap to Default Time-of-Day will be implemented across two future general rate cases. The first general rate case is anticipated to be filed during the AMI deployment and will be referred to as Case #1. The next general rate case will be filed once AMI is fully deployed and will be referred to as Case #2.

Q. Please provide the background that led to where PNM is now with the TOD pilot and the next steps to complete the Roadmap to Default Time-of-Day rates.

A. As shown in PNM Figure HMP-5 below, PNM's progression to its default TOD proposal and TOD pilot began in 2015 when the first mediation process began to develop improved TOU rates.

PNM Figure HMP-5: Case History of the TOD Pilot



As PNM Figure HMP-5 notes, the stipulation from Docket No. 16-00276-UT ordered PNM to continue the mediation process that resulted from the final order in Docket No. 15-00261-UT with the purpose of "developing better TOU rates."[20] After a mediator was appointed, PNM and interested parties met between 2018 and September 2019 to discuss the elements of an improved TOU rate that would be

[20] Docket No. 16-00276-UT Hearing Examiners' Certification of Stipulation, Paragraph P, page 151 (October 31, 2017).

proposed in PNM's next general rate case. The rate design for what would become the TOD pilot was largely determined by the final meeting in September 2019, but the next general rate case was not filed until December 5, 2022 (Docket No. 22-00270-UT), due to filing delays resulting from the Covid-19 pandemic. The TOD pilot was approved in that rate case and became effective on January 15, 2024, with meter exchanges occurring for the first three customers on February 15, 2024. PNM's next general rate case, Docket No. 24-00089-UT, was filed on June 14, 2024, using a Base Period of calendar year 2023. The TOD pilot was not in place during the Base Period for Docket No. 24-00089-UT, so there was no customer data available to make significant changes to the TOD pilot. Therefore, in the rate case filed in Docket No. 24-00089-UT, PNM made no updates to the rate design of the TOD pilot. PNM's next general rate case will be its first opportunity to make revisions based on analysis from the existing pilot. At the time of this second annual Grid Mod review filing, the TOD pilot has been in effect for just over two years.

Q. How does the current TOD pilot affect the Roadmap to Default Time-of-Day?

A. In Docket No. 22-00270-UT, the Commission approved TOD pilot rates for all non-lighting rate schedules, with the exception of Rate Schedule 36B. The goal of the TOD pilot is that, by the time AMI is fully deployed, the pilot results will determine how the Company should develop default TOD rates for all customer classes. The AMI deployment will begin in Q4 of 2026 and will continue through 2027. As noted above, Case #1 will most likely be filed during the ongoing deployment of AMI meters; PNM will continue the TOD pilot but will propose modifications to

the residential TOD pilot and the Residential 1A rate schedule that it believes are necessary to arrive at a proposal for default TOD rates by Case #2. The Roadmap to Default Time-of-Day is merely the timeline and rate design objectives PNM believes are important. The final result will be default residential TOD rates with an opt-out revised Rate Schedule 1A.

B. Roadmap to Default TOD – Case #1

Q. What are the incremental next steps that PNM will propose in Case #1?

A. As noted above, some refinements are needed not only to the TOD pilot but also to other rate structures in the remaining years of the pilot to ensure effective implementation of a default TOD rate once AMI is fully deployed. Specifically, to ensure that customers have the opportunity to save money with TOD pricing, improvements need to be made in the pilot itself (e.g., a super off-peak period for residential customers needs to be implemented), in the administration of the pilot (e.g., how the tools are being used by customers) and in overall rate design to maximize customer benefits.

The TOD rates, however, will not operate in a vacuum. When TOD becomes the residential default rate, if PNM does not make changes to the current Residential 1A rate, then customers may not fully be able to capture the benefits of TOD pricing. In fact, it is probable that if PNM does not update Rate Schedule 1A concurrently while educating customers on peak period energy consumption, then some customers will not be able to capture costs savings associated with TOD

pricing and will eventually choose to opt-out of the default TOD and return to Rate Schedule 1A.

However, PNM does not believe proposing drastic changes to residential rates in a single rate case is in the best interest of its customers. Change can be accomplished more gradually over two rate cases. This two-rate-case process of incremental change is what PNM refers to as the Roadmap to Default Time-of-Day.

Q. Please discuss PNM's proposed modifications to the residential TOD pilot in its next rate case to advance customer opportunities and understanding under the pilot rate.

A. Throughout Docket No. 22-00270-UT, PNM consistently said that it would revise and refine the TOD pilot based on what it learned through the pilot process. There are several revisions PNM is considering for its next rate case. Specifically, PNM has discussed with the PRAC adding the super off-peak period to the residential TOD pilot. Also, PNM is considering closing the legacy Time-of-Use ("TOU") options for Rate Schedule 1B Residential TOU and Rate Schedule 2B Small Power TOU. The customers currently taking service on those rate schedules would be given a choice between their respective TOD rate options or a non-TOD rate. Finally, PNM is considering how to expand enrollment in its TOD pilot. One potential for expansion is to assign some customers to the TOD rate once they have the AMI meter installed (i.e., making the TOD pilot a default for select customer

groups). Another option is to expand the Company's marketing of the TOD pilot to include customers who will receive AMI meters as they are being deployed.

Q. Please describe the super off-peak period.

A. The biggest difference between the residential and commercial TOD pilots is the super off-peak period from 8:00 am to 5:00 pm weekdays year-round. All commercial TOD pilot rate structures have the super off-peak period, while the residential TOD pilot rate structure does not. The super off-peak hours for the commercial TOD rates are part of the off-peak hours for residential TOD customers. Electricity rates during the super off-peak hours are the lowest electricity rates in both summer and non-summer. PNM proposes to modify the residential TOD pilot to include super off-peak hours.

Q. Why were super off-peak hours not originally included with the residential TOD pilot?

A. PNM and stakeholders participated in a mediation process to discuss the particulars of a new TOD pilot between 2018 and 2019. In an August 2019 meeting held at the Commission offices in Santa Fe, PNM presented a draft Time-of Use ("TOU") proposal for two residential TOU rate structures that both featured three peak periods: off-peak, shoulder-peak, and on-peak hours. The length of the on-peak period and shoulder-peak periods varied between the proposals. During the discussion, representatives from NMPRC Utility Division Staff and Western Resource Advocates noted that simpler is better and that the initial pilot should only

have on-peak and off-peak periods.[21] PNM has planned on adding the super off-peak period to the default TOD once residential customers became more comfortable with the concept of peak period pricing where on-peak electricity is more expensive than off-peak electricity.

Q. Why modify the residential TOD pilot to include a super off-peak period now?

A. First, the long-term plan for the residential TOD rate was always to include the super off-peak period once PNM had a chance to see how well residential customers understood and adjusted to a peak period rate structure. As PNM has analyzed the impact of the current TOD pilot structure on low-energy users, PNM believes this change is important to make the TOD rate potentially more beneficial for those customers. And, to understand whether more low-energy users can achieve more benefits from the TOD rate, it makes sense to make this modification sooner rather than later. It also allows PNM to develop and test educational materials for a three-period TOD rate structure prior to making it the default rate. Second, once the residential TOD pilot includes the super off-peak period, then the rate structure is more closely aligned with the commercial TOD structure. Finally, it is the first step towards incorporating Whole House Electric Vehicle ("WHEV") customers into the TOD rate.

[21] Docket No. 22-00270-UT, PNM's February 17, 2023 Supplemental Testimony of Stella Chan, PNM Exhibit SC-2 (February 17 Supplemental).

Q. Please explain how this modification would make the TOD rate more accessible for low-energy and mid-energy users.

A. As mentioned previously, almost all of the residential customers receiving a one-time bill credit after the first 12 months on the pilot rate were low-energy and mid-energy users, largely with energy consumption in Block 1 and Block 2. See PNM Tables HMP-7 and HMP-8 for the comparison of energy charges between Residential 1A and the residential TOD pilot for Block 1 and Block 2 energy users. These customers do not have enough energy consumption to be able to shift their more expensive on-peak energy consumption to the less expensive off-peak hours. If a super off-peak period is included in the residential TOD pilot rate structure, the off-peak hours of 8:00 am to 5:00 pm would be reclassified as super off-peak hours, which have the lowest energy rate and would provide more opportunities to make energy usage changes that could result in bill savings. PNM Tables HMP-10 and HMP-11 used the 2024 energy consumption from two existing TOD pilot customers to show how a portion of their off-peak energy usage would be classified as super off-peak. The Ruidoso customer used 8,976 kWh in 2024 for a monthly average of 748 kWh (Block 2 usage). The Albuquerque customer used 5,662 kWh in 2024 for a monthly average of 472 kWh (low Block 2 usage).

PNM Table HMP-10 Residential TOD Super Off-Peak Example, Ruidoso Customer

	Current TOD Pilot		Residential TOD Modification	
TOD Period	**kWh**	**Percent of Total**	**kWh**	**Percent of Total**
Summer On	248	12.3%	248	12.3%
Summer Off	1,766	87.7%	1,277	64.3%
Summer Super Off	N/A	N/A	489	24.3%
Non-Summer On	1,409	20.2%	1,409	20.2%
Non-Summer Off	5,553	79.8%	3,685	52.9%
Non-Summer Super Off	N/A	N/A	1,867	26.8%

PNM Table HMP-11 Residential TOD Super Off-Peak Example, Albuquerque Customer

	Current TOD Pilot		Residential TOD Modification	
TOD Period	**kWh**	**Percent of Total**	**kWh**	**Percent of Total**
Summer On	281	11.9%	281	11.9%
Summer Off	2,087	88.1%	1,238	52.3%
Summer Super Off	N/A	N/A	849	35.8%
Non-Summer On	421	12.8%	421	12.8%
Non-Summer Off	2,873	87.2%	1,727	52.4%
Non-Summer Super Off	N/A	N/A	1,147	34.8%

PNM Exhibit HMP-3, slide 10 of the January 20, 2026 PRAC presentation provides several more examples.

Q. Does PNM plan on proposing modifications to the commercial TOD pilot rates?

A. Possibly. If PNM decides to propose eliminating the non-summer morning on-peak period from 5:00 to 8:00 am Monday through Friday, that would impact the commercial TOD pilot rate schedules. Otherwise, no changes are planned. Commercial customers must analyze the financial impact of any new rate schedule and then make plans for their operating structure when they change rates. It might create a sense of instability for multiple modifications to be made to the commercial TOD pilot rate options.

Q. Why may PNM close the legacy TOU rate options for residential and small power customers?

A. The TOU legacy options for residential and small power customers were closed to new customers, effective January 15, 2024. There are currently 108 residential customers and 405 small power customers taking service on their respective legacy

TOU rate schedules. The long-term plan was to phase out these two rate schedules' TOU rate options. To close them in Case #1 would accelerate that plan by one rate case. The TOU legacy customers would be given the choice of moving to the TOD pilot rate or to the non-TOD rate.

Q. Please explain PNM's potential expansion of pilot participation that would include assigning some customers to the TOD rate once they have the AMI meter installed.

A. As noted above, this proposal would effectively make the TOD pilot rate a default rate for select customer groups that have had an AMI meter installed. It is important that PNM make its experience with the TOD pilot as robust as possible so that it can create a default TOD rate that will achieve the anticipated benefits identified its original Grid Mod application. Thus, PNM may seek to "default" select customer groups into the TOD pilot such that it has more experience and information on customer behavior related to time-of-day pricing. PNM will address this proposal with the PRAC in advance of its next anticipated rate case, Case #1.

Q. What does it mean that PNM may expand its marketing to include AMI customers?

A. The residential TOD pilot has a capacity of 7,500 participants and is approximately 25% full. In addition to the proposal noted above, PNM is working on a new marketing outreach that is scheduled to begin in Q2 of 2026. PNM is also considering enrollment outreach strategies that could market to customers who

receive AMI meters in the initial waves of AMI deployment. The marketing effort would be aimed at reaching the TOD pilot capacity faster so that PNM accelerates what it can learn from the pilot.

Q. Please discuss PNM's suggested modifications to Rate Schedule 1A as a part of the Roadmap to Default TOD.

A. At a high level, the plan is to flatten the energy blocks in Case #1 by moving to a two-block energy rate structure and then to move to one flat energy rate in Case #2. PNM discussed these modifications at the December 2025 and January 2026 PRAC meetings. Specifically, in December, PNM showed how moving Rate Schedule 1A to a flat energy rate would allow customers to benefit from optional TOD rates regardless of how much energy they consumed; with a flat energy block, the important consideration would be how much energy customers used during on-peak hours. Also, in the January 2026 PRAC meeting, PNM discussed moving to a two-block structure in the next rate case as a reasonable first step, with the goal to move to one flat rate in the following rate case when TOD is proposed as the default rate. Since TOD would be default, but not mandatory (i.e., with an option to opt-out), Rate Schedule 1A would still exist.

Q. Why does PNM have to wait until AMI is fully deployed to offer the TOD rate to all residential customers?

A. In order to offer TOD rates to all customers, PNM's choice of meters would be either the cellular interval meters that are currently installed for TOD customers, or

the AMI meters that will begin to be deployed starting in late 2026. It would not be operationally feasible to serve the entire customer base using the cellular interval meters currently utilized by the TOD pilot. The cellular meters have provided the interim capacity that allowed PNM to offer the pilot to interested customers across its entire service territory; these cellular meters are singularly able to call into PNM's system and transmit data without relying on other nearby meters. But the cellular meters are problematic in that they can be disrupted by the cellular company's service upgrades and sometimes have to be manually restarted. It would not be feasible for the entire customer base to use a cellular meter given these limitations.

AMI will allow PNM to provide the benefits of the TOD rate across its customer base rather than TOD rates and benefits being available to only a small subset of the population. As has been mentioned before, PNM will propose in its next general rate case after AMI is fully deployed across PNM's service territory to make TOD the default rate for residential customers, while allowing them to opt-out to a revised Residential 1A if so desired.

C. Roadmap to Default TOD – Pricing Advisory Committee

Q. Please describe PNM's Pricing Advisory Committee.

A. PNM created the Pricing Advisory Committee (PRAC) in order to discuss potential rate design and cost allocation proposals with interested stakeholders outside of the litigation process of general rate cases. The PRAC is PNM's most effective way to

present its ideas and get feedback on rate design modifications that it is considering for the next rate case. This process allows for more discussion and allows PNM to incorporate stakeholder feedback, to the extent possible.

PNM aims to keep the PRAC process as transparent as possible by fostering robust communication and participation by interested stakeholders. The PRAC meetings are posted on a website where interested stakeholders can register for upcoming meetings. Additionally, the agendas, presentations and minutes are available on this same website.[22]

Q. Has PNM discussed TOD rate design modifications with the PRAC?

A. Yes. At PNM's August 19, 2025 PRAC meeting, we provided a status update on the TOD pilot, discussing customer enrollment, the characteristics of both residential and commercial customers, and the 2024 third-party evaluation reports. At the January 20, 2026 PRAC meeting, PNM presented its Roadmap to Default TOD and discussed modifications to the residential TOD pilot that the Company is considering for its next general rate case. See PNM Exhibit HMP-3 for the presentation given to the PRAC at that meeting.

Q. Please discuss PNM's January 20, 2026 presentation to the PRAC.

[22] *See* https://www.pnm.com/prac.

A. At PNM's January 20 PRAC meeting, the majority of the meeting was about the Roadmap to Default TOD, specifically PNM's proposed modifications to the residential TOD pilot and Rate Schedule 1A. PNM provided background on the rate design of the residential TOD pilot as well as the home energy report emails and Dashboard analytics available to help pilot customers understand their energy usage patterns. PNM presented its initial analysis and reasoning on the impact of adding a super off-peak period to the residential TOD pilot. After that discussion, PNM presented its proposal for modifying Rate Schedule 1A by moving from a three-block inclining energy rate structure to a two-block inclining energy rate structure in Case #1, and then to a flat rate energy structure in Case #2 when default TOD rates will be proposed.

D. Post AMI – Future Time-Varying Rates

Q. If PNM's proposals for default TOD and a residential 1A flat energy rate are adopted, what is PNM's timeline for additional time-varying rates?

A. PNM's next step after Case #2 would be to consider a residential TOD rate that included some type of a demand charge. PNM has examined six peer utilities for comparison: Arizona Public Service ("APS"), Tucson Electric Power ("TEP"), Oklahoma Gas & Electric ("OG&E"), Public Service Company of Colorado ("PSCo"), Rocky Mountain Power in Utah, and Nevada Power Company d/b/a NV Energy ("Nevada Power"). PNM Exhibit HMP-5 provides the details of each utility's menu of residential rates.

Q. Is the summer seasons the same between the peer utilities and PNM?

A. PNM has the shortest summer season, June through August. Summer months for the non-Arizona utilities are June through September. For APS, the summer season is May through October, while at TEP, summer is May through September.

Q. Do all the peer utilities offer a TOU or TOD rate to residential customers?

A. Yes. All six utilities offer some version of a TOD. On-peak hours are only in the evening except at TEP, which has non-summer on-peak periods similar to PNM with the morning and evening on-peak hours. At PSCo and Nevada Power, the on-peak hours are only in summer months. Winter months sometimes have cheaper rates, APS has super off-peak hours, while OG&E has two-block energy charges but no peak periods.

Q. Describe the peer utilities non-TOU or standard residential rate options.

A. All the utilities have a non-TOU or standard residential rate option. PSCo, OG&E, Nevada Power, and APS have a flat rate. Nevada Power and APS have a year-round flat rate; however APS has three tiers of flat rates depending on the customer's average annual usage. PSCo and OG&E have seasonal flat rates. Rocky Mountain Power's non-TOU residential rate option is a seasonal two-block energy charge. TEP has a seasonal three-block energy charge similar to PNM's current Residential 1A as well as a flat seasonal energy charge with a demand charge.

Q. Do the peer utilities have standard or TOU residential rates with a demand charge?

A. Four of the six utilities offer additional time-varying rates: APS, TEP, Nevada Power, and OG&E. APS has a TOU rate with a demand charge. TEP has two different TOU + demand rates. The Peak Demand rate has a flat, seasonal energy charge with an on-peak demand charge, while the Demand TOU rate has seasonal on-peak/off-peak energy charges plus an on-peak demand charge. Nevada Power has a daily demand charge for all residential rates that is a mandatory fixed daily demand rate applied to the highest 15-minute peak usage each day, regardless of when that peak usage occurs. All the daily demand charges for a billing period are summed together for the monthly demand charge.

Q. Do any of the peer utilities have additional time-varying rates?

A. Yes, Nevada Power and OG&E have critical peak pricing and Day-Ahead peak pricing tariffs, respectively. OG&E has a SmartHours rate with summer day-ahead on-peak pricing.[23] Nevada Power has a TOU rate with Critical Peak Pricing ("CPP") where the on-peak energy rate is lower than on the regular TOU rate, but during the 12 to 14 CPP events in the summer an additional critical peak energy rate is added to the on-peak energy rate. Advance notice must be given to customers.

[23] OG&E's terminology for TOU is SmartHours.

IV. RIDER 60 CALCULATIONS YEAR TWO AND YEAR THREE

Q. Have there been any changes to the customer allocations since what was reported in PNM's First Annual Grid Modernization Review filing in Docket No. 25-00049-UT?

A. No. See PNM Exhibit HMP-6.

Q. Are there any anticipated changes to how Rider 60 will be calculated from what was shown in PNM's First Annual Review Filing in Docket No. 25-00049-UT?

A. No, the methodology and allocations remain the same. The changes due to the Final Order in Docket No. 24-00089-UT, PNM's most recent general rate case, were implemented at the time of the first annual Grid Mod review filing. No further changes need to be made in this second annual review filing.

Q. Has PNM calculated the illustrative Rider 60 charges for year two (2026) and year three (2027)?

A. Yes. See PNM Exhibit HMP-7.

Q. Why have you calculated "illustrative" Rider 60 charges?

A. PNM Exhibit HMP-7 presents the Rider 60 monthly charge calculations for each rate schedule based on the projected year two and year three revenue requirements. The revenue requirements for both year two (2026) and year three (2027) are forecasts and represent PNM's best knowledge of the costs at the time of this review

filing. Any changes to the forecast costs for each year will result in a change to the actual revenue requirement that will be calculated at the end of each calendar year. The revenue requirement is calculated on a backward-looking basis for the costs that are booked in the calendar year ending December 31 of each year. Therefore, the calculated Rider 60 charges use a forecast revenue requirement.

PNM Exhibit HMP-8 presents the bill impacts for the year two Rider 60 rate. The bill impact can only be illustrative because it is using all rider charges as of April 2026 and the illustrative year two Rider 60 charge. It is highly probable that bill impacts will be slightly different at the time of the actual year two reconciliation filing in February 2027.

Q. Is it unusual that Rate Schedule 30B shows a decrease in their illustrative customer charges for year two and year three?

A. No. In the year two and year three revenue requirements there is a decrease in four functional components: Distribution-Demand-Subs, Distribution-Demand-Primary, Distribution-Customer-Services, and Distribution-Demand-Other. With the dependent class allocators that PNM uses, Rate Schedule 30B is allocated Distribution-Demand-Subs and Distribution-Customer-Other.

Q. Did you calculate bill impacts for all rate schedules?

A. Yes. PNM Exhibit HMP-8 provides illustrative bill impacts for every rate schedule using three levels of consumption and the rates and riders effective in April 2026.

V. CONCLUSION

Q. Please summarize your testimony.

A. The first section of my testimony thoroughly described the status, benefits, and evaluation of the current TOD pilot. I provided an update on the status of three TOD pilot components: (i) residential and customer enrollments, (ii) bill guarantee credits and savings, and (iii) residential customer opt-out rate. I discussed how residential customers can benefit from the TOD pilot with the home energy report emails and Dashboard analytics. I explained the 2025 load impact analysis that is included as an exhibit to my testimony.

The second section of my testimony looked to the future with the Roadmap to Default TOD. I defined the two rate cases to get PNM to default TOD and discussed the modifications to both the TOD pilot and Rate Schedule 1A that PNM plans to propose in the two future rate cases.

The third section of my testimony involves the calculation of illustrative Rider 60 customer charges for Grid Mod year two and year three. Lastly, I calculated illustrative bill impacts using at least three levels of energy consumption for all non-lighting customer classes with rates and riders effective in April 2026 and the illustrative year two Rider 60 customer charge.

Q. Does this complete your testimony?

A. Yes.

Heidi M. Pitts's Resume

PNM Exhibit HMP-1

Is contained in the following 2 pages.

