

**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

**11TH REVISED RIDER NO. 23
CANCELING 10TH REVISED RIDER NO. 23**

FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE (“FPPCAC”)

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EXPLANATION OF RIDER: Pursuant to the New Mexico Public Regulation Commission’s (NMPRC) Final Order in NMPRC Case No. 22-00270-UT, Public Service Company of New Mexico (“PNM” or the “Company”) is authorized to continue use of a Fuel and Purchased Power Cost Adjustment Clause (“FPPCAC”) to recover from its retail customers increases or to refund decreases in its fuel and purchased power costs above or below a base fuel cost per kWh.

DEFINITIONS:

REA – Means Renewable Energy Act, NMSA 1978 Sections 62-16-1 through 62-16-10 (2004, as amended through 2019).

Fuel Clause Year – The time frame beginning January 1 each year and ending December 31 of the following calendar year.

Non-Renewable FPPCAC Fuel Factor– Means the fuel factor which applies to the Non-Renewable kWh.

Non-Renewable kilowatt hours (“kWh”) – Means the kWh consumed by customers taking retail service less Renewable kWh.

Renewable FPPCAC Fuel Factor – Means the fuel factor which applies to the Renewable kWh.

Renewable kWh – Energy produced by renewable resources consistent with Section 62-16-3(E) of the REA and recovered through Rate Rider 36.

Special Contract Customer – A retail customer served by PNM under special contract that provides for part or all of the customer’s energy requirements.

APPLICABILITY: The Renewable and Non-Renewable FPPCAC Fuel Factors, differentiated by Service Category, apply to Renewable or Non-Renewable kWh consumed by customers taking retail service under PNM’s Retail Energy Rate Schedules listed below.

<u>Service Category</u>	<u>Applicable Rate Schedules</u>
Secondary	1A - Residential
	1B - Residential TOU
	2A - Small Power
	2B - Small Power TOU
	3B - General Power TOU
	3C - General Power TOU (Low Load Factor)
	3D – Municipalities & Counties General Power TOU
	3E - Municipalities & Counties General Power TOU (Low Load Factor)
	3F – Non-Residential Charging Station-Pilot

Advice Notice No. 641

EFFECTIVE

July 1, 2025

Replaced by NMPRC

By: Commission Final Order

Case No. 24-00089-UT

/s/ Kyle T. Sanders
Kyle T. Sanders
Vice President, Regulatory

GCG#533769

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	6 - Private Area Lighting 10A - Irrigation 10B - Irrigation TOU 20 - Streetlighting
Primary	4B - Large Power TOU 11B - Water and Sewage Pumping TOU
Substation	30B - Industrial Power TOU (12.5 kV, 30MW Min.) 35B – Large Power Service >= 3,000 kW TOU
Sub Transmission	5B - Industrial Power TOU (Mines 34.5/46/115 kV)
Transmission	15B - Industrial Power TOU (Universities 115 kV) 33B - Large Service for Station Power TOU 36B - Special Service Rate–Renewable Energy Resources

DURATION: The FPPCAC shall remain in effect until terminated by the Commission.

RATE ADJUSTMENT PROVISIONS FOR FPPCAC FUEL FACTORS:

The FPPCAC Fuel Factors shall be reset quarterly.

The cost elements that will be recovered through the Renewable FPPCAC Fuel Factor shall include the fuel costs pursuant to 17.9.550 NMAC and not recovered through Rate Rider 36 associated with the generation or purchase of renewable energy.

The cost elements that will be recovered through the Non-Renewable FPPCAC Fuel Factor exclude costs recovered through the Renewable FPPCAC Fuel Factor and Rate Rider 36.

- a) The FPPCAC Fuel Factors shall be calculated as follows:
 - i) The FPPCAC Fuel Factors shall be set annually, at the beginning of each Fuel Clause Year. The annual FPPCAC Fuel Factors shall be calculated as follows:
 - a) The sum of the balancing account as of October 31st of each year, plus the projected FPPCAC cost elements for the 14 month period, beginning on November 1st through the following December 31st, less the revenues projected to be collected under the existing base fuel rate and the FPPCAC Fuel Factors from November and December, less the revenues projected to be collected through the existing base fuel rate for the Fuel Clause Year
 - b) Divide amount calculated in a)i)a) by the projected kWh sales for the 12 month period of the Fuel Clause Year, to determine the annual FPPCAC Fuel Factors.

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- ii) The FPPCAC Fuel Factors shall be reset quarterly and calculated as follows:
 - a) 1st quarterly reset implemented in April will be calculated as follows:
 - i. The sum of the balancing account as of January 31st, plus the difference of the projected FPPCAC cost elements and revenues collected as identified in a)i)a) above, for the period of February through December, divided by the projected kWh sales as identified in a)i)b) above, for the February through December period.
 - b) 2nd quarterly reset implemented in July will be calculated as follows:
 - i. The sum of the balancing account as of April 30th, plus the difference of the projected FPPCAC cost elements and revenues collected as identified in a)i)a) above, for the period of May through December, divided by the projected kWh sales as identified in a)i)b) above, for the May through December period.
 - c) 3rd quarterly reset implemented in October will be calculated as follows:
 - i. The sum of the balancing account as of July 31st, plus the difference of the projected FPPCAC cost elements and revenues collected as identified in a)i)a) above, for the period of August through December, divided by the projected kWh sales as identified in a)i)b) above, for the August through December period.
- iii) The projections identified in a)i)a) and a)i)b) above will only be updated on an annual basis, unless the total FPPCAC cost elements or projected kWh sales for the period have changed by more than 10% of total applicable fuel and purchased power, net of off-system sales.
- iv) No increase in the quarterly FPPCAC Fuel Factors shall result in an increase of more than 5% of the average residential customer’s overall bill, unless all Stipulating Parties in Case No. 13-00187-UT agree in writing to a larger increase in a particular quarter. Amounts in excess of this limitation shall be deferred for collection until the next quarterly adjustment, subject to this limitation.
- v) Loss factors shall be applied to derive the FPPCAC Fuel Factors at the following voltage levels:

Loss Factors	
Secondary Voltage	1.0075129
Primary Voltage	0.9896273
Substation Voltage	0.9769331
Sub Transmission Voltage	0.9719550
Transmission Voltage	0.9668945

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- b) The Renewable kWh sales for the annual Renewable FPPCAC Fuel Factor and, as applicable, for each quarterly adjustment shall be calculated as follows:
 - i) Renewable kWh are total consumed kWh for these customers times the customer Renewable Percentage.

- c) The Non-Renewable kWh sales for the annual Non-Renewable FPPCAC Fuel Factor and, as applicable, for each quarterly adjustment shall be calculated as follows:
 - i) Non-Renewable kWh are total consumed kWh for customers times (1 minus customer Renewable Percentage).

- d) The differences between PNM’s FPPCAC cost elements and recoveries are placed in a balancing account. Monthly carrying costs on any under-recovered or over-recovered balance at the end of the month shall be calculated by multiplying the balance by 2.4% (annual rate).

- e) PNM will file monthly and annual reports as required by Rule 550.13(A) and (E).

- f) PNM will report the metered renewable production for customers certifying to the state auditor pursuant to Chapter 65, Section 29(C) of New Mexico Laws of 2019 (§ 62-16-4(C) (2019)) in its Rule 550.13(E) monthly reports. PNM will calculate the credit to these customers based on the FPPCAC rate in effect when the renewable energy was generated. PNM will report the recovery of these credits back through the FPPCAC in its Rule 550.13(E) monthly report.

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