HEIDI M. PITTS: EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Heidi M. Pitts

Address: Public Service Company of New Mexico
414 Silver Ave SW
Albuquerque, New Mexico 87102

Position: Principal Pricing Analyst

Education: University of Kansas, BA in Spanish
University of New Mexico, MA and Ph.D. in Economics

Employment: Public Service Company of New Mexico, April 2019 to present
Principal Pricing Analyst, November 2025 to present
Lead Pricing Analyst, January 2021 – November 2025
Senior Pricing Analyst, April 2019 – January 2021

New Mexico Public Regulation Commission, April 2014 – April 2019
Staff Economist
NM Representative at CAWG Southwest Power Pool

Center for Development and Disability, University of New Mexico, Jan. 2011 – April 2014
Health Policy Analyst

University of New Mexico, Department of Economics, Jan. 2008 – December 2010
Research Assistant on grant conducting economic valuation surveys on residential customers of ABCWUA

Testimony Filed Before the New Mexico Public Regulation Commission:

Case Number	**Proceeding/Subject Matter**
14-00150-UT	Public Service Company of New Mexico, Underground Rider City of Rio Rancho
14-00158-UT	Public Service Company of New Mexico, 2015 Renewable Energy Portfolio Procurement Plan
14-00273-UT	New Mexico Gas Company, 2015-16 Energy Efficiency Program
14-00337-UT	Public Service Company of New Mexico, Underground Rider City of Albuquerque
15-00038-UT	Raton Natural Gas Company, Revision to Retail Natural Gas Rates
15-00280-UT	El Paso Electric Company, Issuance of long-term debt financing
15-00127-UT	El Paso Electric Company, Revision to Retail Electric Rates
15-00295-UT	New Mexico Gas Company, 2016 Energy Efficiency Program
15-00247-UT	Raton Natural Gas Company, 2016 Energy Efficiency Program
15-00261-UT	Public Service Company of New Mexico, Revision to Retail Electric Rates
15-00312-UT	Public Service Company of New Mexico, AMI Application
16-00207-UT	Public Service Company of New Mexico, Issuance of pollution control bonds and revolving credit facility
16-00096-UT	Public Service Company of New Mexico, 2017 Energy Efficiency Program

16-00021-UT	Zia Natural Gas Company, 2016-17 Energy Efficiency Program
16-00185-UT	El Paso Electric Company, 2017 Energy Efficiency Program
16-00270-UT	Raton Natural Gas Company, 2016-17 Energy Efficiency Program
16-00331-UT	South Hills Water Company, Approval of loan from Bank of Albuquerque
17-00022-UT	NOPR to amend IRP Rule to include energy storage resources
17-00126-UT	Public Service Company of New Mexico, Issuance of senior unsecured notes and revolving credit facility
17-00044-UT	Southwestern Public Service Company, Application for CCN for Sagamore and Hale Wind Projects and Bonita PPA
17-00046-UT	NOPR Investigation into various commission utility ratemaking policies and methodologies
17-00076-UT	Public Service Company of New Mexico, 2018 Energy Efficiency Program
17-00129-UT	Public Service Company of New Mexico, 2018 Renewable Energy Portfolio Procurement Plan
17-00261-UT	Notice of Inquiry, Investigation into feasibility of PNM joining Southwest Power Pool
17-00255-UT	Southwestern Public Service Company, Revision to Retail Electric Rates
18-00044-UT	Lea County Electric Cooperative, Inc., Application for Continued Participation in the Southwest Power Pool
18-00018-UT	Zia Natural Gas Company, Revision of Retail Electric Rates
18-00158-UT	Public Service Company of New Mexico, 2019 Renewable Energy Portfolio Procurement Plan
18-00256-UT	Public Service Company of New Mexico, Approval of revolving credit facility extensions
18-00038-UT	New Mexico Gas Company, Revision of Retail Electric Rates
18-00261-UT	Public Service Company of New Mexico, Western Energy Imbalance Market
18-00124-UT	Epcor Water New Mexico Inc., Adjustment of Water Rates for Clovis District
20-00124-UT	Public Service Company of New Mexico, 2021 Renewable Energy Act Plan
20-00237-UT	Public Service Company of New Mexico, Transportation Electrification Program
21-00143-UT	Public Service Company of New Mexico, 2022 Renewable Energy Act Plan
22-00143-UT	Public Service Company of New Mexico, 2023 Renewable Energy Act Plan
22-00270-UT	Public Service Company of New Mexico, Revision to Retail Electric Rates
23-00195-UT	Public Service Company of New Mexico, 2024-2026 Transportation Electrification Program
24-00089-UT	Public Service Company of New Mexico, Revision to Retail Electric Rates
25-00042-UT	Public Service Company of New Mexico, 2026 Renewable Energy Act Plan
25-00049-UT	Public Service Company of New Mexico, Grid Modernization Annual Review

TOD Pilot Customer Survey Update – Energy Usage Reports

PNM Exhibit HMP-2

Is contained in the following 7 pages.

TOD Pilot Customer Survey Update-Energy Usage Reports

DENINE ROTHMAN
TIME-OF-DAY PROGRAM MANAGER

APRIL 9, 2026

SURVEY OVERVIEW AND OBJECTIVES

The Time-of-Day (TOD) Pilot Customer Survey was distributed to **1,390** enrolled customers to better understand how they are engaging with the rate plan monthly Energy Usage Reports

A total of **425** responses were received, resulting in a strong **32%** response rate for an optional feedback-based survey.

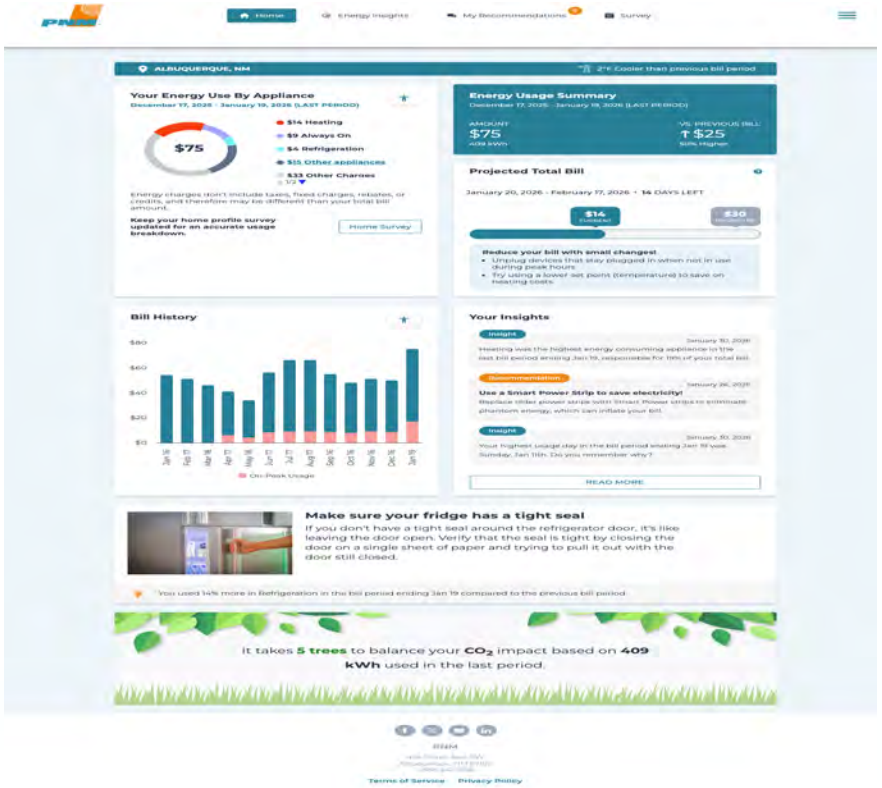
KEY FINDINGS-CUSTOMER AWARENESS

Customer Awareness

- **86%** of customers are aware of the monthly Energy Usage Report, showing strong visibility and reach

Report Perceived Value

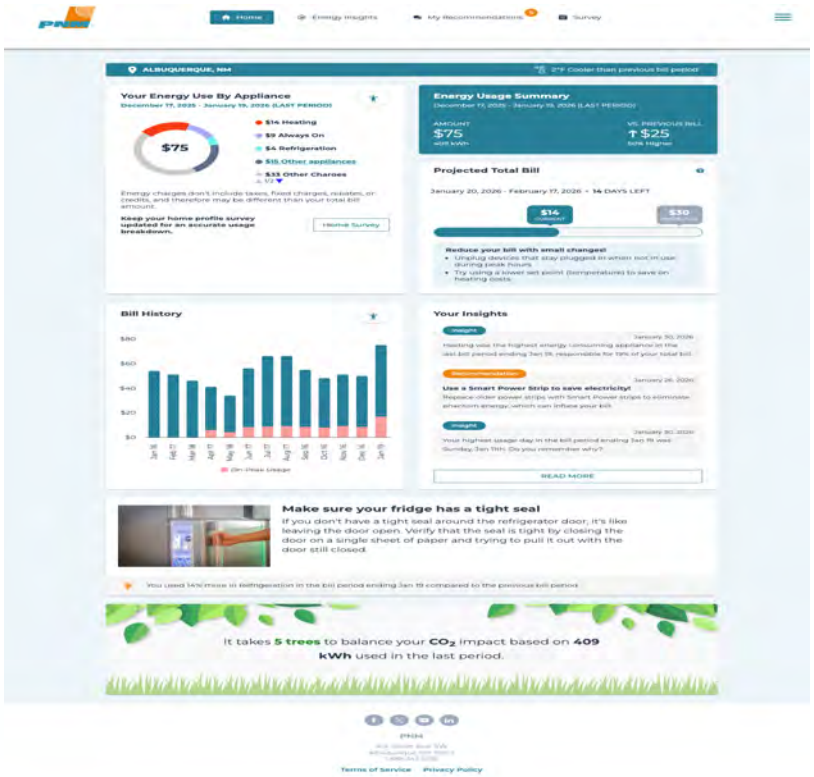
- **95%** of customers find the report helpful or very help for understanding energy usage and costs



KEY FINDINGS-CUSTOMER AWARENESS

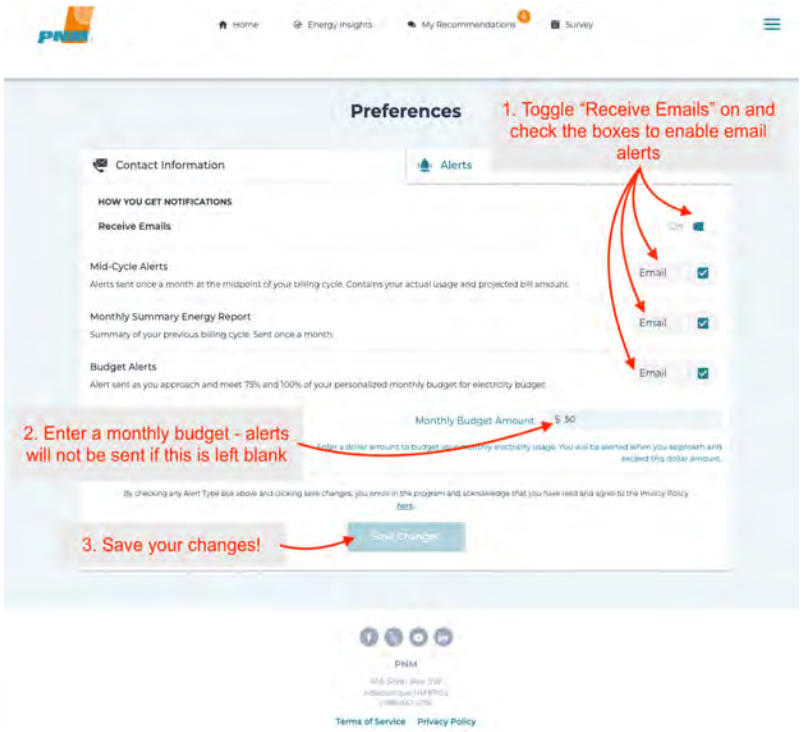
Bill Project Report

- **79%** of customers reviewed their bill projection alert that is sent once a month at the mid point of their billing cycle
- **87%** of customers find the report helpful in managing their energy usage and costs



KEY FINDINGS-CUSTOMER AWARENESS

Budget Alerts
42% of respondents indicated they would like to set up a budget alert, however, don't know how to set this up.



INSIGHTS/LEARNING OPPORTUNITIES

Customer Insights

- Customers value monthly energy usage reports
- Top features used
  - Appliance level usage
  - Historical usage trends
  - Hourly usage, especially on-peak

Learning Opportunities & Feedback

- Customers want more convenience and clearer guidance
- Aligns with 2026 TOD Strategy and digital enhancement

Common Feedback

- Interest in PNM mobile app
- More access points to home energy dashboard
  - PNM.com account homepage
  - On customer's bill

SUMMARY/NEXT STEPS

Summary

Confusion is driven by navigation and feature awareness, not the report content.

Next Steps

- Create PDF's and 20-30 second audio guides, on navigating reports and understanding on/off-peak hours and seasonal shifts
- Add materials in customer emails, the TOD website, and energy usage reports
- Send a mid-March nurture email with budget alert instructions and a reminder of on/off-peak hours
- Provide rotating educations PDFs and audio guides every other month
- **New Enhancement-** Work in Progress-to provide text message reminders for seasonal changes
- Conduct a follow-up survey six months (July) after enhancements to measure improvements

PRAC January 20, 2026 Presentation

PNM Exhibit HMP-3

Is contained in the following 25 pages.

Pricing Advisory Committee (PRAC) – FINAL

JANUARY 20, 2026

JANUARY 20, 2026 PRAC AGENDA

Formation of subcommittee to further discuss low income rate/rider

Components of "Roadmap to Default TOD"

1. **Residential TOD pilot**
   - TOD update and email usage dashboard education
   - Residential TOD Super off peak
   - Residential 1A – WHEV

2. **Rate Schedule 1A Residential**
   - Flattening the blocks
   - Customer Related Costs

3. **Distributed generation**

LOW INCOME RIDER SUBCOMMITTEE

Subcommittee guidelines: it is important to PNM to facilitate discussion and exchange of ideas, get input. Thinking that each meeting will have a specific topic. Maximum of three meetings. Email Heidi to participate: heidi.pitts@pnm.com

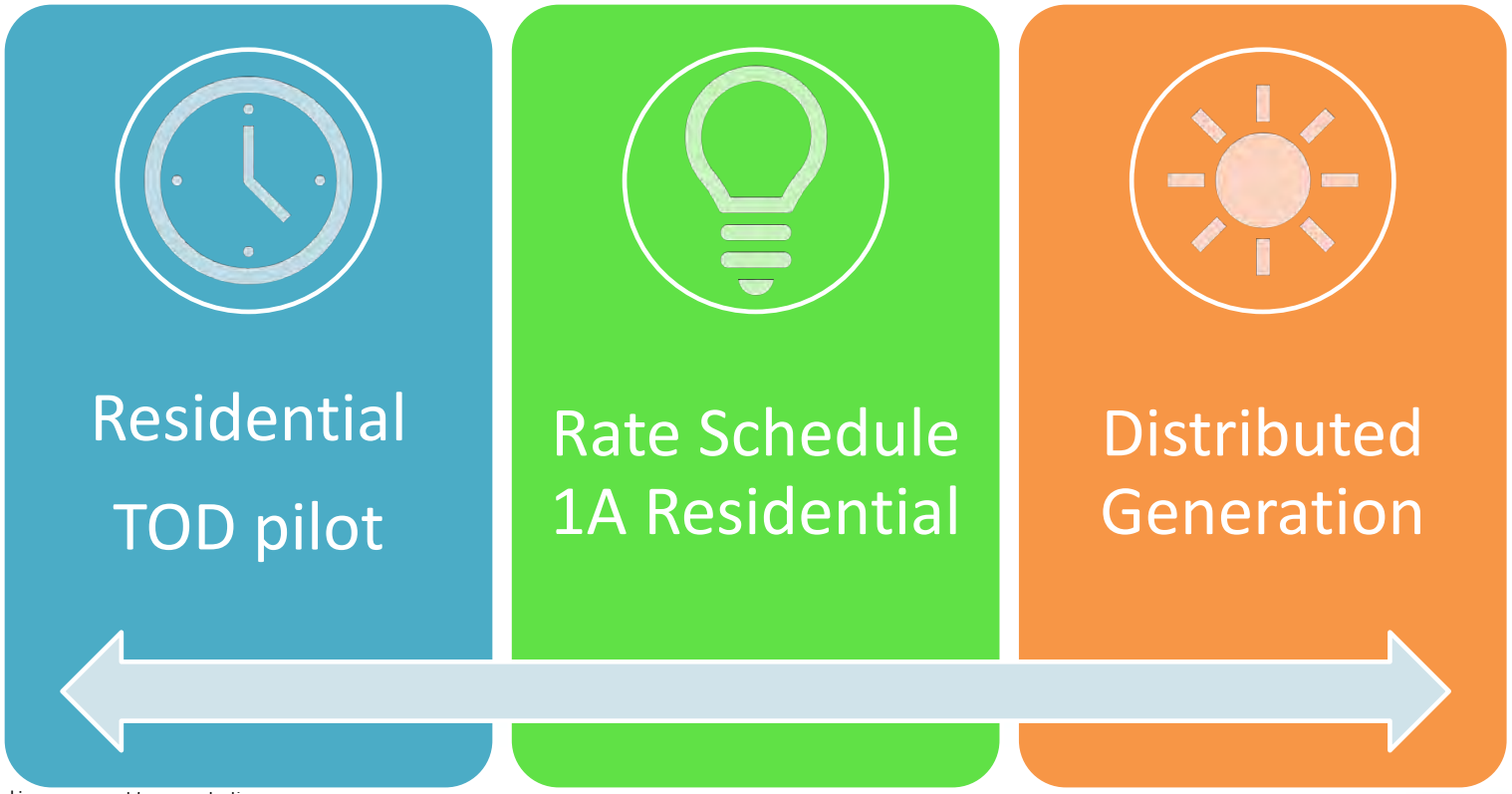
Possible topics by meeting:

Meeting #1 – discuss structure of discounted customer charge, FPL % qualification level, shoulder customers (i.e. 151% of FPL)

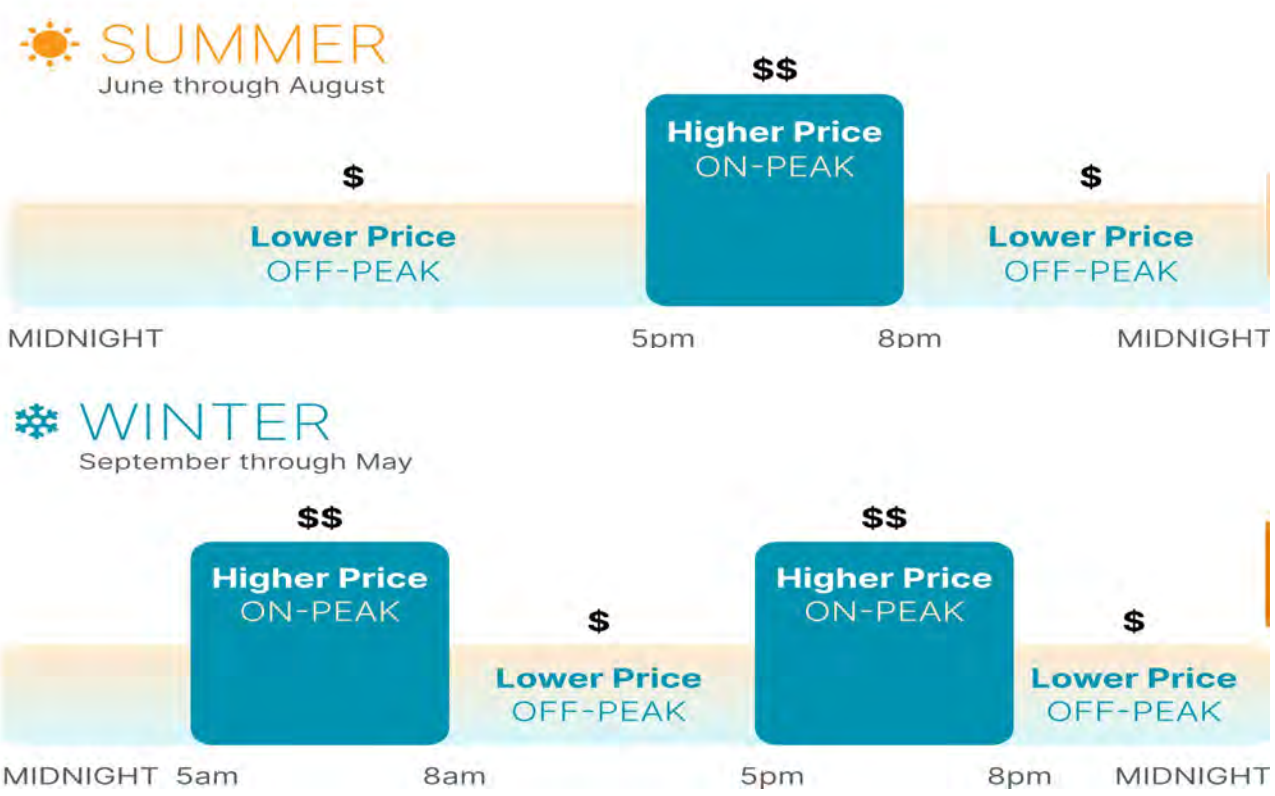
Meeting #2 – qualification of low income customers, self attestation? Federal poverty programs using a state agency? How long should low income qualification last (i.e. 1-year, 2-years, 3-years?)

Meeting #3 - ?

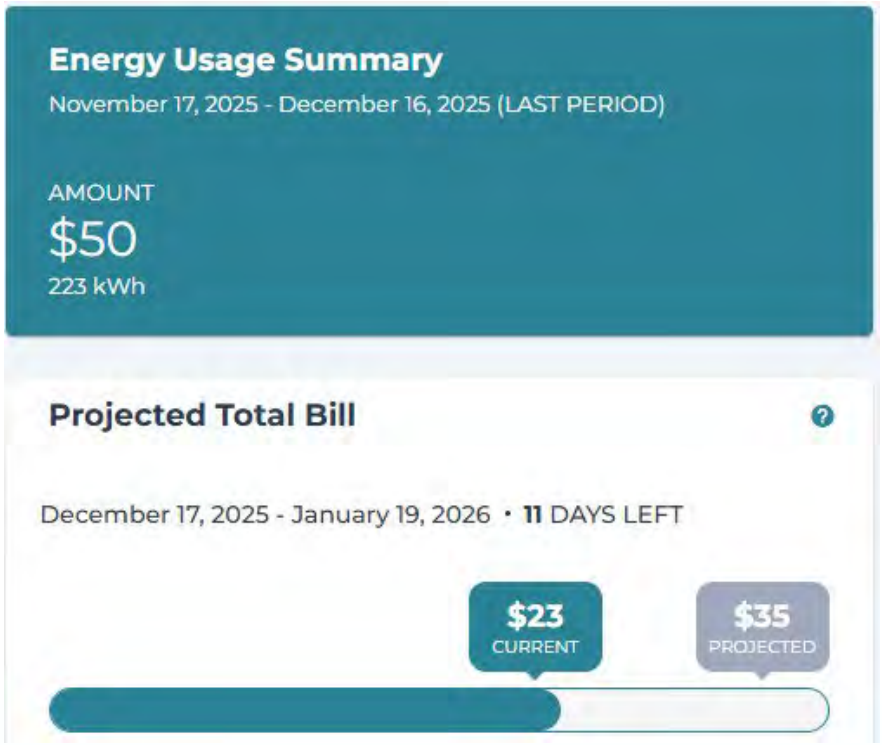
ROADMAP TO DEFAULT TOD



1. RESIDENTIAL TOD PILOT STATUS UPDATE



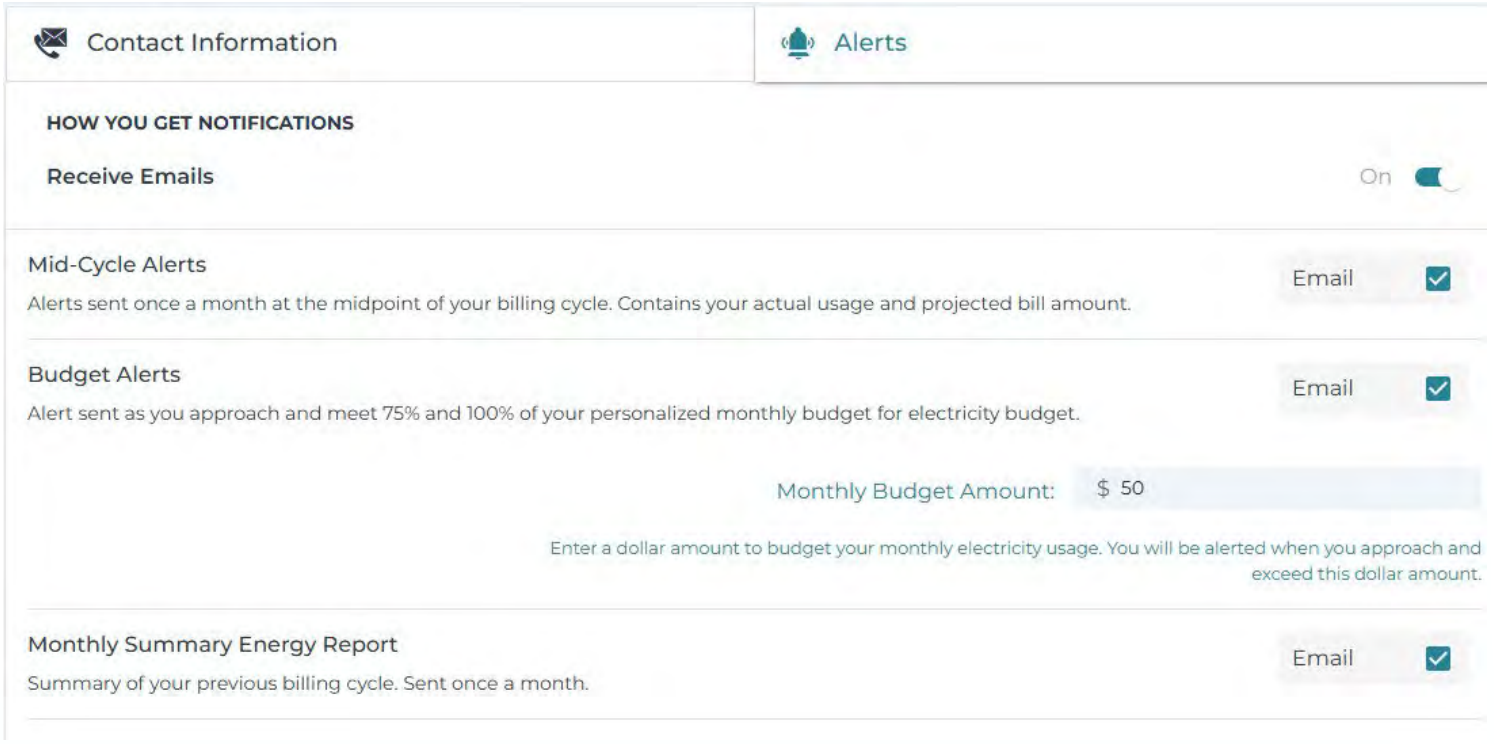
TOD PILOT – BILL PROJECTION



TOD PILOT – ENERGY INSIGHTS USAGE AND COST

TOD PILOT EMAILS – ENERGY INSIGHTS

RESIDENTIAL TOD PILOT EMAILS



RESIDENTIAL TOD REFINEMENT- ADD SUPER-OFF-PEAK

Premise Location	Ruidoso	
Current TOD-Res		
Summer	kWh	%
On peak	248	12.3%
Off peak	1,766	87.7%
Non-Summer		
On peak	1,409	20.2%
Off peak	5,553	79.8%
Grand Total	8,976	
Res TOD.2		
Summer	kWh	%
On peak	248	12.3%
Off peak	1,277	63.4%
Super Off peak	489	24.3%
Non-Summer		
On peak	1,409	20.2%
Off peak	3,685	52.9%
Super Off peak	1,867	26.8%
Grand Total	8,976	

Premise Location	Abq	
Apt.		
Current TOD-Res		
Summer	kWh	%
On peak	375	13.2%
Off peak	2,464	86.8%
Non-Summer		
On peak	1,184	17.7%
Off peak	5,505	82.3%
Grand Total	9,529	
Res TOD.2		
Summer	kWh	%
On peak	375	13.2%
Off peak	1,554	54.7%
Super Off peak	911	32.1%
Non-Summer		
On peak	1,184	17.7%
Off peak	3,331	49.8%
Super Off peak	2,175	32.5%
Grand Total	9,529	

Premise Location	Southwest NM	
Current TOD-Res		
Summer	kWh	%
On peak	424	10.8%
Off peak	3,502	89.2%
Non-Summer		
On peak	2,093	17.9%
Off peak	9,587	82.1%
Grand Total	15,606	
Res TOD.2		
Summer	kWh	%
On peak	424	10.8%
Off peak	2,480	63.2%
Super Off peak	1,022	26.0%
Non-Summer		
On peak	2,093	17.9%
Off peak	6,745	57.8%
Super Off peak	2,842	24.3%
Grand Total	15,606	

Premise Location	Tijeras	
Current TOD-Res		
Summer	kWh	%
On peak	115	4.7%
Off peak	2,344	95.3%
Non-Summer		
On peak	563	9.0%
Off peak	5,702	91.0%
Grand Total	8,724	
Res TOD.2		
Summer	kWh	%
On peak	115	4.7%
Off peak	1,868	76.0%
Super Off peak	476	19.3%
Non-Summer		
On peak	563	9.0%
Off peak	4,402	70.3%
Super Off peak	1,300	20.8%
Grand Total	8,724	

Premise location:	Abq	
Current TOD-Res		
Summer	kWh	%
On peak	281	11.9%
Off peak	2,087	88.1%
Non-Summer		
On peak	421	12.8%
Off peak	2,873	87.2%
Grand Total	5,662	
Res TOD.2		
Summer	kWh	%
On peak	281	11.9%
Off peak	1,238	52.3%
Super Off peak	849	35.8%
Non-Summer		
On peak	421	12.8%
Off peak	1,727	52.4%
Super Off peak	1,147	34.8%
Grand Total	5,662	

WHAT WOULD THAT DO TO THE REVENUE AND RATES FOR EACH PERIOD?

Breakdown of determinants and on-peak ratios. Revenue requirement doesn't change, but the amount of revenue to be collected within each seasonal rate bucket changes, thus altering rates.

	Current (Rate ratios)		Revised (Rate ratios)
Summer			
On-peak	10.7%	(4:1)	10.7% (4:1)
Off-peak	89.3%		61.0% (2:1)
Super Off-peak	----		28.3%
Non-Summer			
On-peak	17.8%	(2.5:1)	17.8% (2.5:1)
Off-peak	82.2%		55.2% (1.5:1)
Super Off-peak	----		27.0%

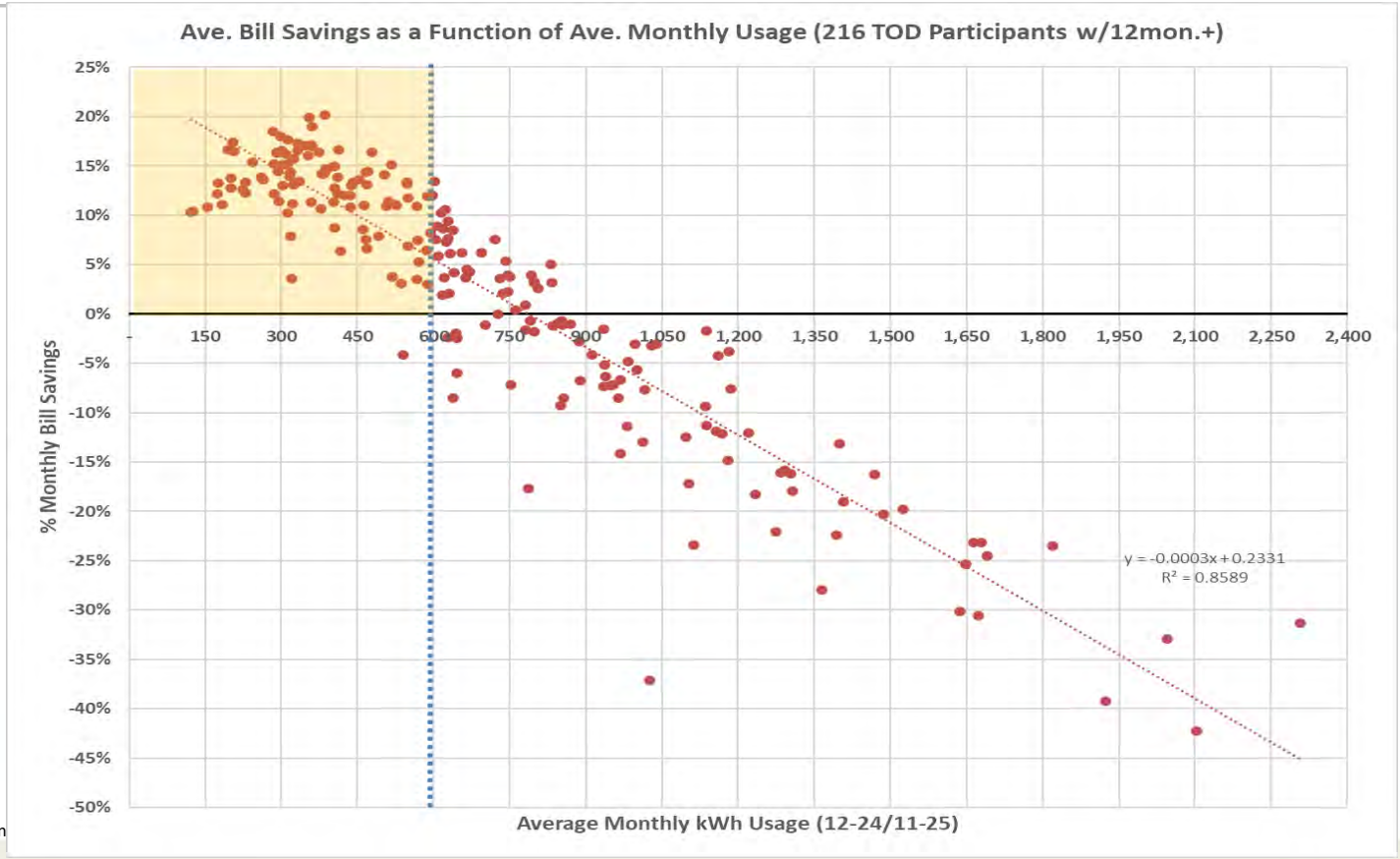
RESIDENTIAL TOD REFINEMENT- WHY MAKE THIS ADJUSTMENT NOW?

- Aligns peak periods with TOD period structure for commercial classes
- Provides an off-ramp from the overnight charging rate now available through WHEV
- TOD rate should be more accessible to lower energy users
- Test educational materials for a 3-period TOD rate structure

2. RATE SCHEDULE 1A RESIDENTIAL

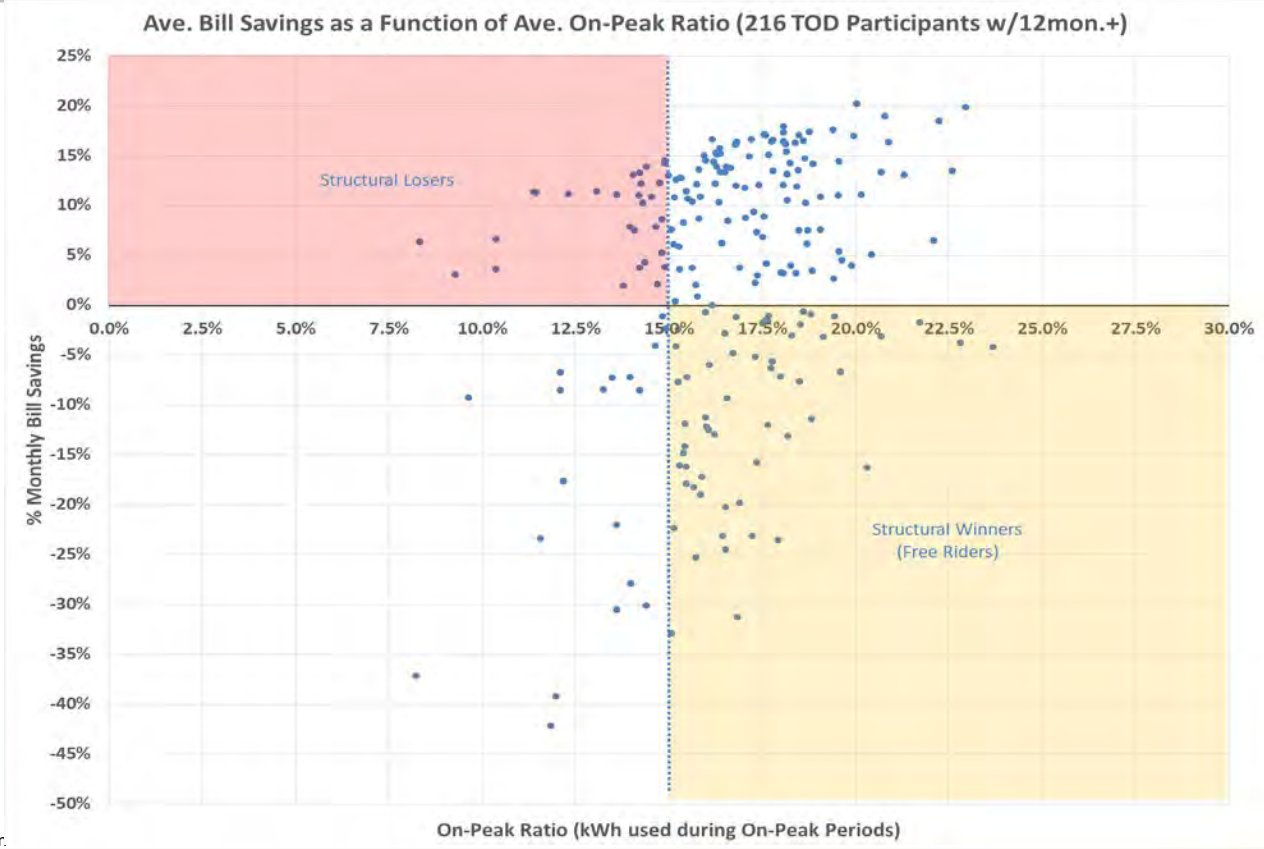
- We analyzed 216 Residential TOD customers participating in the pilot with at least 12 months of hourly data.
- Compared monthly bills under the standard Residential 1A rates vs TOD pilot rates
- Rates projected for Phase II, as approved in 24-00089-UT
- Due to the relative economics between the current inclining 1A rate structure and the TOD, potential savings are highly correlated (93%) with monthly usage and not necessarily with how customers are using power (i.e., on-peak vs. off-peak)
- Essentially, customers using less than 900 kWh/month (Block 1 and Block 2 consumption) are less likely to benefit from TOD even though they face the same price signals

PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: RELATIONSHIP BETWEEN BILL SAVINGS AND MONTHLY USAGE

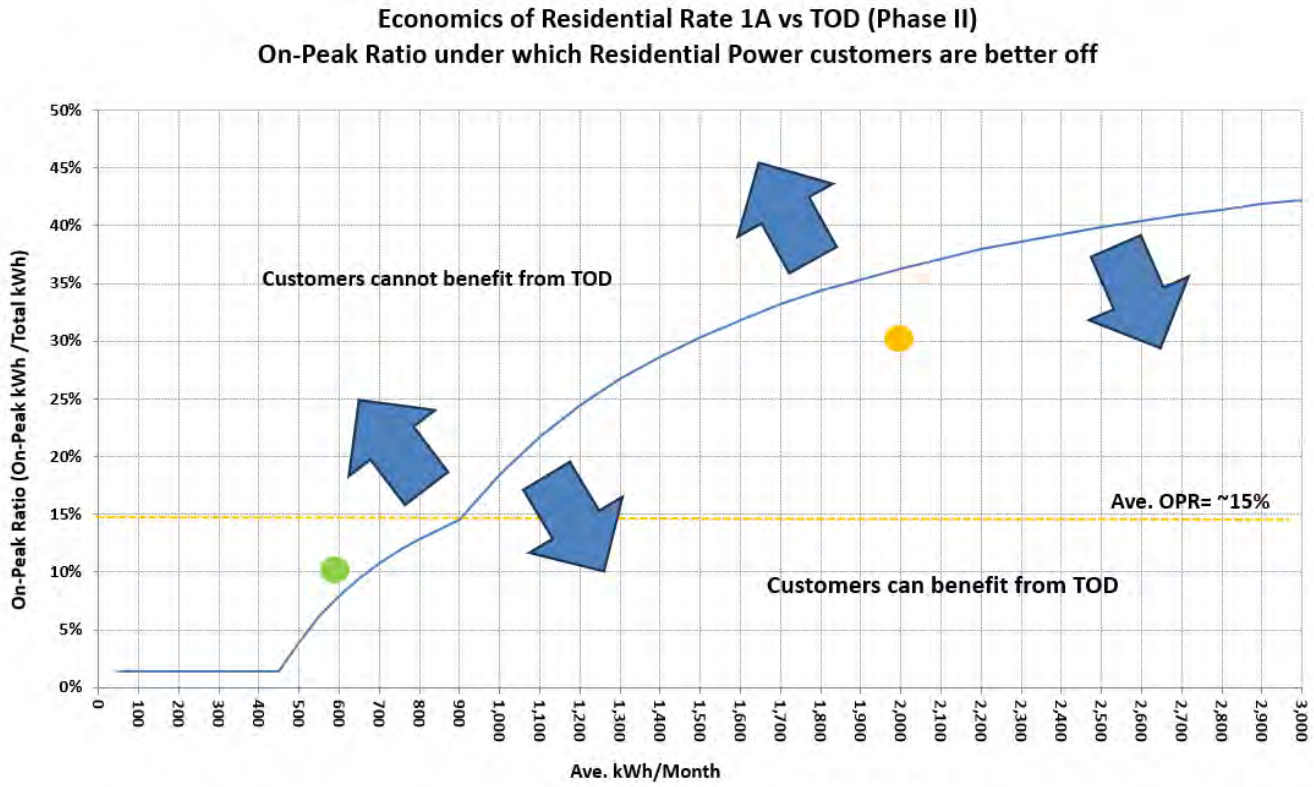


Working group – n

PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: RELATIONSHIP BETWEEN BILL SAVINGS AND MONTHLY USAGE



PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: RELATIONSHIP BETWEEN BILL SAVINGS AND MONTHLY USAGE



PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: PROPOSED FLATTENING OF RESIDENTIAL 1A RATE STRUCTURE

- Flattening the blocks can address the inequities caused by the inclining block rates, so that all customers experience the same economic incentives regardless of their consumption levels (i.e., customers are encouraged to lower their on-peak ratio, that is reduce their on-peak usage, to receive an economic benefit)

- However, implementation of a flat rate can have immediate impacts on lower-than-average users. Thus, we propose a more gradual transition to a flat residential volumetric rate.

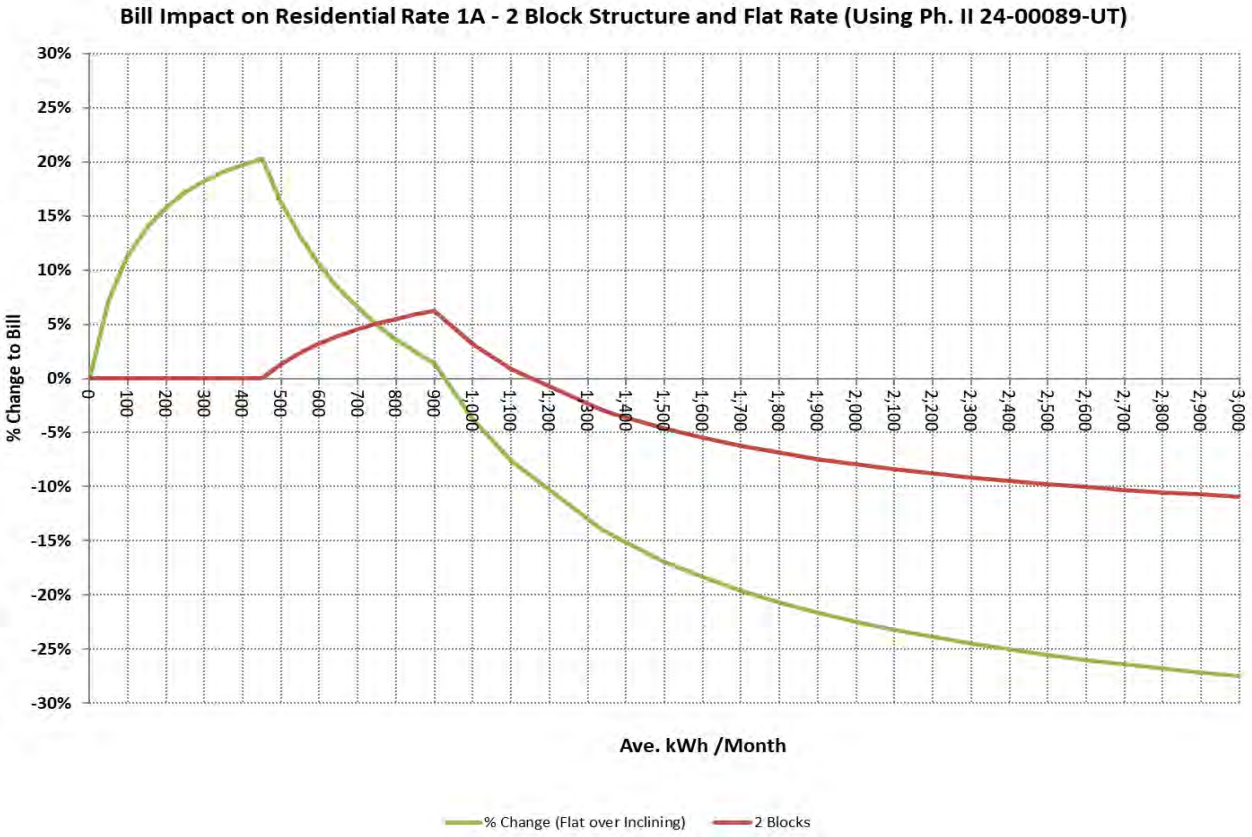
PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: PROPOSED FLATTENING OF RESIDENTIAL 1A RATE STRUCTURE

- Alternative: Reduce inclining block structure from 3 to 2 blocks, while keeping the first energy block at 450 kWh/month for both Summer and Non-Summer

	Current	Rates (Ph II, 24-00089-UT)	Alternative Structure	Alternative Rates*
B1 Summer	450	$0.0896783	450	$0.0896783
B2 Summer	451-900	$0.1486546	451+	$0.1691555
B3 Summer	901+	$0.1994661		
B1 Non-Sum	450	$0.0896783	450	$0.0896783
B2 Non-Sum	451-900	$0.1282683	451+	$0.1421686
B3 Non-Sum	901+	$0.1701214		

** Rates calculated as revenue neutral, for illustration purposes only*

PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: PROPOSED FLATTENING OF RESIDENTIAL 1A RATE STRUCTURE



Working group – no

PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: CUSTOMER RELATED COSTS

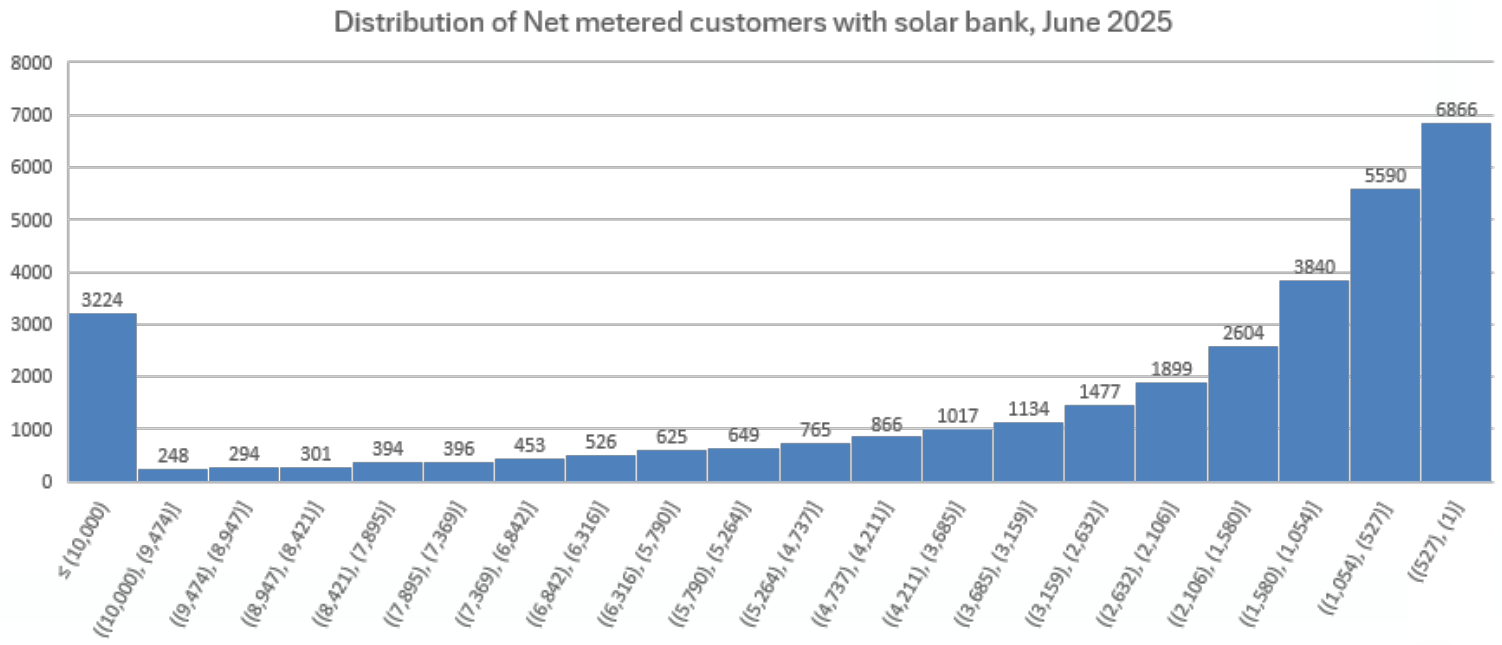
ECOSS Final Revenue Requirements at Full Cost (2015-2025)					
	Rate Case Docket No.				
	15-00261-UT	**16-00276-UT**	**22-00270-UT**	**24-00089-UT**	**CAGR (2016-2025)**
Residential Class					
CUSTOMER COMPONENTS	**$ 69,560,697**	**$ 77,334,778**	**$ 110,927,352**	**$ 122,943,520**	**6.53%**
CUSTOMER SERVICES	$ 10,188,719	$ 10,250,319	$ 11,807,799	$ 18,152,448	6.63%
CUSTOMER METER	$ 14,703,614	$ 15,495,273	$ 19,872,683	$ 18,822,634	2.78%
CUSTOMER METER READING	$ 9,657,018	$ 11,295,413	$ 19,283,347	$ 25,440,789	11.36%
CUSTOMER BILLING & COLLECTION	$ 17,997,840	$ 20,982,089	$ 34,335,004	$ 37,124,401	8.38%
CUSTOMER OTHER	$ 17,013,506	$ 19,311,684	$ 25,628,518	$ 23,403,248	3.61%
# of Residential Bills	5,506,520	5,615,569	5,901,300	5,985,310	
# of Residential Customers	458,877	467,964	491,775	498,776	**0.93%**
Fully Compensatory Customer Charge	$ 12.63	$ 13.77	$ 18.80	$ 20.54	
Approved Customer Charge	$ 7.00	$ 7.11	$ 9.95	$ 11.93	
Subsidy per Bill	$ (5.63)	$ (6.66)	$ (8.85)	$ (8.61)	
# of Bills with Net Usage of 0 with DG (5/24-4/25)			332,174	332,174	
Customer Charges Subsidy for DG Customers ($/year)			$ (2,938,778)	$ (2,860,309)	

PATH FORWARD FROM TOD PILOT TO DEFAULT TOD: CUSTOMER RELATED COSTS

- Residential customer related costs have increased on average by about 6.5% per year from 2015-2025. Customer growth has been less than 1% per year over the same period
- *Alternative: Increase Customer Charge to Fully Compensatory Customer Charge (No impact to low income customers, due to Low Income rate discount also being considered)*
- Monthly customer charge at or close to full cost of service level assessed to all retail customers served under Rate 1A

3. DISTRIBUTED GENERATION (REFRESH FROM AUGUST PRAC)

SOLAR BANK BALANCE



SUMMARY OF TODAY'S DISCUSSION

The path forward to default TOD involves thoughtful revisions to each of these as PNM works towards a modern rate design. These are the analyses we presented and discussed today. Work is ongoing.

Residential TOD pilot

- Super Off-Peak
- Whole House EV off-ramp
- Status update on emails

Rate Schedule 1A

- Res 1A with 2 blocks
- Res 1A Low Income rate
- Res 1A COS customer charge

Distributed Generation

- Solar banks
- Address intraclass equity/align cost causation with cost recovery

NEXT MEETING (CURRENTLY PLANNED FOR FEBRUARY 24, 2026)

REGISTER AT WWW.PNM.COM/PRAC


PNM

TOD Pilot Impact Analysis Memo PY 2025

PNM Exhibit HMP-4

Is contained in the following 16 pages.

Memo to:
Heidi Pitts
Denine Rothman
Pablo Magallanes-Flores

Memo No: 2
From: Daniel Pike, Nathan Caron
Date: 3/16/2026

Prep. By: Daniel Pike, Nathan Caron

Public Service Company of New Mexico's (PNM) Time-of-Day (TOD) Pilot Impact Analysis – 2025 Results

1 INTRODUCTION

This document provides the second set of results from DNV's Impact Analysis of PNM's TOD pilot, assessing the impacts of the TOD rate on customers and determining how much they are (or are not) reducing their load during the on-peak periods of the most recent year of the pilot, 2025. This memo will also examine the off-peak period and the whole day to determine if customers shifted their usage to these time frames or they simply reduced usage during the on-peak period.

Based on data availability and program design, the analysis focuses on two distinct time frames:

- Summer: June to August 2025
- Non-Summer: January 2025 to May 2025 and September to November 2025

For December 2025, there were complications retrieving the data. To produce preliminary results for review, we included the months listed above, with the intention of adding December data later pending availability. Besides the date range/season, we considered certain customer characteristics for the analysis. We identified customers as low-moderate income (LMI), net metered, and distributed energy resources (DER). Net metering customers made up a very small percentage of enrollees, so we excluded them from this analysis. Net metering and DER often go together for residential customers, so we also excluded DER. LMI customers had enough data provided for both the TOD rate group and the control group, so we analyzed data by LMI and non-LMI categories. During the analysis, we observed in the data customers who owned electric vehicles. Given that the rate was not primarily designed for customers with electric vehicles, and that their presence can skew the results for the customer population without EVs, we attempted to identify them based on their interval data and remove them from the analysis. This is discussed further below and in APPENDIX B.

This memo focuses primarily on the data processing approach and the results of the impact analysis.

2 DATA PREPARATION

To prepare the data, we cleaned the customer assignment list and compared it to the available interval data. The goal is to ensure the customer's original assignment in the experiment (control or rate) matches with current assignments in the billing system or that any differences are expected based on available information (e.g., known withdrawals from the program, planned transitions from control to treatment). This is particularly important for 2025 and future analyses due to planned movement of customers from the control rate to the TOD rate after completing 12 months in the control group. For those who have converted, their TOD interval data is censored at the time of conversion and not used in the analysis after that time. We hypothesized control customers might start exhibiting behavior like customers on the TOD rate as they get closer to their transition, so we examined the results at various stages relative to each control customer's transition to the rate group. These scenarios include no filtering on the control data prior to converting to the TOD rate, removing one month prior to the conversion, removing two months prior to the conversion, and removing three months prior to the conversion. The

results showed no discernible difference among the four options. As a result, no filtering was done on the control data for customers who converted to the TOD rate, ensuring as much data as possible is included in the analysis. It is still possible that certain customers in the control group adopt similar patterns of behavior to those in the rate group due to the opt-in nature of the program, but they may be doing so immediately after receipt of their meter. All participants, whether assigned to the control or rate group, wanted to participate in the rate, and they have access to the same information. The only difference between the groups is the price signal offered by the TOD rate. To see a comparison, the overall results for the summer and non-summer weekday comparisons are presented in Figure 2-1.

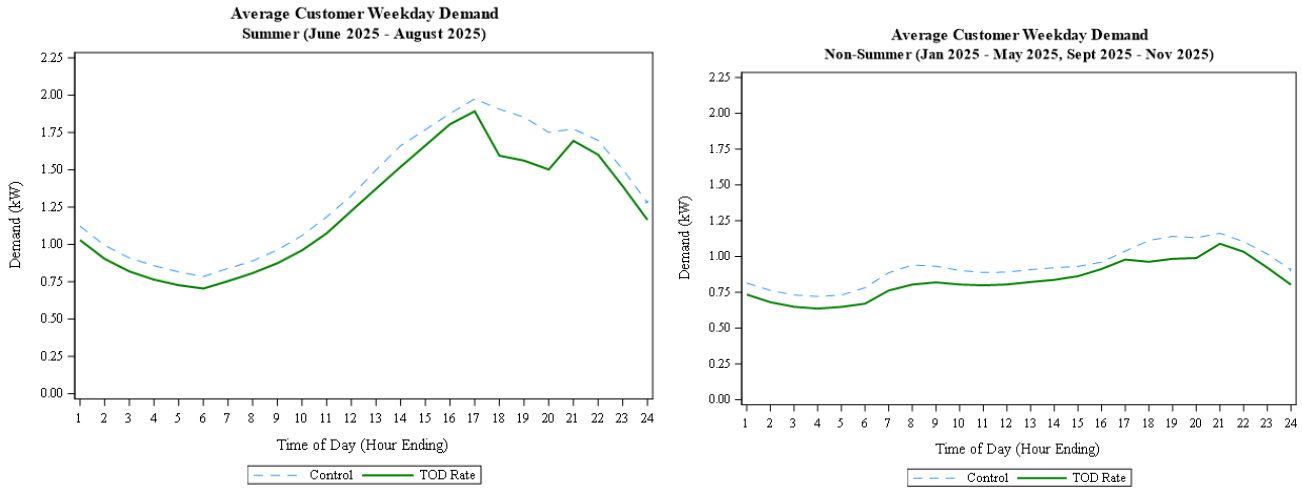
As mentioned in the introduction, we observed in the data customers who potentially own electric vehicles and have Level 2 chargers at their residences. (Anyone with a Level 1 charger would not have a noticeable jump in demand in their interval loads.) These customers should not have been included in the analysis and had to be excluded from the results. Of the final customer counts, 53 customers were identified as potentially owning an electric vehicle based on patterns in their interval data. 31 of those customers were in the TOD rate group and 22 were in the control group. To learn more about the method used to identify customers who potentially have electric vehicles, please see APPENDIX B.

To identify LMI customers, two sources of data were provided. The first source file showed customers who were enrolled in the Low-Income Home Energy Assistance Program (LIHEAP). If they appeared in this list, they were flagged as a low-income customer. This list alone does not convey all low-income customers, however, since customers could be low-income and not enroll in this program. To attempt to identify other customers, this analysis drew on Experian income data for a large portion of the population along with the number of people at their location. This data included estimated income ranges for customers along with the estimated median income for each customer. We used the estimated median income to identify low-income customers, applying LIHEAP's eligibility rules[1] to identify additional low-income customers who were not enrolled in LIHEAP but still qualified. Any customer who did not meet either of these criteria was flagged as non-low-income.

Once these assignments were completed, we made initial comparisons of the average weekday and weekend profiles for the summer and non-summer, determining how similar the control customers' average usage was compared to the TOD rate customers' average usage after enrolment in the pilot and assignment to the treatment and control groups. Given that customers only received an interval meter after enrolment in the pilot, there is no pre-period usage available to determine how similar the groups were prior to enrolment and the treatment group taking any actions to reduce their consumption both during and outside of peak periods. Figure 2-1 presents a comparison of the average weekday shape by season, comparing the control customers to the TOD rate customers based on their collected data.

[1] https://www.snapscreener.com/liheap/new-mexico

Figure 2-1. Average weekday seasonal shapes by group assignment



While a reduction pattern can be seen in the TOD profile, the lack of perfect similarity outside of peak periods in both the summer and winter raises an issue. The control customers, despite random assignment, on average use slightly more energy compared to the TOD rate customers. Again, this may be due to the TOD rate customers making general energy efficiency improvements after enrolment in the rate, but we do not have pre-period data to confirm that. In the absence of that data, to conservatively estimate the reduction in load specifically during the peak periods, we needed to adjust the control profile to shift it more in line with the TOD rate profile. For the impact analysis results, we applied this adjustment to the control data. To learn more about the adjustment methodology, see APPENDIX C.

With the low-income flags assigned, the potential electric vehicle customers identified, and an adjustment applied to the control data, we assessed the load impacts.

3 IMPACT ANALYSIS

Table 3-1 contains the number of customers with available interval data broken down by season and by LMI grouping. These counts are based on the customers that were available at any given point in their time frames. The non-LMI customers make up most of the analysis, covering about 80% in both seasons. The customer counts are higher in the non-summer period as more customers joined the pilot throughout 2025. Control customers make up a smaller proportion of the totals than TOD-enrolled customers in general due to a decision to change the balance of assignments from 50/50 TOD/control in 2024 to 80/20 in 2025, to reduce program burden with a trade-off of some reduction in statistical power.

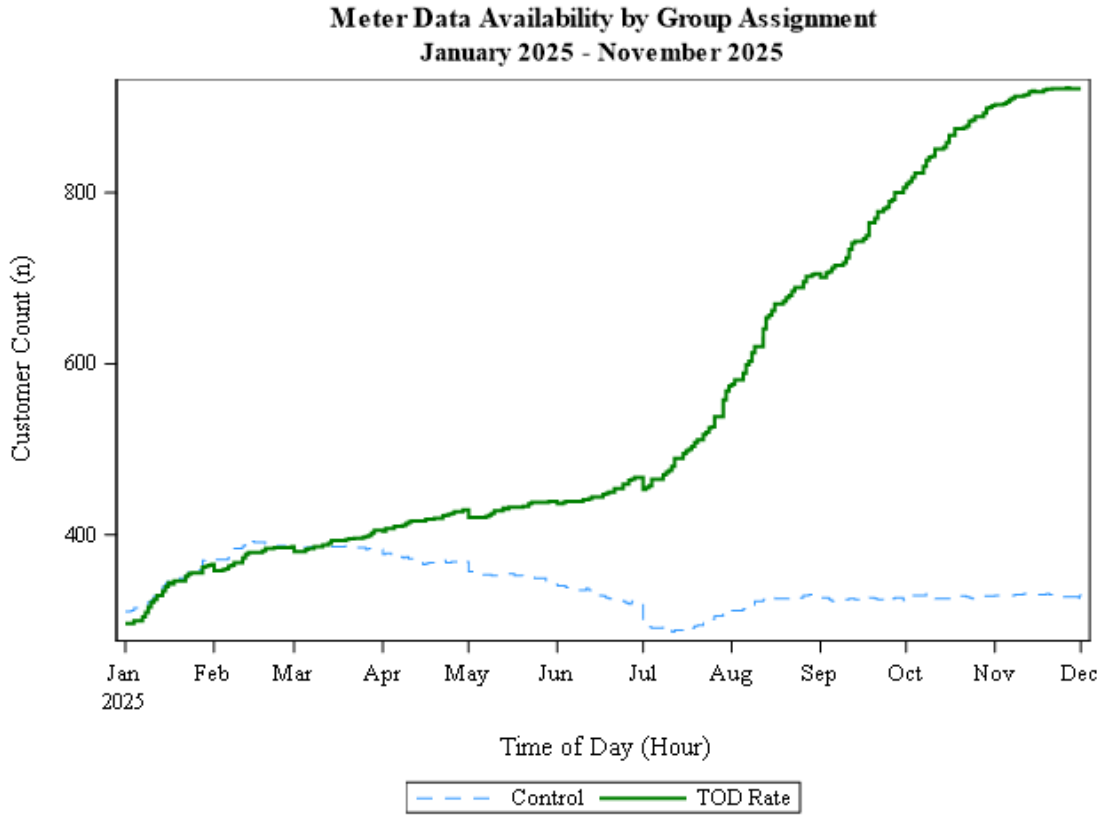
Table 3-1. Customer counts by season

Season	LMI Flag	Control	TOD Rate
Non-Summer	No	499	837
	Yes	135	216
	All	*634*	*1053*
Summer	No	373	621
	Yes	100	157
	All	*473*	*778*

When tracking this data, it is critical to ensure that the TOD data of any customer who converted to the TOD rate after being a control customer is not included in the analysis. As a result of this requirement, the control customer count dropped over

time as those customers' load data became unavailable. Figure 3-1 illustrates the data availability during 2025, showing how many meters were providing data from January 2025 to November 2025.

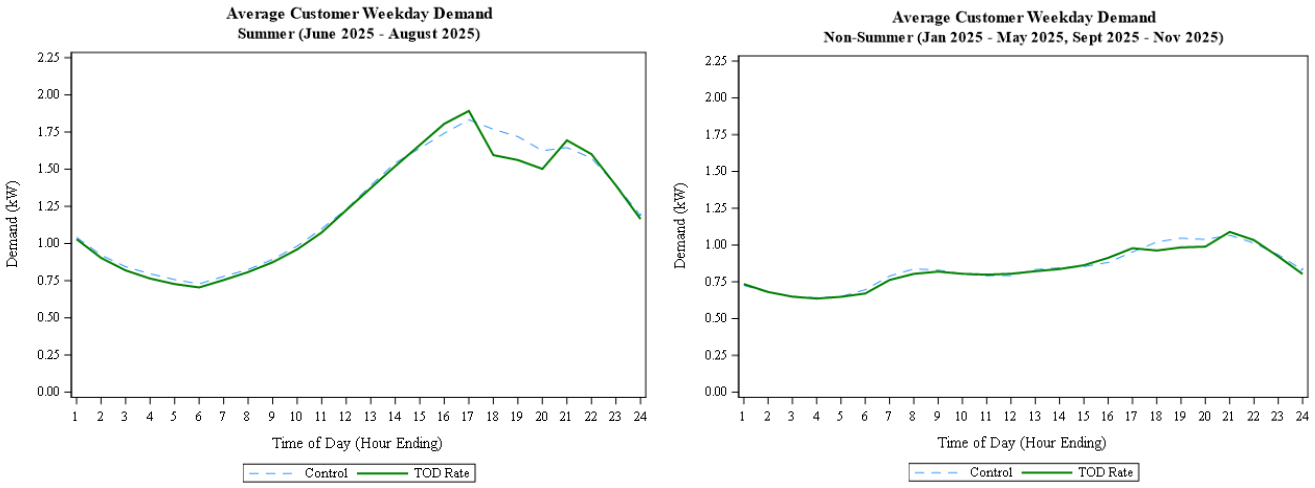
Figure 3-1. Interval meter data availability



The customer counts are based on the non-solar, non-potential EV customers included in the final analysis. Until March, the customer count is about the same between the control group and the TOD rate group. Throughout March/April, the control customer count starts to drop. This is around the time the original enrollees in the TOD pilot program who were assigned to the control group started converting to the TOD rate. While the customer count increases on the TOD rate line, this is not driven by the conversion of those customers. Once a customer converted, their interval data was removed entirely from the analysis. The TOD rate increases come only from newly assigned customers to the TOD rate group. Around July, a stronger effort was made to install more customers into the TOD rate group instead of the control group, which is why the slope of the TOD rate group increases and the control line remains about the same. This is when new control customers were added at about the same rate that original control customers were converting to the new TOD rate.

Figure 3-2 displays the average hourly weekday customer demands between the adjusted control group and the TOD rate group based on the season. For reference, the on-peak period during the summer months was 5 PM – 8 PM (hour ending 18 – 20) and the non-summer months was 5 AM – 8 AM (hour ending 6 – 8) and 5 PM – 8 PM (hour ending 18 – 20).

Figure 3-2. Average weekday customer demand by season

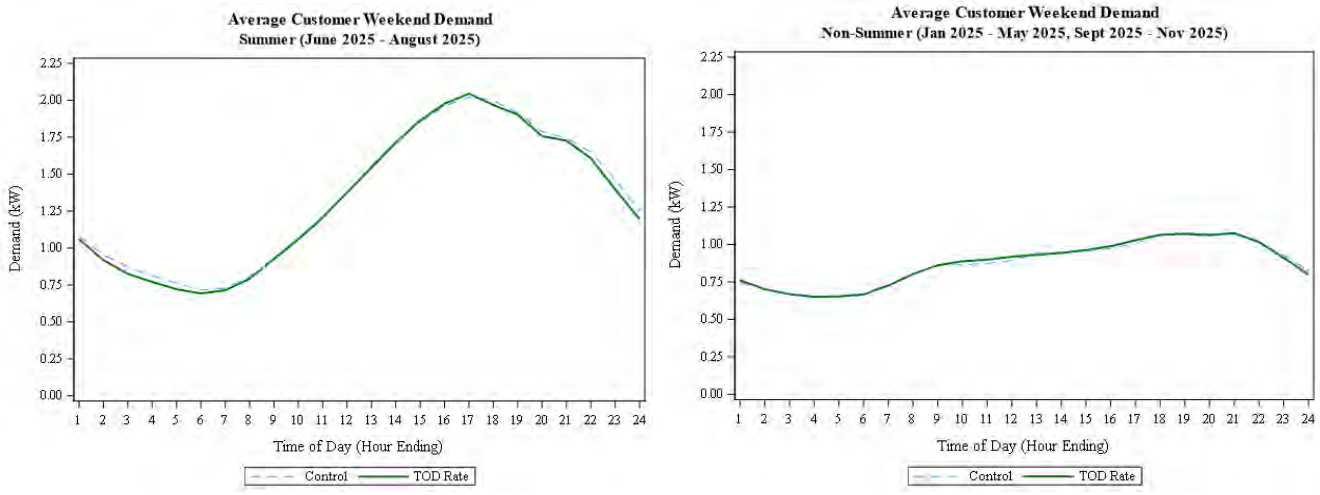


During the summer months, there is a noticeable decline in demand at the beginning of the on-peak period. The demand continues to decline throughout the three-hour window. Prior to the event, there is a slight build up in demand, indicating that the TOD rate customers likely ramped up their usage prior to the event to better prepare for reducing their demands during the event. The same can be seen after the event, with a slight bounce back as demand increases after the on-peak period. Given that the control customers have signed up for the pilot program with the knowledge they will eventually be on the TOD rate, some control customers could alter their behavior, and there does appear to be a slight reduction in their demand during the on-peak period as well, albeit not a significant one. However, even if non-significant, the control customers' tendency to reduce even a small amount of demand during this period can slightly dampen the impacts seen in the TOD rate customers.

For non-summer, there did appear to be an attempt at some reduction, but it was not significant. Like summer, the evening on-peak period continued to show a reduction, albeit not a very strong one. Also like summer, there was a very slight ramp up of demand prior to the event and a bounce back after the event. Customers, on average, had higher demands in the summer, which allowed a greater reduction during those months than during the non-summer months. Summer reductions were likely driven by the lowering of temperatures on air conditioners. For both seasons, there was a small shift of demand away from the on-peak period, but overall, customers were more likely to try to conserve energy rather than shifting their consumption to a different time frame.

The weekends did not have any on-peak periods, so we expected customer behavior to be similar across the control and TOD customers. Figure 3-3 shows the average hourly weekend customer demands between the adjusted control group and the TOD rate group based on the season.

Figure 3-3. Average weekend customer demand by season



As expected, the control group and TOD rate group lined up almost exactly, showing that when there was no cost impact by period, the customers acted similarly.

We applied a regression model to the data to quantify the magnitude of these reductions and determine if there was any statistical significance. Table 3-2 contains these results.

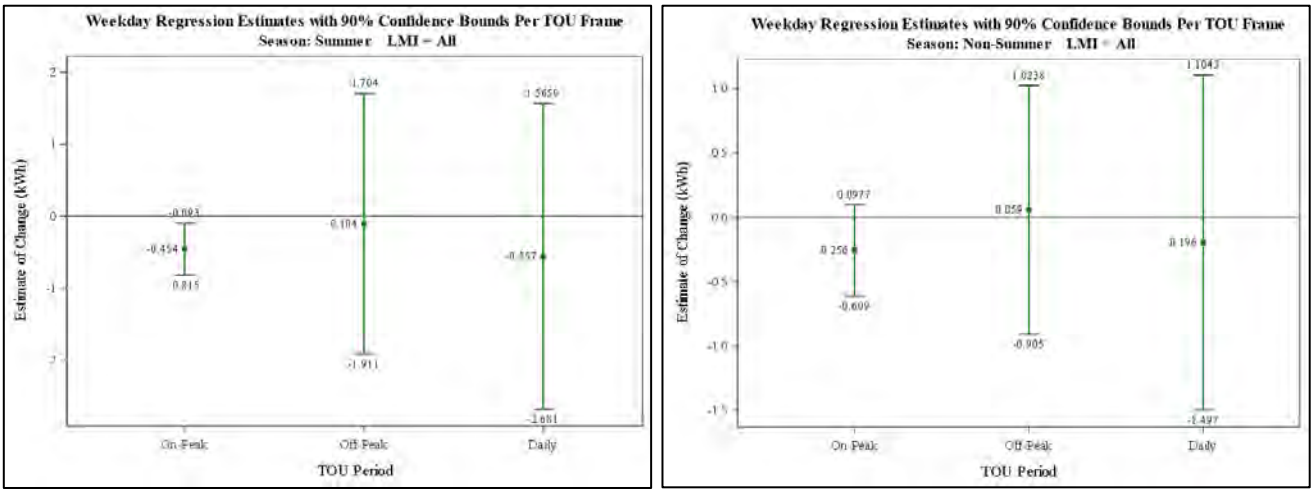
Table 3-2. Regression results by season

	Pre-Treatment Use			Estimate of Change (kWh)			Statistical Significance				
Period	Daily Use	Monthly Use	DF	Daily Change	Percent Change	Monthly Change	p-Value	90% Lower Bound	90% Upper Bound	80% Lower Bound	80% Upper Bound
Summer Residential Customers											
On-Peak (3 Hours)	5.110	109.020	1,138	-0.454	-8.9%	-9.075	0.039	-0.815	-0.093	-0.735	-0.173
Off-Peak (21 Hours)	24.845	530.021		-0.104	-0.4%	-2.073	0.925	-1.911	1.704	-1.512	1.304
Total (24 Hours)	29.955	639.041		-0.557	-1.9%	-11.147	0.666	-2.681	1.566	-2.211	1.097
Non-Summer Residential Customers											
On-Peak (6 Hours)	5.428	113.984	1,554	-0.256	-4.7%	-5.114	0.234	-0.609	0.098	-0.531	0.020
Off-Peak (18 Hours)	14.774	310.249		0.059	0.4%	1.184	0.920	-0.905	1.024	-0.692	0.811
Total (24 Hours)	20.201	424.230		-0.196	-1.0%	-3.927	0.804	-1.497	1.104	-1.210	0.817

The highlighted rows are not statistically significant at the 90% confidence level, within a 10% precision. During the summer, the on-peak period did show a significant reduction in total usage: a decrease of approximately 9%. We obtained the monthly numbers by calculating the total number of non-holiday weekdays in the summer of 2025 (64) and averaging over three months. This comes to 21.333 weekdays per month. For the non-summer, the average number of weekdays per month came to 21 weekdays. All other periods listed showed an average reduction, but none were deemed to be statistically significant. This coincides with the results shown in Figure 3-2. Customers, on average, did use more energy in the summer months compared to the non-summer months, providing a better opportunity to lower usage during the on-peak period. Due to the nature of the off-peak and overall daily usage decreasing, this is another indicator that the customers were looking to reduce their usage and not necessarily shift it. While there was a small ramp up and bounce back of demand before and after the on-peak period, it was not an impactful increase.

Figure 3-4 visualizes the results shown in Table 3-2.

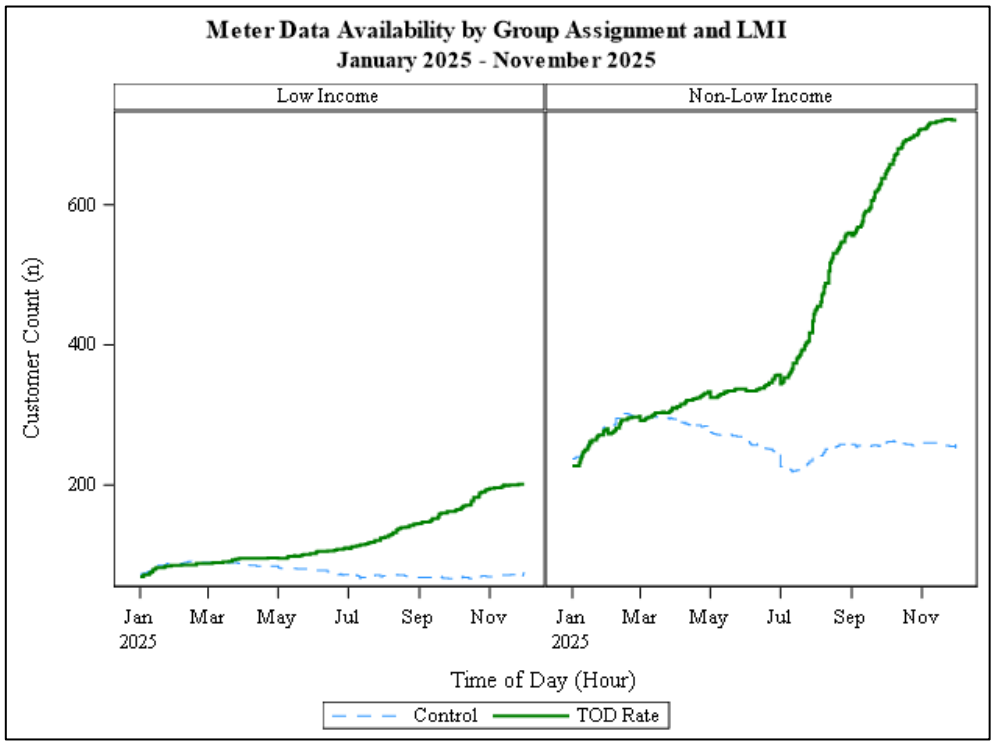
Figure 3-4. Regression plots by season



The range within the on-peak period in both seasons is much smaller, showing customers' behaviors were consistent. When the line graph is below the zero-center line for both the upper and lower bounds, it is a statistically significant decrease. The same would be true on the high side for a statistically significant increase. Any line graph that crosses the zero-center line indicates that there is no statistical significance and, therefore, there was not enough evidence to show an increase or decrease in usage compared to the control customers.

We next examined the difference between the low-income and non-low-income customer bases. Figure 3-5 shows the interval data by low-income assignments over 2025.

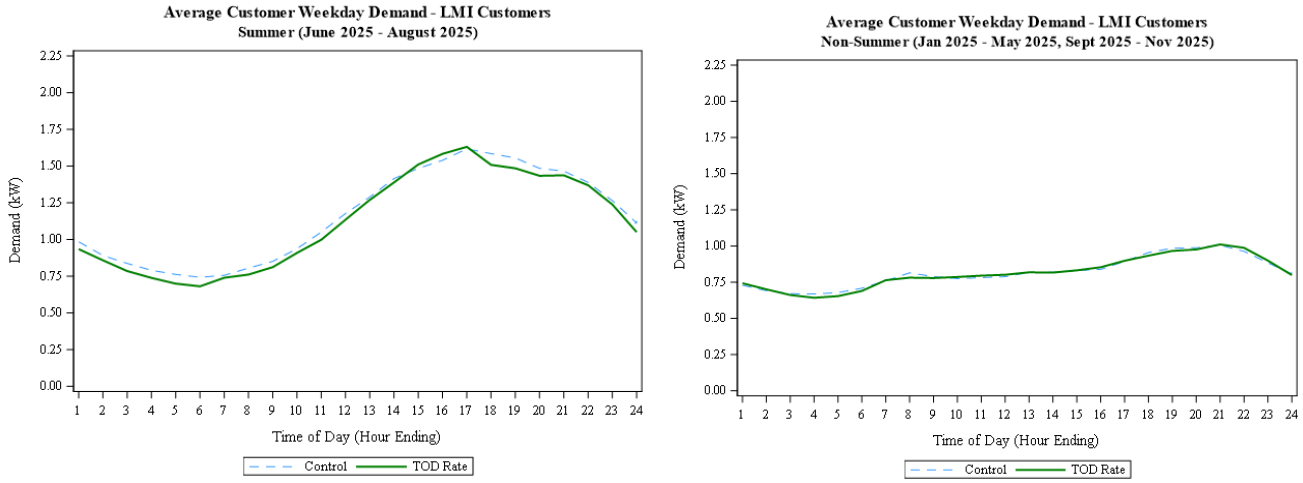
Figure 3-5. Interval meter availability by LMI assignment



Like the overall participation pattern shown in Figure 3-1, the same participation pattern was observed in the two groupings, with a large influx of TOD rate customers in the middle of 2025. The same pattern is seen for control customers as well, with a slight decline after March and then levelling out in the middle of the year. Most customers being added by summer were primarily going to the TOD rate group. That said, as seen in Table 3-1, the percentage breakdown between control and TOD rate within each group was approximately 80% non-low-income to 20% low-income.

Figure 3-6 displays the average hourly weekday customer demands between the adjusted control group and the TOD rate group based on the season for the low-income customers.

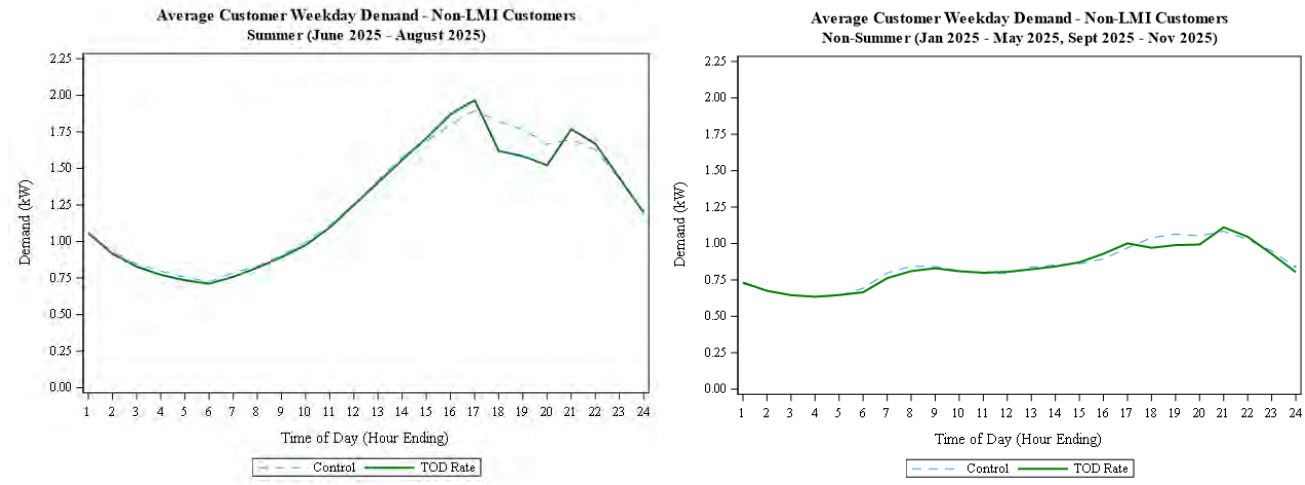
Figure 3-6. Average weekday customer demand by season – LMI customers



The summer period does show a very minor reduction during the on-peak hours. Due to there being less of a reduction, the ramp up and bounce back impacts seen in the overall sample were not as prevalent among the low-income customers. Low-income customers' demands were also lower on average than the overall customers' demands on average, which is not unexpected for low-income customers. With lower demands, it becomes more difficult to reduce that demand. Like the summer plot, the non-summer plot shows a very minor reduction, but so little that it does not look much different than the control customer demand.

Figure 3-7 displays the average hourly weekday customer demands across the adjusted control group and the TOD rate group based on the season for the non-low-income customers.

Figure 3-7. Average weekday customer demand by season – non-LMI customers



The demand reductions appeared to be more impactful for the non-low-income customers than the overall population. This was especially true during the non-summer months, during which the reduction compared to the control group appeared to be greater as compared to the overall population reduction. This showed that the non-low-income customers were the driver of the overall on-peak reductions.

Table 3-3 displays the statistical testing on the changes in usage during the peak time frames for the low-income customers.

Table 3-3. Regression results by season – LMI customers

Period	Pre-Treatment Use		DF	Estimate of Change (kWh)			Statistical Significance				
	Daily Use	Monthly Use		Daily Change	Percent Change	Monthly Change	p-Value	90% Lower Bound	90% Upper Bound	80% Lower Bound	80% Upper Bound
Summer Residential Customers											
On-Peak (3 Hours)	4.624	98.637	236	-0.198	-4.3%	-3.958	0.679	-0.986	0.590	-0.811	0.415
Off-Peak (21 Hours)	23.155	493.970		-0.631	-2.7%	-12.626	0.805	-4.851	3.588	-3.915	2.652
Total (24 Hours)	27.778	592.607		-0.829	-3.0%	-16.584	0.783	-5.790	4.131	-4.690	3.031
Non-Summer Residential Customers											
On-Peak (6 Hours)	5.210	109.416	331	-0.100	-1.9%	-2.008	0.827	-0.859	0.658	-0.691	0.490
Off-Peak (18 Hours)	14.427	302.970		0.049	0.3%	0.984	0.969	-2.068	2.167	-1.599	1.698
Total (24 Hours)	19.637	412.387		-0.051	-0.3%	-1.023	0.976	-2.907	2.805	-2.275	2.172

The highlighted rows are not statistically significant at the 90% confidence level. Summer usage showed an estimated reduction of about 4.3% during the on-peak period, albeit not statistically significant. The same is seen in the non-summer months, with a reduction of about 2%. The overall usage was shown to have reduced in both summer and non-summer months, but again not significantly

Table 3-4 displays the statistical testing on the changes in usage during the peak time frames for the non-low-income customers.

Table 3-4. Regression results by season – non-LMI customers

Period	Pre-Treatment Use		DF	Estimate of Change (kWh)			Statistical Significance				
	Daily Use	Monthly Use		Daily Change	Percent Change	Monthly Change	p-Value	90% Lower Bound	90% Upper Bound	80% Lower Bound	80% Upper Bound
Summer Residential Customers											
On-Peak (3 Hours)	5.253	112.056	901	-0.529	-10.1%	-10.587	0.032	-0.934	-0.124	-0.845	-0.214
Off-Peak (21 Hours)	25.339	540.562		0.043	0.2%	0.863	0.971	-1.939	2.025	-1.501	1.587
Total (24 Hours)	30.591	652.618		-0.486	-1.6%	-9.722	0.731	-2.813	1.841	-2.298	1.326
Non-Summer Residential Customers											
On-Peak (6 Hours)	5.491	115.308	1,222	-0.301	-5.5%	-6.026	0.214	-0.701	0.098	-0.612	0.010
Off-Peak (18 Hours)	14.874	312.357		0.059	0.4%	1.174	0.929	-1.024	1.142	-0.785	0.902
Total (24 Hours)	20.365	427.660		-0.242	-1.2%	-4.849	0.785	-1.702	1.217	-1.380	0.895

The highlighted rows are not statistically significant at the 90% confidence level. The on-peak period in the summer had a statistically significant reduction of approximately 10%. There was no increase in demand during the off-peak period, indicating that the non-low-income customers attempted to reduce energy consumption rather than shift it. There was also a 5.5% reduction in demand during the on-peak period in the non-summer months, but it was not statistically significant. Like the summer months, the demand reduction was a result of conservation, not shifting.

Figure 3-8 and Figure 3-9 visualize the results shown in Table 3-3 and Table 3-4. The reduction of the on-peak period for the non-low-income customers is the only period that was statistically significant at the 90% confidence level, showing a significant reduction in usage.

Figure 3-8. Regression plots by season – LMI customers

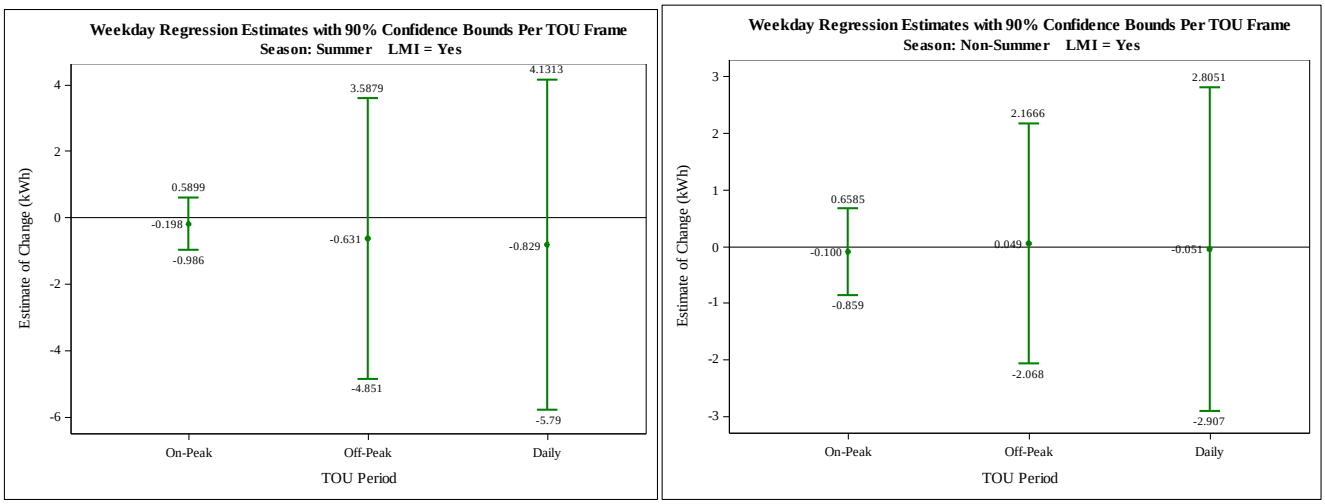
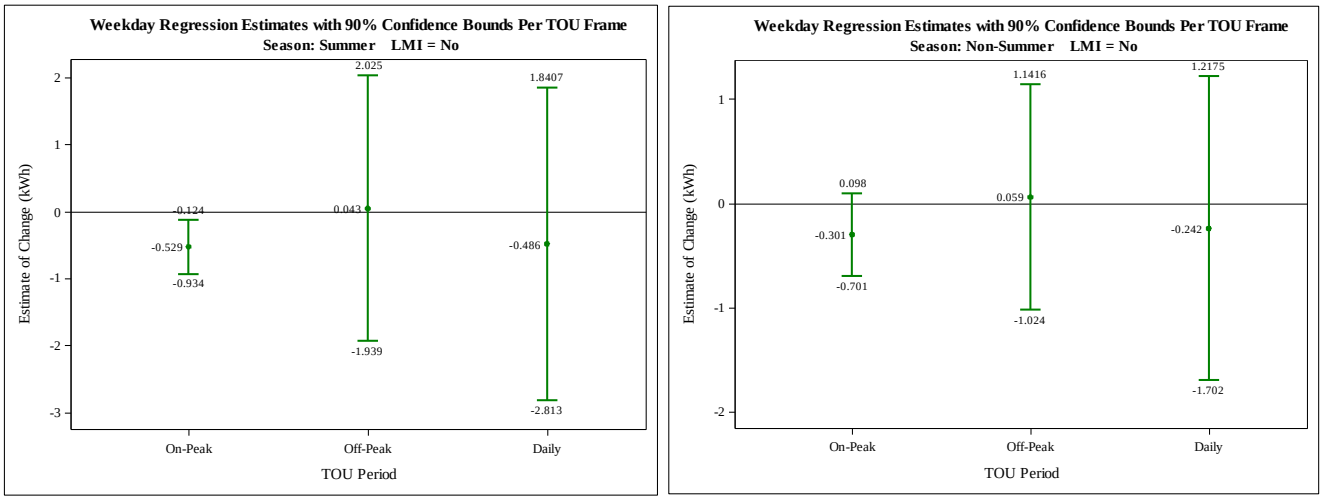


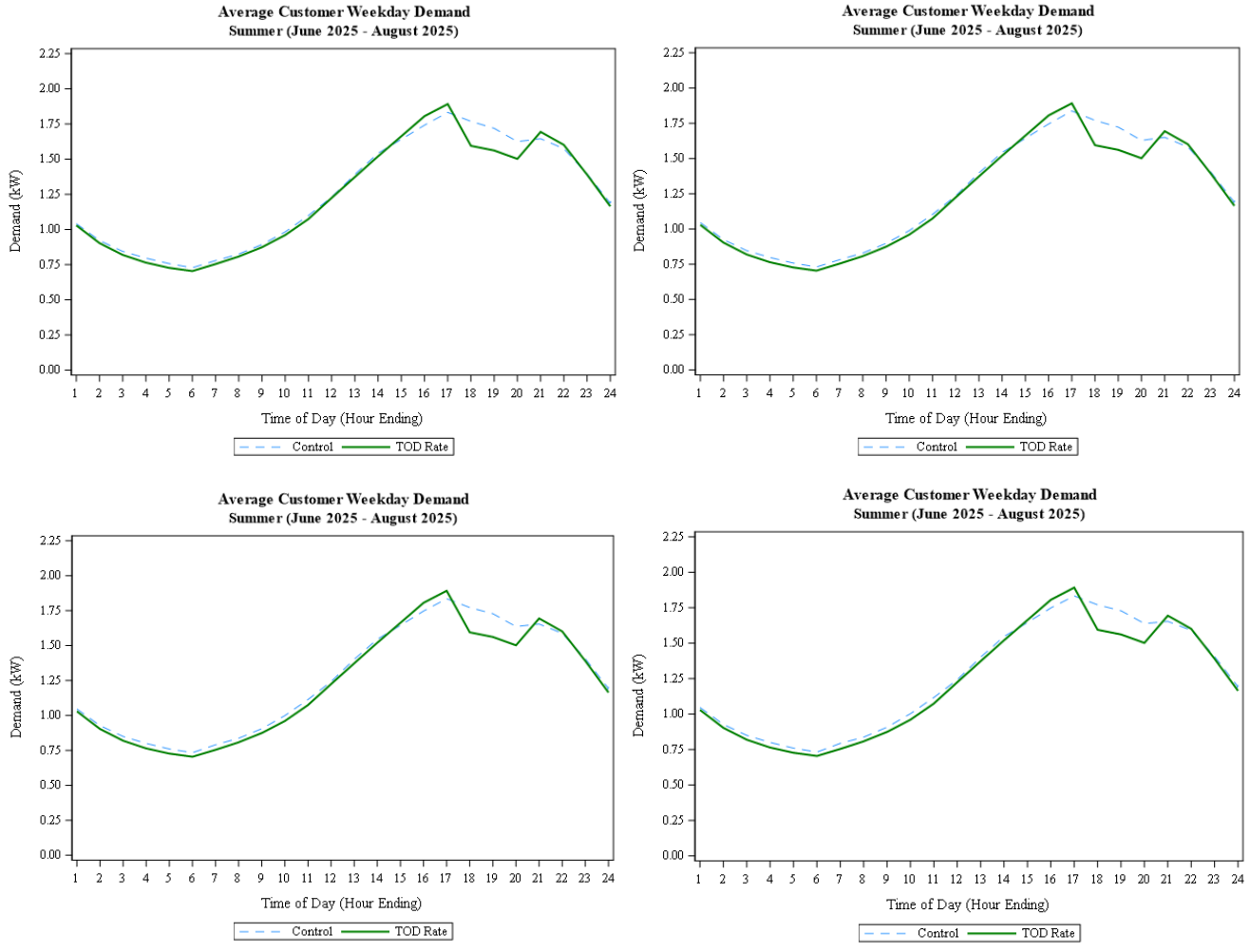
Figure 3-9. Regression plots by season – non-LMI customers



APPENDIX A. MONTH FILTERING FOR CONTROL GROUP

When preparing the data for analysis, we considered how much of an impact control group customers would have if they had started modifying their behavior as they came up on conversion date but prior to moving over to the TOD rate. If enough control customers acted like they were already on the TOD rate, their behavior could dampen the impact of the reductions in the TOD rate. While this is something that could potentially happen regardless of when a customer converts to the TOD rate, attempting to control this by filtering out a certain amount of data prior to changing rates may help limit that impact. As a result, we examined three scenarios to see if filtering out control data would have a noticeable effect: filtering out a single month of data prior to changing to the TOD rate was filtered out, filtering two months prior, and filtering out three months prior. We wanted to see if there was any change in the average adjusted control profile. Figure A-1 shows the impacts of these filtering scenarios as well as impacts without filtering. From left-to-right, top-to-bottom: no filtering, 1-month filtering, 2-months filtering, and 3-months filtering.

Figure A-1. Various filtering scenarios on the control data prior to moving to TOD rate



In each instance, there is no evident difference in the control profiles. The goal was to see if eliminating the data closest to conversion would impact the on-peak period for the control profile. In each case, the control profile still showed a tendency to reduce even a small amount of usage, enough customer actions remained in the data to show the average control customer was attempting to do even a small amount of what appeared to be reduction during the on-peak period. As a result

of this comparison, it was deemed more optimal to not filter any data from the control customer data stream to help improve accuracy in the estimates.

APPENDIX B. ELECTRIC VEHICLE IDENTIFICATION

We knew that some customers who signed up for the TOD Rate Pilot Program owned electric vehicles, which could bias the results for the rest of the population. The following section details the method we used to attempt to identify these customers so they could be filtered out of the analysis.

To identify if a customer could potentially have an electric vehicle, we needed to identify likely charging times in the interval data. Determining the charging times followed a multi-step process:

- Identifying, examining, and comparing days absent EV charging
- Conducting a lagged interval comparison looking for changes in the daily load profile

Before identifying charging in the interval data, it was important to note what type of comparison should be performed to identify charging patterns. The charger types typically available to residential customers include Level 1 (low voltage and lower demand) or Level 2 (higher voltage and higher demand) chargers. Table B-1 compares the key characteristics of these different charger types.

Table B-1. Level 1 versus Level 2 charging[2]

	Level 1	Level 2
Voltage	120 V AC	208 - 240 V AC
Typical Power Output	1 kW	7 kW - 19 kW
Estimated PHEV Charge Time from Empty	5 - 6 hours	1 - 2 hours
Estimated BEV Charge Time from Empty	40 - 50 hours	4 - 10 hours
Estimated Electric Range per Hour of Charging	2 - 5 miles	10 - 20 miles
Typical Locations	Home	Home, Workplace, and Public

A Level 1 charger has a voltage of 120 V AC. A Level 1 charger can be plugged into a standard household outlet. With a typical output of just 1 kW, any Level 1 charging performed by an EV will likely not be discernible when examining the whole-house load. For example, an electric dryer produces a higher power output than a Level 1 charger. This made identifying the EV pattern when examining the whole-house load more difficult, if not impossible. This is acceptable for this work as the primary goal was to identify customers who most likely had an electric vehicle so they could be filtered out. A Level 2 charger has a much higher power output, ranging between 7 and 19 kW. This is much more impactful and more readily identifiable.

In this program, customers who own electric vehicles are more likely to try to charge during off-peak hours. It has been shown that customers may be more likely to charge their cars during the evening hours or overnight hours. Also, any large increase in demands during these times is most likely going to occur because of an electric vehicle charging. We used 2 kW as a threshold to identify those customers with no charging during the time frame between 10 PM and 5 AM. If the max of these intervals was less than 2, then the day would be flagged as non-charging. This method is designed around handling

[2] Source: U.S. Department of Transportation (https://www.transportation.gov/rural/ev/toolkit/ev-basics/charging-speeds)

customers who do not typically have high demands. This method works well for these customers, whereas it was harder to determine when customers with higher demands had non-charging days.

After identifying non-charging days, we compared all days of the customer against these overnight non-charging days. For any customer who did not have enough non-EV days to represent the average day, then we combined the non-charging days with those days. Like before, these comparisons are broken down by season. if an interval had a demand that was 3 times as high as the non-EV average interval and at least 6 kW or higher, we flagged it as a charging interval.

Besides this method, we used a lagged interval approach. By comparing one interval to the next, it was easier to identify "bursts" in demand that would reflect the start of EV charging, especially with Level 2 chargers. In this method, the lag intervals were taken for each interval. If the demand increased by a certain amount from one interval to the next, we considered it the start of an EV charging session. We set this threshold to 8 kW as that is on the lower end of the expected demand output of a Level 2 charger. Because this data is considered hourly, the demand from charging started in the latter half of an hour would not be captured as well for the start of a charging session. As a result, the second lag was also considered. If the first lag increased by 4 kW and then the second lag showed an increase of 8 kW, these intervals were also considered the start of a charging session. After a charging session had been identified, each subsequent interval was compared. Once a similar decrease in demand was seen (at least 8 kW decrease in the first lag or a 4 kW decrease in the first lag and an 8 kW decrease in the second lag), we considered the charging session over. These identified charging sessions indicated if a customer potentially had an electric vehicle at their location.

Having used multiple methods to identify likely EV charging sessions, the final step was to determine which customers had enough of a charging pattern to be considered electric vehicle owners. As mentioned before, Level 1 chargers do not have any noticeable influence on a customer's load. Also, if a customer is not charging at home, then these methods should not identify those customers. However, there is no definitive way to say these customers are not charging. We flagged as owners and then filtered out of the analysis only customers who had at least 5% of 100 or more of their intervals flagged as charging based on the methods presented with all other customers filtered out of the analysis. Using these criteria, we identified 31 TOD rate customers and 22 control customers as potential electric vehicle owners and removed them from the analysis.

APPENDIX C. CONTROL CUSTOMER ADJUSTMENT

As shown in Figure 2-1, the control customers on average had a higher demand pattern in both the summer and non-summer months than the TOD rate customers, which could result in overestimating their load reductions during peak periods. One approach to mitigating this issue is to adjust the control customer data so it is more in line with the TOD rate customer data, providing a better baseline. To calculate the adjustment factor, we needed to estimate the average control and TOD load profiles. Once the groupings were determined, we calculated the adjustment factor based on a two-hour period that began four hours prior to the start of the event. Since the evening on-peak period started at 5 PM, the two hours used for adjustment fell between 1 PM and 3 PM. We applied this adjustment factor to all hours of the day to the control customers in that group (e.g., LMI control customers in the summer months). The groupings assigned were based on the season, the day type (weekday versus weekend), and the low-income assignment. Recall that solar customers were excluded from this analysis due to their low percentage of enrolled customers. If they had been included, they would have made up another segmentation in the adjustment calculation. For the non-summer months, we used the same time frame to calculate the adjustment factor for all afternoon hours (hour-ending 1 PM to midnight). For the morning hours, the 1 AM – 3 AM window was used to calculate the adjustment factor based on the morning on-peak period. We then applied that adjustment factor back to the morning hours (hour-ending 1 AM to noon). From the average profiles, the summer adjustment factor was calculated using the following formulation:

$$Cont\_adj\_Factor_{Season\_LMI\_DayType} = \frac{(Ave\_Cont\_Demand\_hour_{(i-4)} + Ave\_Cont\_Demand\_hour_{i-3})}{(Ave\_TOD\_Demand\_hour_{(i-4)} + Ave\_TOD\_Demand\_hour_{i-3})}$$

The subscript *i* in the above formula represents the start of the on-peak period. For the morning on-peak time frame, *i* is 5 AM (HE 6), so the two hours used were 1 AM and 2 AM (HE 2 and HE 3). For the evening peaks, *i* is 5 PM (HE 18), so the two hours used were 1 PM and 2 PM (HE 13 and HE 14). As mentioned, the summer months used one adjustment factor for all 24 hours while the non-summer months used the afternoon adjustment factors on the afternoon intervals and used the morning adjustment factors on the morning intervals. The ratio between the control average customer usage and the TOD average customer usage was the adjustment factor. We then applied this adjustment factor back to each control customer based on what grouping they fell into. This allowed for an adjusted control baseline that was more in line with the TOD customer base before the on-peak period began. To apply the adjustment factor, we used the following formula:

$$Adj\_Cont_{Season\_LMI\_DayType} = \frac{Cont\_Cust\_Data_{Season\_LMI\_DayType}}{Cont\_adj\_Factor_{Season\_LMI\_DayType}}$$

Using the adjusted control data, this strategy directly compared the TOD group to this adjusted comparison group. The change in load was calculated, in a regression context, using the following formulation:

$$Change\ in\ Load = \left(Adj\_Cont_{After} - TOD_{After}\right)$$

Peer Utilities Residential Rates Table

PNM Exhibit HMP-5

Is contained in the following 1 page.

PNM Exhibit HMP-5
Peer Utilities' Residential Rates Table

Utility	Residential Rate	On-peak Period (off-peak hours are everything else unless specifically noted)	Additional details
Arizona Public Service (APS)	1- Fixed rate	N/A: fixed rate year-round	Customers are assigned to one of three tiers based on average energy use
Summer: May - October bills	2- TOU Rate	4:00-7:00 pm M-F	Winter months have a super off-peak rate from 10:00 am - 3:00 pm weekdays
Winter: November - April bills	3- TOU with demand	same as for TOU rate	Same rate structure as TOU rate but energy charge is lower and there is a demand charge
	4- TOU with EV overnight	same as for TOU rate	Same rate structure as TOU rate with an overnight EV charging period from 11:00 pm - 5:00 am weekdays
Tucson Electric Power (TEP)	1- Basic	N/A	Seasonal inclining block energy charge (Block 1 up to 500 kWh, Block 2- 501 to 1,000kWh, Block 3- 1,001+ kWh)
Summer: May - September	2- TOU rate	Summer: 3:00-7:00 pm weekdays	
Winter: October - April		Non-summer: 6:00-9:00 am and 6:00-9:00 pm weekdays	
	3- Peak Demand	same as for TOU rate	has a flat, seasonal energy charge plus an on-peak demand charge
	4- Demand TOU	same as for TOU rate	seasonal on-peak/off-peak energy charges plus an on-peak demand charge
Oklahoma Gas & Electric (OG&E)	1- R1 Residential	N/A	Seasonal flat energy rate
Summer: June - September	2- R-GFB Guaranteed Flat Bill	N/A	Customer has a one-year contract and must have been at current address for previous 12 months.
Winter: October - May	3- R-TOU SmartHours Fixed	2:00 - 7:00 pm summer weekdays winter N/A	Winter months have two energy blocks but no peak periods. There is a bill guarantee and a senior citizens TOU discount.
	4- R-VPP Variable Peak Pricing (also called SmartHours daily)	same as SmartHours fixed	The summer on-peak hourly energy rates are day-ahead prices that are communitcated to the customer by 5:00 pm the previous day.
	5- R-EV-TOU SmartHours Overnight	same as SmartHours fixed	Same rate structure as SmartHours fixed with an overnight EV charging period from 11:00 pm to 6:00 am
Public Service Company of Colorado (PSCo)	1- R-00 Flat	N/A	Seasonal flat energy rate
Summer: June - September	2- RE-TOU Residential Time-of-Use	Summer: 5:00 - 9:00 pm weekdays	
Winter: October - May			
Rocky Mountain Power (Utah)	1- Residential Standard	N/A	Seasonal inclining block energy charges (Block 1 up to 400 kWh, Block 2- 401+ kWh)
Summer: June - September	2- Residential TOU	6:00 - 10:00 pm weekdays	Customers must stay on the rate for one year minimum and may not participate in Subscriber Solar Schedule 73. There is a bill guarantee.
Winter: October - May			
Nevada Power	1- RS Residential Service	N/A	Flat energy rate
Summer: June - September	2- ORS-TOU Optional Residential TOU	Summer: 6:00 - 9:00 pm	
Winter: October - May	3- ORS-CPP Optional Residential Critical Peak Price		During a CPP event (max 12 to 14 events per summer season), the energy charge is higher. Otherwise on-peak rates are lower. Customers are notified in advance. There is a bill guarantee.
	4- Daily Demand charge for all residential rates		A mandatory fixed daily demand rate is applied to the customer's max 15-minute peak usage each day over the monthly billing period, whenever it occurs. This is added to all residential rates.

Grid Mod Allocators and Class Revenue Requirements, Year Two and Year Three

PNM Exhibit HMP-6

Is contained in the following 10 pages.

PNM Exhibit HMP-6: Functional Allocator Summary Year Two

Line	Revenue Requirement	Functional Allocators		Functionalization									
			PNM Retail	Production-Demand	Production-Energy-Fuel	Production-Energy-Non-Fuel	Storage-Production-Demand	Storage-Transmission-Demand	Storage-Distribution-Demand-Subs	Storage-Distribution-Demand-Primary	Storage-Distribution-Demand-Secondary	Transmission-Demand	Distribution-Demand-Subs
1	**GROSS PLANT**												
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5													
6													
7	**ACCUMULATED DEPRECIATION**												
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11													
12													
13	**ADIT**												
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17													
18													
19	**O&M**												
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL A&G	DIST_W&S	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.88%
24													
25													
26	**DEPRECIATION EXPENSE**												
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30													
31													
32	**PROPERTY TAX**												
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36													
37													
38													
39	**TOTAL REVENUE CREDITS**	GP_TOTAL	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

PNM Exhibit HMP-6: Functional Allocator Summary Year Two

Line	Revenue Requirement	Functional Allocators	Distribution-Demand-Primary	Distribution-Demand-Secondary	Distribution-Customer-Services	Distribution-Customer-Meters	Distribution-Customer-Meter Reading	Distribution-Customer-Billing & Collections	Distribution-Customer-Service & Info	Distribution-Customer-Other
1	**GROSS PLANT**									
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5										
6										
7	**ACCUMULATED DEPRECIATION**									
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - OTHER	DIST_D_SEC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11										
12										
13	**ADIT**									
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17										
18										
19	**O&M**									
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL A&G	DIST_W&S	41.19%	17.76%	2.63%	24.38%	0.00%	0.00%	0.00%	2.16%
24										
25										
26	**DEPRECIATION EXPENSE**									
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
30										
31										
32	**PROPERTY TAX**									
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36										
37										
38										
39	**TOTAL REVENUE CREDITS**	GP_TOTAL	0.00%	34.06%	0.00%	65.94%	0.00%	0.00%	0.00%	0.00%

PNM Exhibit HMP-6: Functional Allocator Summary Year Three

Line	Revenue Requirement	Functional Allocators	Functionalization								
			PNM Retail	Production-Demand	Production-Energy-Fuel	Production-Energy-Non-Fuel	Storage-Production-Demand	Storage-Transmission-Demand	Storage-Distribution-Demand-Subs	Storage-Distribution-Demand-Primary	Storage-Distribution-Demand-Secondary	Transmission-Demand
1	**GROSS PLANT**											
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5												
6												
7	**ACCUMULATED DEPRECIATION**											
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11												
12												
13	**ADIT**											
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17												
18												
19	**O&M**											
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL A&G	DIST_W&S	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24												
25												
26	**DEPRECIATION EXPENSE**											
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30												
31												
32	**PROPERTY TAX**											
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36												
37												
38												
39	**TOTAL REVENUE CREDITS**	GP_TOTAL	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

PNM Exhibit HMP-6: Functional Allocator Summary Year Three

Line	Revenue Requirement	Functional Allocators	Distribution-Demand-Subs	Distribution-Demand-Primary	Distribution-Demand-Secondary	Distribution-Customer-Services	Distribution-Customer-Meters	Distribution-Customer-Meter Reading	Distribution-Customer-Billing & Collections	Distribution-Customer-Service & Info	Distribution-Customer-Other
1	**GROSS PLANT**										
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5											
6											
7	**ACCUMULATED DEPRECIATION**										
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - OTHER	DIST_D_SEC	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11											
12											
13	**ADIT**										
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17											
18											
19	**O&M**										
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL A&G	DIST_W&S	11.88%	41.19%	17.76%	2.63%	24.38%	0.00%	0.00%	0.00%	2.16%
24											
25											
26	**DEPRECIATION EXPENSE**										
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
30											
31											
32	**PROPERTY TAX**										
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36											
37											
38											
39	**TOTAL REVENUE CREDITS**	GP_TOTAL	0.00%	0.00%	27.34%	0.00%	72.66%	0.00%	0.00%	0.00%	0.00%

PNM Exhibit HMP-6: Class Allocator Summary Years One, Two, and Three

Line	Revenue Requirement	Class Allocators	Rate Schedules								
			PNM Retail	Schedule 1 Residential	Schedule 2 Small Power	Schedule 3B General Power	Schedule 3C GP Low LF	Schedule 3D Gen Power Gov	Schedule 3E GP Low LF Gov	Schedule 3F Charging Stations	Schedule 4B Large Power	Schedule 5B Large Service (8 MW)
1	**GROSS PLANT**											
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
4	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
5												
6												
7	**ACCUMULATED DEPRECIATION**											
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
11												
12												
13	**ADIT**											
14	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
15	TOTAL DISTRIBUTION ADIT - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
16	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
17												
18												
19	**O&M**											
20	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
21	TOTAL DISTRIBUTION O&M - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
22	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
23	Distribution-Demand-Subs	NCP_SUBS	1	48.28%	12.61%	15.38%	3.69%	1.08%	0.17%	0.00%	8.94%	0.00%
24	Distribution-Demand-Primary	NCP_PRI	1	51.82%	13.53%	16.50%	3.96%	1.16%	0.18%	0.00%	9.59%	0.00%
25	Distribution-Demand-Secondary	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
26	Distribution-Customer-Services	WTD_SERV	1	91.27%	8.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	Distribution-Customer-Meters	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
28	Distribution-Customer-Other	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
29	TOTAL A&G											
30												
31												
32	**DEPRECIATION EXPENSE**											
33	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
34	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
35	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
36												
37												
38	**PROPERTY TAX**											
39	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
40	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
41	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
42												
43	Distribution-Demand-Secondary	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
44	Distribution-Customer-Meters	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
45	TOTAL REVENUE CREDITS											

PNM Exhibit HMP-6: Class Allocator Summary Years One, Two, and Three

Line	Revenue Requirement	Class Allocators	Rate Schedules								
			Schedule 10 Irrigation	Schedule 11B Water & Sewage	Schedule 15B Universities	Schedule 30B Manufacturing (30 MW)	Schedule 33B Station Power	Schedule 35B Large Service (3 MW)	Schedule 36B Special Service Rate	Schedule 6 Priv. Area Light	Schedule 20 Streetlighting
1	**GROSS PLANT**										
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
4	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
5											
6											
7	**ACCUMULATED DEPRECIATION**										
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
11											
12											
13	**ADIT**										
14	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
16	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
17											
18											
19	**O&M**										
20	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
22	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
23	Distribution-Demand-Subs	NCP_SUBS	0.28%	2.16%	0.00%	5.54%	0.00%	1.30%	0.00%	0.17%	0.41%
24	Distribution-Demand-Primary	NCP_PRI	0.30%	2.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.45%
25	Distribution-Demand-Secondary	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
26	Distribution-Customer-Services	WTD_SERV	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	Distribution-Customer-Meters	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
28	Distribution-Customer-Other	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL A&G										
30											
31											
32	**DEPRECIATION EXPENSE**										
33	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
34	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
35	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
36											
37											
38	**PROPERTY TAX**										
39	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
40	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
41	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
42											
43	Distribution-Demand-Secondary	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
44	Distribution-Customer-Meters	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
45	TOTAL REVENUE CREDITS										

PNM Exhibit HMP-6: Year Two Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules									
				Schedule 1	Schedule 2	Schedule 3B	Schedule 3C	Schedule 3D	Schedule 3E	Schedule 3F	Schedule 4B	Schedule 5B
			PNM Retail	Residential	Small Power	General Power	GP Low LF	General Power Gov	GP Low LF Gov	Charging Stations	Large Power	Large Service (8 MW)
1	**GROSS PLANT**											
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	$ 17,457,485	$ 11,257,990	$ 3,718,815	$ 1,164,086	$ 411,293	$ 74,568	$ 23,673	$ 2,747	$ 349,309	$ 2,092
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	WTD_METE	$ 44,542,542	$ 28,724,612	$ 9,488,507	$ 2,970,151	$ 1,049,409	$ 190,260	$ 60,402	$ 7,009	$ 891,258	$ 5,337
4	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	$ 32,021,299	$ 18,838,816	$ 4,918,505	$ 5,999,580	$ 1,438,983	$ 421,970	$ 65,953	$ 210	$ -	$ -
5	**TOTAL GROSS PLANT**		$ 94,021,326	$ 58,821,418	$ 18,125,826	$ 10,133,818	$ 2,899,686	$ 686,798	$ 150,028	$ 9,966	$ 1,240,567	$ 7,429
6												
7												
8	**ACCUMULATED DEPRECIATION**											
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	$ (100,054)	$ (64,523)	$ (21,314)	$ (6,672)	$ (2,357)	$ (427)	$ (136)	$ (16)	$ (2,002)	$ (12)
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION SOFTWARE	WTD_METE	$ (3,286,073)	$ (2,119,124)	$ (700,003)	$ (219,119)	$ (77,419)	$ (14,036)	$ (4,456)	$ (517)	$ (65,751)	$ (394)
11	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	$ (643,140)	$ (378,373)	$ (98,787)	$ (120,500)	$ (28,902)	$ (8,475)	$ (1,325)	$ (4)	$ -	$ -
12	**TOTAL ACCUMULATED DEPRECIATION**		$ (4,029,266)	$ (2,562,019)	$ (820,104)	$ (346,291)	$ (108,678)	$ (22,939)	$ (5,916)	$ (537)	$ (67,753)	$ (406)
13												
14												
15	**ADIT**											
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	$ (260,722)	$ (168,134)	$ (55,539)	$ (17,385)	$ (6,143)	$ (1,114)	$ (354)	$ (41)	$ (5,217)	$ (31)
17	TOTAL DISTRIBUTION ADIT - SOFTWARE	WTD_METE	$ (4,099,538)	$ (2,643,712)	$ (873,289)	$ (273,362)	$ (96,584)	$ (17,511)	$ (5,559)	$ (645)	$ (82,028)	$ (491)
18	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	$ (313,671)	$ (184,539)	$ (48,180)	$ (58,770)	$ (14,096)	$ (4,133)	$ (646)	$ (2)	$ -	$ -
19	**TOTAL ADIT**		$ (4,673,930)	$ (2,996,385)	$ (977,008)	$ (349,517)	$ (116,822)	$ (22,758)	$ (6,559)	$ (688)	$ (87,245)	$ (522)
20												
21												
22	**TOTAL RATE BASE**		$ 85,318,130	$ 53,263,013	$ 16,328,714	$ 9,438,009	$ 2,674,186	$ 641,101	$ 137,553	$ 8,741	$ 1,085,569	$ 6,501
23	**TOTAL RATE BASE Average of 12 Months**		$ 42,698,290	$ 26,655,994	$ 8,171,864	$ 4,723,344	$ 1,338,323	$ 320,845	$ 68,840	$ 4,374	$ 543,283	$ 3,253
24	**RETURN ON RATE BASE**		$ 2,945,742	$ 1,838,989	$ 563,774	$ 325,862	$ 92,330	$ 22,135	$ 4,749	$ 302	$ 37,481	$ 224
25												
26	**O&M**											
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	$ 4,010,796	$ 2,586,483	$ 854,385	$ 267,445	$ 94,493	$ 17,132	$ 5,439	$ 631	$ 80,253	$ 481
28	TOTAL DISTRIBUTION O&M - SOFTWARE	WTD_METE	$ 3,537,479	$ 2,281,251	$ 753,558	$ 235,883	$ 83,342	$ 15,110	$ 4,797	$ 557	$ 70,782	$ 424
29	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	$ 1,616,280	$ 950,892	$ 248,262	$ 302,830	$ 72,633	$ 21,299	$ 3,329	$ 11	$ -	$ -
30	Distribution-Demand-Subs	NCP_SUBS	$ 255,355	$ 123,285	$ 32,188	$ 39,263	$ 9,417	$ 2,761	$ 432	$ 1	$ 22,821	$ -
31	Distribution-Demand-Primary	NCP_PRI	$ 885,118	$ 458,700	$ 119,759	$ 146,082	$ 35,037	$ 10,274	$ 1,606	$ 5	$ 84,910	$ -
32	Distribution-Demand-Secondary	NCP_SEC	$ 381,661	$ 224,539	$ 58,624	$ 71,509	$ 17,151	$ 5,029	$ 786	$ 3	$ -	$ -
33	Distribution-Customer-Services	WTD_SERV	$ 56,553	$ 51,614	$ 4,940	$ -	$ -	$ -	$ -	$ -	$ -	$ -
34	Distribution-Customer-Meters	WTD_METE	$ 523,958	$ 337,890	$ 111,614	$ 34,938	$ 12,344	$ 2,238	$ 711	$ 82	$ 10,484	$ 63
35	Distribution-Customer-Other	CUSTS	$ 46,441	$ 41,458	$ 4,574	$ 247	$ 87	$ 16	$ 5	$ 1	$ 14	$ 0
36	TOTAL A&G		$ 2,149,087	$ 1,237,487	$ 331,699	$ 292,038	$ 74,037	$ 20,319	$ 3,539	$ 92	$ 118,229	$ 63
37	**TOTAL O&M**		$ 11,313,642	$ 7,056,114	$ 2,187,904	$ 1,098,196	$ 324,505	$ 73,860	$ 17,104	$ 1,290	$ 269,264	$ 967
38												
39												
40	**DEPRECIATION EXPENSE**											
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	$ 100,054	$ 64,523	$ 21,314	$ 6,672	$ 2,357	$ 427	$ 136	$ 16	$ 2,002	$ 12
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	$ 2,388,164	$ 1,540,080	$ 508,730	$ 159,246	$ 56,264	$ 10,201	$ 3,238	$ 376	$ 47,785	$ 286
43	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	$ 478,124	$ 281,291	$ 73,440	$ 89,582	$ 21,486	$ 6,301	$ 985	$ 3	$ -	$ -
44	**TOTAL DEPRECIATION EXPENSE**		$ 2,966,341	$ 1,885,893	$ 603,483	$ 255,500	$ 80,108	$ 16,929	$ 4,359	$ 395	$ 49,787	$ 298
45												
46												
47	**PROPERTY TAX**											
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	$ 19,669	$ 12,684	$ 4,190	$ 1,312	$ 463	$ 84	$ 27	$ 3	$ 394	$ 2
49	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	WTD_METE	$ 217,029	$ 139,958	$ 46,232	$ 14,472	$ 5,113	$ 927	$ 294	$ 34	$ 4,343	$ 26
50	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	$ 157,788	$ 92,830	$ 24,236	$ 29,564	$ 7,091	$ 2,079	$ 325	$ 1	$ -	$ -
51	**TOTAL PROPERTY TAX**		$ 394,486	$ 245,472	$ 74,658	$ 45,347	$ 12,667	$ 3,090	$ 646	$ 38	$ 4,736	$ 28
52												
53												
54	Distribution-Demand-Secondary	NCP_SEC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
55	Distribution-Customer-Meters	WTD_METE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
56	TOTAL REVENUE CREDITS		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
57												
58												
59	Revenue Tax		$ 93,244	$ 58,345	$ 18,138	$ 9,175	$ 2,706	$ 617	$ 142	$ 11	$ 1,883	$ 8
60												
61	Return on Rate Base		$ 2,945,742	$ 1,838,989	$ 563,774	$ 325,862	$ 92,330	$ 22,135	$ 4,749	$ 302	$ 37,481	$ 224
62	O&M		$ 11,313,642	$ 7,056,114	$ 2,187,904	$ 1,098,196	$ 324,505	$ 73,860	$ 17,104	$ 1,290	$ 269,264	$ 967
63	Depreciation Expense		$ 2,966,341	$ 1,885,893	$ 603,483	$ 255,500	$ 80,108	$ 16,929	$ 4,359	$ 395	$ 49,787	$ 298
64	Taxes Other Than Income		$ 487,730	$ 303,817	$ 92,796	$ 54,521	$ 15,373	$ 3,708	$ 788	$ 49	$ 6,620	$ 36
65	Total Federal Income Tax		$ 557,527	$ 348,031	$ 106,676	$ 61,730	$ 17,485	$ 4,193	$ 899	$ 57	$ 7,085	$ 42
66	Total State Income Tax		$ 156,639	$ 97,780	$ 29,971	$ 17,343	$ 4,912	$ 1,178	$ 253	$ 16	$ 1,990	$ 12
67	**TOTAL REVENUE REQUIREMENT**		$ 18,427,622	$ 11,530,624	$ 3,584,604	$ 1,813,152	$ 534,714	$ 122,003	$ 28,152	$ 2,109	$ 372,226	$ 1,581
68												
69	**TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS**		$ 18,427,622	$ 11,530,624	$ 3,584,604	$ 1,813,152	$ 534,714	$ 122,003	$ 28,152	$ 2,109	$ 372,226	$ 1,581

PNM Exhibit HMP-6: Year Two Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules								
			Schedule 10	Schedule 11B	Schedule 15B	Schedule 30B	Schedule 33B	Schedule 35B	Schedule 36B	Schedule 6	Schedule 20
			Irrigation	Water & Sewage	Universities	Manufacturing (30 MW)	Station Power	Large Service (3 MW)	Special Service Rate	Priv. Area Light	Streetlighting
1	**GROSS PLANT**										
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	$ 122,407	$ 313,770	$ 2,092	$ 2,092	$ 2,092	$ 8,367	$ 2,092	$ -	$ -
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	WTD_METE	$ 312,321	$ 800,579	$ 5,337	$ 5,337	$ 5,337	$ 21,349	$ 5,337	$ -	$ -
4	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	$ 110,082	$ -	$ -	$ -	$ -	$ -	$ -	$ 65,322	$ 161,878
5	**TOTAL GROSS PLANT**		$ 544,810	$ 1,114,348	$ 7,429	$ 7,429	$ 7,429	$ 29,716	$ 7,429	$ 65,322	$ 161,878
6											
7											
8	**ACCUMULATED DEPRECIATION**										
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	$ (702)	$ (1,798)	$ (12)	$ (12)	$ (12)	$ (48)	$ (12)	$ -	$ -
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION SOFTWARE	WTD_METE	$ (23,041)	$ (59,062)	$ (394)	$ (394)	$ (394)	$ (1,575)	$ (394)	$ -	$ -
11	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	$ (2,211)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,312)	$ (3,251)
12	**TOTAL ACCUMULATED DEPRECIATION**		$ (25,954)	$ (60,860)	$ (406)	$ (406)	$ (406)	$ (1,623)	$ (406)	$ (1,312)	$ (3,251)
13											
14											
15	**ADIT**										
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	$ (1,828)	$ (4,686)	$ (31)	$ (31)	$ (31)	$ (125)	$ (31)	$ -	$ -
17	TOTAL DISTRIBUTION ADIT - SOFTWARE	WTD_METE	$ (28,745)	$ (73,682)	$ (491)	$ (491)	$ (491)	$ (1,965)	$ (491)	$ -	$ -
18	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	$ (1,078)	$ -	$ -	$ -	$ -	$ -	$ -	$ (640)	$ (1,586)
19	**TOTAL ADIT**		$ (31,651)	$ (78,368)	$ (522)	$ (522)	$ (522)	$ (2,090)	$ (522)	$ (640)	$ (1,586)
20											
21											
22	**TOTAL RATE BASE**		$ 487,205	$ 975,120	$ 6,501	$ 6,501	$ 6,501	$ 26,003	$ 6,501	$ 63,371	$ 157,041
23	**TOTAL RATE BASE Average of 12 Months**		$ 243,826	$ 488,008	$ 3,253	$ 3,253	$ 3,253	$ 13,014	$ 3,253	$ 31,714	$ 78,593
24	**RETURN ON RATE BASE**		$ 16,822	$ 33,668	$ 224	$ 224	$ 224	$ 898	$ 224	$ 2,188	$ 5,422
25											
26	**O&M**										
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	$ 28,123	$ 72,087	$ 481	$ 481	$ 481	$ 1,922	$ 481	$ -	$ -
28	TOTAL DISTRIBUTION O&M - SOFTWARE	WTD_METE	$ 24,804	$ 63,580	$ 424	$ 424	$ 424	$ 1,695	$ 424	$ -	$ -
29	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	$ 5,556	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,297	$ 8,171
30	Distribution-Demand-Subs	NCP_SUBS	$ 720	$ 5,518	$ -	$ 14,137	$ -	$ 3,325	$ -	$ 427	$ 1,059
31	Distribution-Demand-Primary	NCP_PRI	$ 2,680	$ 20,532	$ -	$ -	$ -	$ -	$ -	$ 1,591	$ 3,942
32	Distribution-Demand-Secondary	NCP_SEC	$ 1,312	$ -	$ -	$ -	$ -	$ -	$ -	$ 779	$ 1,929
33	Distribution-Customer-Services	WTD_SERV	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
34	Distribution-Customer-Meters	WTD_METE	$ 3,674	$ 9,417	$ 63	$ 63	$ 63	$ 251	$ 63	$ -	$ -
35	Distribution-Customer-Other	CUSTS	$ 26	$ 12	$ 0	$ 0	$ 0	$ 0	$ 0	$ -	$ -
36	TOTAL A&G		$ 8,413	$ 35,480	$ 63	$ 14,200	$ 63	$ 3,576	$ 63	$ 2,797	$ 6,930
37	**TOTAL O&M**		$ 66,896	$ 171,148	$ 967	$ 15,104	$ 967	$ 7,194	$ 967	$ 6,094	$ 15,101
38											
39											
40	**DEPRECIATION EXPENSE**										
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	$ 702	$ 1,798	$ 12	$ 12	$ 12	$ 48	$ 12	$ -	$ -
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	$ 16,745	$ 42,923	$ 286	$ 286	$ 286	$ 1,145	$ 286	$ -	$ -
43	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	$ 1,644	$ -	$ -	$ -	$ -	$ -	$ -	$ 975	$ 2,417
44	**TOTAL DEPRECIATION EXPENSE**		$ 19,090	$ 44,722	$ 298	$ 298	$ 298	$ 1,193	$ 298	$ 975	$ 2,417
45											
46											
47	**PROPERTY TAX**										
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	$ 138	$ 354	$ 2	$ 2	$ 2	$ 9	$ 2	$ -	$ -
49	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	WTD_METE	$ 1,522	$ 3,901	$ 26	$ 26	$ 26	$ 104	$ 26	$ -	$ -
50	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	$ 542	$ -	$ -	$ -	$ -	$ -	$ -	$ 322	$ 798
51	**TOTAL PROPERTY TAX**		$ 2,202	$ 4,254	$ 28	$ 28	$ 28	$ 113	$ 28	$ 322	$ 798
52											
53											
54	Distribution-Demand-Secondary	NCP_SEC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
55	Distribution-Customer-Meters	WTD_METE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
56	TOTAL REVENUE CREDITS		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
57											
58											
59	Revenue Tax		$ 555	$ 1,332	$ 8	$ 80	$ 8	$ 49	$ 8	$ 51	$ 127
60											
61	Return on Rate Base		$ 16,822	$ 33,668	$ 224	$ 224	$ 224	$ 898	$ 224	$ 2,188	$ 5,422
62	O&M		$ 66,896	$ 171,148	$ 967	$ 15,104	$ 967	$ 7,194	$ 967	$ 6,094	$ 15,101
63	Depreciation Expense		$ 19,090	$ 44,722	$ 298	$ 298	$ 298	$ 1,193	$ 298	$ 975	$ 2,417
64	Taxes Other Than Income		$ 2,757	$ 5,586	$ 36	$ 108	$ 36	$ 162	$ 36	$ 373	$ 925
65	Total Federal Income Tax		$ 3,182	$ 6,364	$ 42	$ 42	$ 42	$ 170	$ 42	$ 415	$ 1,029
66	Total State Income Tax		$ 894	$ 1,788	$ 12	$ 12	$ 12	$ 48	$ 12	$ 117	$ 289
67	**TOTAL REVENUE REQUIREMENT**		$ 109,640	$ 263,275	$ 1,581	$ 15,789	$ 1,581	$ 9,664	$ 1,581	$ 10,162	$ 25,183
68											
69	**TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS**		$ 109,640	$ 263,275	$ 1,581	$ 15,789	$ 1,581	$ 9,664	$ 1,581	$ 10,162	$ 25,183

PNM Exhibit HMP-6: Year Three Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules										
				Schedule 1	Schedule 2	Schedule 3B	Schedule 3C	Schedule 3D	Schedule 3E	Schedule 3F	Schedule 4B	Schedule 5B	
			PNM Retail	Residential	Small Power	General Power	GP Low LF	General Power Gov	GP Low LF Gov	Charging Stations	Large Power	Large Service (8 MW)	
1	**GROSS PLANT**												
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	$ 86,921,781	$ 56,054,152	$ 18,516,184	$ 5,796,051	$ 2,047,852	$ 371,279	$ 117,871	$ 13,677	$ 1,739,230	$ 10,415	
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	WTD_METE	$ 57,545,373	$ 37,109,883	$ 12,258,385	$ 3,837,196	$ 1,355,752	$ 245,800	$ 78,035	$ 9,055	$ 1,151,433	$ 6,895	
4	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	$ 54,350,737	$ 31,975,703	$ 8,348,330	$ 10,183,272	$ 2,442,431	$ 716,223	$ 111,943	$ 357	$ -	$ -	
5	**TOTAL GROSS PLANT**		$ 198,817,892	$ 125,139,738	$ 39,122,899	$ 19,816,518	$ 5,846,036	$ 1,333,302	$ 307,849	$ 23,089	$ 2,890,663	$ 17,310	
6													
7													
8	**ACCUMULATED DEPRECIATION**												
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	$ (2,503,838)	$ (1,614,676)	$ (533,371)	$ (166,959)	$ (58,990)	$ (10,695)	$ (3,395)	$ (394)	$ (50,100)	$ (300)	
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION SOFTWARE	WTD_METE	$ (7,780,490)	$ (5,017,485)	$ (1,657,409)	$ (518,813)	$ (183,306)	$ (33,234)	$ (10,551)	$ (1,224)	$ (155,681)	$ (932)	
11	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	$ (2,009,793)	$ (1,182,405)	$ (308,706)	$ (376,559)	$ (90,317)	$ (26,485)	$ (4,139)	$ (13)	$ -	$ -	
12	**TOTAL ACCUMULATED DEPRECIATION**		$ (12,294,121)	$ (7,814,566)	$ (2,499,486)	$ (1,062,331)	$ (332,613)	$ (70,413)	$ (18,086)	$ (1,631)	$ (205,781)	$ (1,232)	
13													
14													
15	**ADIT**												
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	$ (2,956,576)	$ (1,906,638)	$ (629,813)	$ (197,148)	$ (69,656)	$ (12,629)	$ (4,009)	$ (465)	$ (59,159)	$ (354)	
17	TOTAL DISTRIBUTION ADIT - SOFTWARE	WTD_METE	$ (7,725,630)	$ (4,982,107)	$ (1,645,723)	$ (515,154)	$ (182,014)	$ (32,999)	$ (10,476)	$ (1,216)	$ (154,583)	$ (926)	
18	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	$ (730,880)	$ (429,992)	$ (112,264)	$ (136,939)	$ (32,845)	$ (9,631)	$ (1,505)	$ (5)	$ -	$ -	
19	**TOTAL ADIT**		$ (11,413,086)	$ (7,318,737)	$ (2,387,800)	$ (849,242)	$ (284,514)	$ (55,260)	$ (15,991)	$ (1,686)	$ (213,742)	$ (1,280)	
20													
21													
22	**TOTAL RATE BASE**		$ 175,110,685	$ 110,006,435	$ 34,235,612	$ 17,904,946	$ 5,228,909	$ 1,207,629	$ 273,772	$ 19,772	$ 2,471,141	$ 14,798	
23	**TOTAL RATE BASE Average of 12 Months**		$ 132,402,403	$ 83,176,628	$ 25,885,783	$ 13,538,054	$ 3,953,614	$ 913,097	$ 207,001	$ 14,950	$ 1,868,447	$ 11,189	
24	**RETURN ON RATE BASE**		$ 9,134,401	$ 5,738,330	$ 1,785,852	$ 933,986	$ 272,759	$ 62,994	$ 14,281	$ 1,031	$ 128,904	$ 772	
25													
26	**O&M**												
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	$ 5,721,729	$ 3,689,831	$ 1,218,850	$ 381,532	$ 134,802	$ 24,440	$ 7,759	$ 900	$ 114,487	$ 686	
28	TOTAL DISTRIBUTION O&M - SOFTWARE	WTD_METE	$ 5,087,290	$ 3,280,694	$ 1,083,701	$ 339,227	$ 119,855	$ 21,730	$ 6,899	$ 801	$ 101,792	$ 610	
29	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	$ 2,128,098	$ 1,252,006	$ 326,878	$ 398,725	$ 95,633	$ 28,044	$ 4,383	$ 14	$ -	$ -	
30	Distribution-Demand-Subs	NCP_SUBS	$ 209,837	$ 101,309	$ 26,450	$ 32,264	$ 7,738	$ 2,269	$ 355	$ 1	$ 18,753	$ -	
31	Distribution-Demand-Primary	NCP_PRI	$ 727,343	$ 376,935	$ 98,412	$ 120,042	$ 28,792	$ 8,443	$ 1,320	$ 4	$ 69,774	$ -	
32	Distribution-Demand-Secondary	NCP_SEC	$ 313,629	$ 184,514	$ 48,174	$ 58,762	$ 14,094	$ 4,133	$ 646	$ 2	$ -	$ -	
33	Distribution-Customer-Services	WTD_SERV	$ 46,473	$ 42,413	$ 4,059	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
34	Distribution-Customer-Meters	WTD_METE	$ 430,560	$ 277,660	$ 91,718	$ 28,710	$ 10,144	$ 1,839	$ 584	$ 68	$ 8,615	$ 52	
35	Distribution-Customer-Other	CUSTS	$ 38,163	$ 34,068	$ 3,759	$ 203	$ 72	$ 13	$ 4	$ 0	$ 11	$ 0	
36	TOTAL A&G		$ 1,766,004	$ 1,016,900	$ 272,572	$ 239,981	$ 60,840	$ 16,697	$ 2,908	$ 76	$ 97,154	$ 52	
37	**TOTAL O&M**		$ 14,703,122	$ 9,239,431	$ 2,902,001	$ 1,359,465	$ 411,130	$ 90,911	$ 21,949	$ 1,790	$ 313,433	$ 1,347	
38													
39													
40	**DEPRECIATION EXPENSE**												
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	$ 2,403,784	$ 1,550,153	$ 512,057	$ 160,287	$ 56,632	$ 10,268	$ 3,260	$ 378	$ 48,098	$ 288	
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	$ 4,494,417	$ 2,898,362	$ 957,406	$ 299,693	$ 105,887	$ 19,198	$ 6,095	$ 707	$ 89,929	$ 539	
43	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	$ 1,366,654	$ 804,032	$ 209,919	$ 256,059	$ 61,415	$ 18,009	$ 2,815	$ 9	$ -	$ -	
44	**TOTAL DEPRECIATION EXPENSE**		$ 8,264,855	$ 5,252,546	$ 1,679,383	$ 716,040	$ 223,935	$ 47,475	$ 12,169	$ 1,094	$ 138,027	$ 827	
45													
46													
47	**PROPERTY TAX**												
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	$ 465,061	$ 299,909	$ 99,068	$ 31,011	$ 10,957	$ 1,986	$ 631	$ 73	$ 9,305	$ 56	
49	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	WTD_METE	$ 390,645	$ 251,919	$ 83,216	$ 26,049	$ 9,203	$ 1,669	$ 530	$ 61	$ 7,816	$ 47	
50	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	$ 447,712	$ 263,398	$ 68,769	$ 83,884	$ 20,119	$ 5,900	$ 922	$ 3	$ -	$ -	
51	**TOTAL PROPERTY TAX**		$ 1,303,418	$ 815,226	$ 251,052	$ 140,944	$ 40,280	$ 9,555	$ 2,083	$ 138	$ 17,122	$ 103	
52													
53													
54	Distribution-Demand-Secondary	NCP_SEC	$ (3,709)	$ (2,182)	$ (570)	$ (695)	$ (167)	$ (49)	$ (8)	$ (0)	$ -	$ -	
55	Distribution-Customer-Meters	WTD_METE	$ (9,859)	$ (6,358)	$ (2,100)	$ (657)	$ (232)	$ (42)	$ (13)	$ (2)	$ (197)	$ (1)	
56	TOTAL REVENUE CREDITS		$ (13,568)	$ (8,540)	$ (2,670)	$ (1,352)	$ (399)	$ (91)	$ (21)	$ (2)	$ (197)	$ (1)	
57													
58													
59	Revenue Tax		$ 181,328	$ 114,218	$ 35,897	$ 17,187	$ 5,162	$ 1,151	$ 275	$ 22	$ 3,201	$ 16	
60													
61	Return on Rate Base		$ 9,134,401	$ 5,738,330	$ 1,785,852	$ 933,986	$ 272,759	$ 62,994	$ 14,281	$ 1,031	$ 128,904	$ 772	
62	O&M		$ 14,703,122	$ 9,239,431	$ 2,902,001	$ 1,359,465	$ 411,130	$ 90,911	$ 21,949	$ 1,790	$ 313,433	$ 1,347	
63	Depreciation Expense		$ 8,264,855	$ 5,252,546	$ 1,679,383	$ 716,040	$ 223,935	$ 47,475	$ 12,169	$ 1,094	$ 138,027	$ 827	
64	Taxes Other Than Income		$ 1,484,746	$ 929,444	$ 286,949	$ 158,131	$ 45,442	$ 10,706	$ 2,357	$ 159	$ 20,323	$ 119	
65	Total Federal Income Tax		$ 1,765,896	$ 1,109,698	$ 345,607	$ 179,831	$ 52,601	$ 12,124	$ 2,757	$ 200	$ 25,041	$ 150	
66	Total State Income Tax		$ 496,133	$ 311,773	$ 97,099	$ 50,524	$ 14,778	$ 3,406	$ 774	$ 56	$ 7,035	$ 42	
67	**TOTAL REVENUE REQUIREMENT**		$ 35,849,153	$ 22,581,221	$ 7,096,892	$ 3,397,976	$ 1,020,645	$ 227,616	$ 54,287	$ 4,332	$ 632,764	$ 3,256	
68													
69	**TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS**		$ 35,835,585	$ 22,572,681	$ 7,094,222	$ 3,396,624	$ 1,020,246	$ 227,525	$ 54,266	$ 4,331	$ 632,566	$ 3,255	

PNM Exhibit HMP-6: Year Three Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules								
			Schedule 10	Schedule 11B	Schedule 15B	Schedule 30B	Schedule 33B	Schedule 35B	Schedule 36B	Schedule 6	Schedule 20
			Irrigation	Water & Sewage	Universities	Manufacturing (30 MW)	Station Power	Large Service (3 MW)	Special Service Rate	Priv. Area Light	Streetlighting
1	**GROSS PLANT**										
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	$ 609,473	$ 1,562,276	$ 10,415	$ 10,415	$ 10,415	$ 41,661	$ 10,415	$ -	$ -
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	WTD_METE	$ 403,493	$ 1,034,283	$ 6,895	$ 6,895	$ 6,895	$ 27,581	$ 6,895	$ -	$ -
4	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	$ 186,845	$ -	$ -	$ -	$ -	$ -	$ -	$ 110,874	$ 274,760
5	**TOTAL GROSS PLANT**		$ 1,199,811	$ 2,596,559	$ 17,310	$ 17,310	$ 17,310	$ 69,242	$ 17,310	$ 110,874	$ 274,760
6											
7											
8	**ACCUMULATED DEPRECIATION**										
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	$ (17,556)	$ (45,002)	$ (300)	$ (300)	$ (300)	$ (1,200)	$ (300)	$ -	$ -
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION SOFTWARE	WTD_METE	$ (54,555)	$ (139,842)	$ (932)	$ (932)	$ (932)	$ (3,729)	$ (932)	$ -	$ -
11	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	$ (6,909)	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,100)	$ (10,160)
12	**TOTAL ACCUMULATED DEPRECIATION**		$ (79,020)	$ (184,844)	$ (1,232)	$ (1,232)	$ (1,232)	$ (4,929)	$ (1,232)	$ (4,100)	$ (10,160)
13											
14											
15	**ADIT**										
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	$ (20,731)	$ (53,140)	$ (354)	$ (354)	$ (354)	$ (1,417)	$ (354)	$ -	$ -
17	TOTAL DISTRIBUTION ADIT - SOFTWARE	WTD_METE	$ (54,170)	$ (138,855)	$ (926)	$ (926)	$ (926)	$ (3,703)	$ (926)	$ -	$ -
18	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	$ (2,513)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,491)	$ (3,695)
19	**TOTAL ADIT**		$ (77,413)	$ (191,995)	$ (1,280)	$ (1,280)	$ (1,280)	$ (5,120)	$ (1,280)	$ (1,491)	$ (3,695)
20											
21											
22	**TOTAL RATE BASE**		$ 1,043,378	$ 2,219,721	$ 14,798	$ 14,798	$ 14,798	$ 59,193	$ 14,798	$ 105,283	$ 260,905
23	**TOTAL RATE BASE Average of 12 Months**		$ 788,905	$ 1,678,346	$ 11,189	$ 11,189	$ 11,189	$ 44,756	$ 11,189	$ 79,605	$ 197,272
24	**RETURN ON RATE BASE**		$ 54,426	$ 115,789	$ 772	$ 772	$ 772	$ 3,088	$ 772	$ 5,492	$ 13,610
25											
26	**O&M**										
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	$ 40,119	$ 102,839	$ 686	$ 686	$ 686	$ 2,742	$ 686	$ -	$ -
28	TOTAL DISTRIBUTION O&M - SOFTWARE	WTD_METE	$ 35,671	$ 91,436	$ 610	$ 610	$ 610	$ 2,438	$ 610	$ -	$ -
29	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	$ 7,316	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,341	$ 10,758
30	Distribution-Demand-Subs	NCP_SUBS	$ 592	$ 4,535	$ -	$ 11,617	$ -	$ 2,732	$ -	$ 351	$ 871
31	Distribution-Demand-Primary	NCP_PRI	$ 2,203	$ 16,872	$ -	$ -	$ -	$ -	$ -	$ 1,307	$ 3,239
32	Distribution-Demand-Secondary	NCP_SEC	$ 1,078	$ -	$ -	$ -	$ -	$ -	$ -	$ 640	$ 1,585
33	Distribution-Customer-Services	WTD_SERV	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
34	Distribution-Customer-Meters	WTD_METE	$ 3,019	$ 7,739	$ 52	$ 52	$ 52	$ 206	$ 52	$ -	$ -
35	Distribution-Customer-Other	CUSTS	$ 21	$ 10	$ 0	$ 0	$ 0	$ 0	$ 0	$ -	$ -
36	TOTAL A&G		$ 6,913	$ 29,156	$ 52	$ 11,668	$ 52	$ 2,939	$ 52	$ 2,298	$ 5,695
37	**TOTAL O&M**		$ 90,019	$ 223,430	$ 1,347	$ 12,964	$ 1,347	$ 8,120	$ 1,347	$ 6,639	$ 16,453
38											
39											
40	**DEPRECIATION EXPENSE**										
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	$ 16,855	$ 43,204	$ 288	$ 288	$ 288	$ 1,152	$ 288	$ -	$ -
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	$ 31,514	$ 80,780	$ 539	$ 539	$ 539	$ 2,154	$ 539	$ -	$ -
43	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	$ 4,698	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,788	$ 6,909
44	**TOTAL DEPRECIATION EXPENSE**		$ 53,067	$ 123,984	$ 827	$ 827	$ 827	$ 3,306	$ 827	$ 2,788	$ 6,909
45											
46											
47	**PROPERTY TAX**										
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	$ 3,261	$ 8,359	$ 56	$ 56	$ 56	$ 223	$ 56	$ -	$ -
49	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	WTD_METE	$ 2,739	$ 7,021	$ 47	$ 47	$ 47	$ 187	$ 47	$ -	$ -
50	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	$ 1,539	$ -	$ -	$ -	$ -	$ -	$ -	$ 913	$ 2,263
51	**TOTAL PROPERTY TAX**		$ 7,539	$ 15,380	$ 103	$ 103	$ 103	$ 410	$ 103	$ 913	$ 2,263
52											
53											
54	Distribution-Demand-Secondary	NCP_SEC	$ (13)	$ -	$ -	$ -	$ -	$ -	$ -	$ (8)	$ (19)
55	Distribution-Customer-Meters	WTD_METE	$ (69)	$ (177)	$ (1)	$ (1)	$ (1)	$ (5)	$ (1)	$ -	$ -
56	TOTAL REVENUE CREDITS		$ (82)	$ (177)	$ (1)	$ (1)	$ (1)	$ (5)	$ (1)	$ (8)	$ (19)
57											
58											
59	Revenue Tax		$ 1,111	$ 2,580	$ 16	$ 76	$ 16	$ 80	$ 16	$ 87	$ 216
60											
61	Return on Rate Base		$ 54,426	$ 115,789	$ 772	$ 772	$ 772	$ 3,088	$ 772	$ 5,492	$ 13,610
62	O&M		$ 90,019	$ 223,430	$ 1,347	$ 12,964	$ 1,347	$ 8,120	$ 1,347	$ 6,639	$ 16,453
63	Depreciation Expense		$ 53,067	$ 123,984	$ 827	$ 827	$ 827	$ 3,306	$ 827	$ 2,788	$ 6,909
64	Taxes Other Than Income		$ 8,650	$ 17,959	$ 119	$ 178	$ 119	$ 490	$ 119	$ 1,001	$ 2,480
65	Total Federal Income Tax		$ 10,544	$ 22,494	$ 150	$ 150	$ 150	$ 600	$ 150	$ 1,049	$ 2,600
66	Total State Income Tax		$ 2,962	$ 6,320	$ 42	$ 42	$ 42	$ 169	$ 42	$ 295	$ 731
67	**TOTAL REVENUE REQUIREMENT**		$ 219,668	$ 509,975	$ 3,256	$ 14,932	$ 3,256	$ 15,772	$ 3,256	$ 17,264	$ 42,783
68											
69	**TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS**		$ 219,586	$ 509,798	$ 3,255	$ 14,931	$ 3,255	$ 15,767	$ 3,255	$ 17,256	$ 42,764

Illustrative Rider 60 Grid Modernization Customer Charge Year Two and Year Three

PNM Exhibit HMP-7

Is contained in the following 2 pages.

PNM Exhibit HMP-7: Illustrative Rider 60 Grid Modernization Charge, Year Two (2026) and Year Three (2027) **Page 1 of 2**

Year Two Revenue Requirement

Year	Annual Revenue Requirement
Year One	$7,673,961
Year Two	**$18,427,622**
Year Three	$35,835,585
	[A]

Line	Customer Class	Annual number of customers 24-00089-UT as filed	Monthly number of customers/ number of lights	Customer Class revenue requirement Year Two	Rider 60 annual charge, Year Two ($/customer)	Rider 60 monthly charge, Year Two ($/customer bill)	Rider 60 monthly charge, % increase from Year One charge
		[B]	[C] = [B] / 12	[D]	[E] = [D] / [C]	[F] = [D] / [B]	[G] = (Year Two - Year One) / Year One
1	1 - Residential	5,986,644	498,887	$11,530,624	$23.11	$1.93	150.1%
2	2 - Small Power	660,551	55,046	$3,584,604	$65.12	$5.43	172.6%
3	3B - General Power	35,647	2,971	$1,813,152	$610.36	$50.86	75.3%
4	3C - General Power Low LF	12,595	1,050	$534,714	$509.46	$42.45	98.1%
5	3D - General Power Government	2,283	190	$122,003	$641.15	$53.43	70.5%
6	3E - General Power Low LF Government	725	60	$28,152	$466.01	$38.83	113.8%
7	3F - Commercial Charging Stations	84	7	$2,109	$300.83	$25.07	336.6%
8	4B - Large Power	2,004	167	$372,226	$2,229.03	$185.75	100.9%
9	5B - Large Service (8 MW)	12	1	$1,581	$1,580.62	$131.72	358.2%
10	10A/B - Irrigation	3,748	312	$109,640	$351.00	$29.25	207.4%
11	11B - Wtr/Swg Pumping	1,800	150	$263,275	$1,755.17	$146.26	218.7%
12	15B - Universities	12	1	$1,581	$1,580.62	$131.72	358.2%
13	30B - Manufacturing (30 MW)	12	1	$15,789	$15,789.16	$1,315.76	-7.6%
14	33B - Station Power	12	1	$1,581	$1,580.62	$131.72	358.2%
15	35B - Large Service (3 MW)	48	4	$9,664	$2,416.10	$201.34	81.7%
16	36B - SSR - Renew. Energy Res.	12	1	$1,581	$1,580.62	$131.72	358.2%
17	6 - Private Area Lighting*	165,919	13,827	$10,162	$0.73	$0.06	0.0%
18	20 - Streetlighting*	588,579	49,048	$25,183	$0.51	$0.04	0.0%
19							
20	Total	7,460,688	621,724	$18,427,622			

* A $/light charge for Rate 6 Private Area Lighting and Rate 20 Streetlighting will be applied.

PNM Exhibit HMP-7: Illustrative Rider 60 Grid Modernization Charge, Year Two (2026) and Year Three (2027) **Page 2 of 2**

Year Three Revenue Requirement

Year	Annual Revenue Requirement
Year One	$7,673,961
Year Two	$18,427,622
Year Three	**$35,835,585**
	[A]

Line	Customer Class	Annual number of customers 24-00089-UT as filed	Monthly number of customers/ number of lights	Customer Class revenue requirement Year Three	Rider 60 annual charge, Year Three ($/customer)	Rider 60 monthly charge, Year Three ($/customer bill)	Rider 60 monthly charge, % increase from Year Two charge
		[B]	[C] = [B] / 12	[D]	[E] = [D] / [C]	[F] = [D] / [B]	[G] = (Year Three - Year Two) / Year Two
1	1 - Residential	5,986,644	498,887	$22,572,681	$45.25	$3.77	95.8%
2	2 - Small Power	660,551	55,046	$7,094,222	$128.88	$10.74	97.9%
3	3B - General Power	35,647	2,971	$3,396,624	$1,143.41	$95.28	87.3%
4	3C - General Power Low LF	12,595	1,050	$1,020,246	$972.06	$81.00	90.8%
5	3D - General Power Government	2,283	190	$227,525	$1,195.68	$99.64	86.5%
6	3E - General Power Low LF Government	725	60	$54,266	$898.28	$74.86	92.8%
7	3F - Commercial Charging Stations	84	7	$4,331	$617.79	$51.48	105.4%
8	4B - Large Power	2,004	167	$632,566	$3,788.05	$315.67	69.9%
9	5B - Large Service (8 MW)	12	1	$3,255	$3,255.21	$271.27	105.9%
10	10A/B - Irrigation	3,748	312	$219,586	$702.97	$58.58	100.3%
11	11B - Wtr/Swg Pumping	1,800	150	$509,798	$3,398.65	$283.22	93.6%
12	15B - Universities	12	1	$3,255	$3,255.21	$271.27	105.9%
13	30B - Manufacturing (30 MW)	12	1	$14,931	$14,931.03	$1,244.25	-5.4%
14	33B - Station Power	12	1	$3,255	$3,255.21	$271.27	105.9%
15	35B - Large Service (3 MW)	48	4	$15,767	$3,941.77	$328.48	63.1%
16	36B - SSR - Renew. Energy Res.	12	1	$3,255	$3,255.21	$271.27	105.9%
17	6 - Private Area Lighting*	165,919	13,827	$17,256	$1.25	$0.10	69.8%
18	20 - Streetlighting*	588,579	49,048	$42,764	$0.87	$0.07	69.8%
19							
20	Total	7,460,688	621,724	$35,835,585			

* A $/light charge for Rate 6 Private Area Lighting and Rate 20 Streetlighting will be applied.

Illustrative Rider 60 Grid Modernization Bill Impacts Year Two

PNM Exhibit HMP-8

Is contained in the following 5 pages.

PNM Exhibit HMP-8: Rider 60 Grid Mod Year Two Illustrative Bill Impacts (April 1, 2026 rates)

1A - Residential

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
500 kWh	$79.17	$80.38	$1.21	1.5%
750 kWh	$121.41	$122.62	$1.21	1.0%
1,200 kWh	$215.41	$216.62	$1.21	0.6%

1B - Residential TOU

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
750 kWh	$158.90	$160.11	$1.21	0.8%
1,500 kWh	$274.52	$275.72	$1.21	0.4%
2,500 kWh	$428.67	$429.88	$1.21	0.3%

1B - Residential TOD pilot

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
750 kWh	$135.69	$136.90	$1.21	0.9%
1,500 kWh	$260.41	$261.62	$1.21	0.5%
2,500 kWh	$421.13	$422.34	$1.21	0.3%

2A - Small Power

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
700 kWh	$123.83	$127.41	$3.58	2.9%
1,500 kWh	$230.12	$233.70	$3.58	1.6%
4,000 kWh	$562.29	$565.88	$3.58	0.6%

2B - Small Power TOU

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
700 kWh	$121.45	$125.03	$3.58	2.9%
1,500 kWh	$233.43	$237.02	$3.58	1.5%
4,000 kWh	$583.40	$586.98	$3.58	0.6%

2B - Small Power TOD pilot

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
700 kWh	$123.10	$126.68	$3.58	2.9%
1,500 kWh	$228.56	$232.14	$3.58	1.6%
4,000 kWh	$558.12	$561.71	$3.58	0.6%

3B - General Power TOU

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
42,075 kWh and 125 kW	$5,579	$5,602	$22.74	0.4%
93,366 kWh and 232 kW	$10,748	$10,771	$22.74	0.2%
142916 kWh and 325 kW	$15,409	$15,431	$22.74	0.1%

3B - General Power TOD pilot

Consumption Level	Annualized Monthly Bill (4/1/26)	Bill w/ Rider 60,Year Two Illustrative	$ Change	% Change
42,075 kWh and 125 kW	$5,250	$5,273	$22.74	0.4%
93,366 kWh and 232 kW	$10,244	$10,267	$22.74	0.2%
142916 kWh and 325 kW	$14,784	$14,806	$22.74	0.2%

3C - General Power Low Load Factor TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
28,623 kWh and 113 kW	$3,797	$3,818	$21.88	0.6%
55,926 kWh and 189 kW	$6,862	$6,884	$21.88	0.3%
75,687 kWh and 427 kW	$11,715	$11,737	$21.88	0.2%

3C - General Power LLF TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
28,623 kWh and 113 kW	$4,299	$4,321	$21.88	0.5%
55,926 kWh and 189 kW	$7,428	$7,450	$21.88	0.3%
75,687 kWh and 427 kW	$14,585	$14,607	$21.88	0.2%

3D - General Power Government TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
19,222 kWh and 62 kW	$2,695	$2,718	$23.01	0.9%
32,752 kWh and 88 kW	$3,994	$4,017	$23.01	0.6%
58,894 kWh and 143 kW	$6,637	$6,660	$23.01	0.3%

3D - General Power Government TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
19,222 kWh and 62 kW	$2,639	$2,662	$23.01	0.9%
32,752 kWh and 88 kW	$3,908	$3,931	$23.01	0.6%
58,894 kWh and 143 kW	$6,492	$6,515	$23.01	0.4%

3E - General Power Low Load Factor Government TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
9,561 kWh and 51 kW	$1,550	$1,572	$21.52	1.4%
14,057 kWh and 60 kW	$2,008	$2,029	$21.52	1.1%
18,000 kWh and 96 kW	$2,831	$2,852	$21.52	0.8%

3E - General Power LLF Government TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
9,561 kWh and 51 kW	$1,899	$1,920	$21.52	1.1%
14,057 kWh and 60 kW	$2,325	$2,346	$21.52	0.9%
18,000 kWh and 96 kW	$3,465	$3,486	$21.52	0.6%

3F - Commercial Charging Stations				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
54,900 kWh	$7,313	$7,333	$20.12	0.3%
91,680 kWh	$12,065	$12,085	$20.12	0.2%
146,880 kWh	$19,198	$19,218	$20.12	0.1%

4B - Large Power Service TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
261,473 kWh and 566 kW	$28,113	$28,210	$97.14	0.3%
329,850 kWh and 648 kW	$33,388	$33,485	$97.14	0.3%
397,863 kWh and 745 kW	$39,070	$39,167	$97.14	0.2%

4B - Large Power Service TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
261,473 kWh and 566 kW	$28,045	$28,142	$97.14	0.3%
329,850 kWh and 648 kW	$33,303	$33,400	$97.14	0.3%
397,863 kWh and 745 kW	$38,968	$39,065	$97.14	0.2%

5B - Large Service TOU (8MW)				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
1,883,951 kWh and 8,000 kW	$210,362	$210,466	$103.30	0.05%
2,511,935 kWh and 8,325 kW	$256,389	$256,492	$103.30	0.04%
3,139,919 kWh and 10,000 kW	$313,851	$313,954	$103.30	0.03%

5B - Large Service TOD pilot (8MW)				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
1,883,951 kWh and 8,000 kW	$208,108	$208,211	$103.30	0.05%
2,511,935 kWh and 8,325 kW	$253,383	$253,486	$103.30	0.04%
3,139,919 kWh and 10,000 kW	$310,093	$310,196	$103.30	0.03%

10A Irrigation Service				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
500 kWh	$93	$112	$19.74	21.3%
1,000 kWh	$150	$170	$19.74	13.2%
5,000 kWh	$609	$628	$19.74	3.2%

10B Irrigation Service TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
1,200 kWh	$185	$205	$19.74	10.7%
5,500 kWh	$683	$703	$19.74	2.9%
12,000 kWh	$1,436	$1,456	$19.74	1.4%

10B Irrigation Service TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
1,200 kWh	$182	$201	$19.74	10.9%
5,500 kWh	$668	$688	$19.74	3.0%
12,000 kWh	$1,404	$1,424	$19.74	1.4%

11B Water and Sewage Pumping Service TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
15,000 kWh	$1,693	$1,798	$104.50	6.2%
55,000 kWh	$4,678	$4,782	$104.50	2.2%
115,000 kWh	$9,154	$9,259	$104.50	1.1%

11B Water and Sewage Pumping Service TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
15,000 kWh	$1,817	$1,922	$104.50	5.8%
55,000 kWh	$5,132	$5,236	$104.50	2.0%
115,000 kWh	$10,104	$10,208	$104.50	1.0%

15B Universities (8MW)				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
2,300,000 kWh and 8,000 kW	$222,847	$222,950	$103.30	0.05%
3,900,000 kWh and 11,000 kW	$340,485	$340,588	$103.30	0.03%
5,500,000 kWh and 12,000 kW	$467,013	$467,116	$103.30	0.02%

15B Universities (8MW) TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
2,300,000 kWh and 8,000 kW	$218,849	$218,952	$103.30	0.05%
3,900,000 kWh and 11,000 kW	$333,706	$333,809	$103.30	0.03%
5,500,000 kWh and 12,000 kW	$457,452	$457,556	$103.30	0.02%

30B Manufacturing (30MW)				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
21,000,000 kWh and 35,000 kW	$1,776,855	$1,776,746	($109.33)	-0.01%
43,000,000 kWh and 61,000 kW	$3,193,321	$3,193,212	($109.33)	-0.003%
51,000,000 kWh and 87,000 kW	$4,087,538	$4,087,428	($109.33)	-0.003%

30B Manufacturing (30MW) TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
21,000,000 kWh and 35,000 kW	$1,776,689	$1,776,580	($109.33)	-0.01%
43,000,000 kWh and 61,000 kW	$3,192,981	$3,192,871	($109.33)	-0.003%
51,000,000 kWh and 87,000 kW	$4,087,134	$4,087,024	($109.33)	-0.003%

33B Station Power TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
200,000 kWh and 1,500 kW	$15,923	$16,026	$102.98	0.6%
240,000 kWh and 1,600 kW	$18,598	$18,701	$102.98	0.6%
300,000 kWh and 1,800 kW	$22,699	$22,802	$102.98	0.5%

33B Station Power TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
200,000 kWh and 1,500 kW	$16,249	$16,352	$102.98	0.6%
240,000 kWh and 1,600 kW	$18,990	$19,093	$102.98	0.5%
300,000 kWh and 1,800 kW	$23,188	$23,291	$102.98	0.4%

35B Large Power (3MW) TOU				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
2,500,000 kWh and 4,500 kW	$196,685	$196,776	$90.79	0.05%
3,700,000 kWh and 6,200 kW	$274,761	$274,852	$90.79	0.03%
5,000,000 kWh and 8,300 kW	$363,993	$364,084	$90.79	0.02%

35B Large Power (3MW) TOD pilot				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
2,500,000 kWh and 4,500 kW	$196,498	$196,589	$90.79	0.05%
3,700,000 kWh and 6,200 kW	$274,485	$274,575	$90.79	0.03%
5,000,000 kWh and 8,300 kW	$363,620	$363,710	$90.79	0.02%

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36B Special Service Rate - Renewable Energy Resources				
	Annualized Monthly Bill	Bill w/ Rider 60,Year Two		
Consumption Level	(4/1/26)	Illustrative	$ Change	% Change
40,000,000 kWh and 61,000 kW	$2,200,074	$2,200,177	$102.98	0.005%
67,000,000 kWh and 102,000 kW	$3,668,479	$3,668,582	$102.98	0.003%
93,000,000 kWh and 145,000 kW	$5,099,529	$5,099,632	$102.98	0.002%

Lighting rate classes	
	Rider 60 Grid Mod rate per light, Year Two
Per Light	Illustrative
6 - Private Area Lights	$0.06
20 - Streetlighting	$0.04

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S SECOND ANNUAL GRID MODERNIZATION REVIEW FILING PURSUANT TO THE COMMISSION'S FINAL ORDER	)	**Docket No. 26-00000__**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant.	)	

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

HEIDI M. PITTS Ph.D., Principal Pricing Analyst, PNMR Services Company upon being duly sworn according to law, under oath deposes and states: I have read the foregoing **Direct Testimony of Heidi M. Pitts Ph.D.,** and it is true and accurate based on my own personal knowledge and belief.

Dated this 10th day of April, 2026.

/s/ Heidi M. Pitts
HEIDI M. PITTS Ph.D.

GCG # 534767