#### BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION	)
OF PUBLIC SERVICE COMPANY OF NEW	)
MEXICO FOR REVISION OF ITS RETAIL	)
ELECTRIC RATES PURSUANT TO ADVICE	) Case No. 24-00089-UT
NOTICE NO. 625	)
PUBLIC SERVICE COMPANY OF NEW	)
MEXICO,	)
Applicant.	

#### UNOPPOSED COMPREHENSIVE STIPULATION

The signatories to this Unopposed Comprehensive Stipulation ("Stipulation") dated November 26, 2024 consist of the following parties (collectively, the "Signatories"):

- Utility Division Staff of the New Mexico Public Regulation Commission ("Staff")
- New Mexico Department of Justice ("NMDOJ")
- Public Service Company of New Mexico ("PNM")
- Albuquerque Bernalillo County Water Utility Authority ("ABCWUA")
- City of Albuquerque ("City")
- Coalition for Clean Affordable Energy ("CCAE")
- Coalition for Community Solar Access ("CCSA")
- County of Bernalillo ("County")
- New Energy Economy ("NEE")
- New Mexico Affordable Reliable Energy Alliance ("NM AREA")
- The Kroger Co. ("Kroger")
- Walmart Inc. ("Walmart")
- Western Resource Advocates ("WRA")

The Stipulation represents the comprehensive settlement of this case agreed to by the Signatories, which is encompassed in this Stipulation and attached exhibits. The Stipulation consists of consecutively numbered paragraphs organized in the following sections, which incorporate relevant summary case information and the substantive terms and conditions agreed to by the Signatories.

The following parties<sup>1</sup> do not oppose this Stipulation: Onward Energy Holdings, LLC and Renewable Energy Industries Association of New Mexico.

With regard to entities that proposed to intervene on an opposed basis and for whom intervention has not been granted, when queried: EcoMaxSolar LLC takes no position and New Mexico Independent Power Producers did not respond.

The Signatories submit this Stipulation to the New Mexico Public Regulation Commission ("NMPRC" or "Commission") as representing a just and reasonable disposition of the issues related to this case. The Stipulation balances the interests of customers and PNM in a manner that results in fair, just and reasonable rates for customers and therefore is in the public interest.

The Signatories request that the Commission issue a Final Order in this case that approves this Stipulation together with the Illustrative Cost-of-Service Study and stipulated new rates that are attached hereto, with all necessary findings, conclusions and ordering paragraphs that resolve in full all issues in this proceeding in accordance with the provisions of the Stipulation.

## I. Summary of PNM's Requested Rate Increase and Proposed Rates

1. On June 14, 2024, PNM filed its Application requesting Commission approval for revisions to PNM's retail rates under Advice Notice No. 625. PNM's rate request is based on a Future Test Year Period ("Test Period") beginning July 1, 2025. Excluding the costs currently recovered through PNM's Fuel and Purchased Power Cost Adjustment Clause ("Fuel Clause"), PNM projects an annual revenue requirement of \$851.3 million for the Test Period. PNM's stated revenue deficiency is \$174.3 million.

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<sup>&</sup>lt;sup>1</sup> Collectively the term "Parties" refers to Staff and the following persons that moved to intervene as parties in this case and whose intervention was granted by rule or order at the time of settlement meetings are: NMDOJ, County, ABCWUA, City, CCAE, CCSA, NM AREA, WRA, Onward, NEE, Kroger, REIA, and Walmart. The term does not include persons whose intervention was not granted as of the date of this Stipulation. EcoMaxSolar LLC's motion for intervention was opposed by PNM; PNM also opposed the proposed motion to intervene of New Mexico Independent Power Producers.

- 2. In its Application and supporting testimonies, PNM states that a significant rate increase is necessary to help cover:
  - replacement of aging equipment and facilities;
  - maintenance, upgrades, improvements, and expansion of the utility system needed to accommodate increasing generation resources and changing customer needs;
  - the operational cost increases associated with managing system risks, including increased wildfire mitigation and vegetation management efforts, and protective measures against cyber and physical threats; and
  - Inflationary pressures on the ongoing costs of providing electricity service.

In support of its Application and the stated basis for the proposed rate increase, PNM filed direct and supplemental testimonies and exhibits, together with the data schedules, information and fully executable models and spreadsheets required by Rules 17.3.1.1 and 17.9.530 NMAC. The witnesses that provided supporting testimonies and exhibits are: Henry Monroy, Vice President of Regulatory Affairs; Kyle Sanders, Executive Director of Financial Planning, Budget and Cost of Services; Stella Chan, Director of Pricing; Sheila Mendez, Vice President and Chief Information Officer; Omni Warner, Vice President of Operations and Engineering; Jeremy Heslop, Manager Generation Engineering; Kathleen Larese, Vice President Customer Operations; Sabrina Greinel, Vice President and Treasurer; Abraham Casas, Senior Pricing Analyst; Dr. Heidi Pitts, Lead Pricing Analyst; Angela Pino, Director of Total Rewards; Larry Morris, Director of Tax; Adrien McKenzie, President of FINCAP, Inc.; Joseph Miller, President and CEO for Pegasus-Global Holdings, Inc.; Dr. Stuart McMenamin, Director of Forecasting for Itron, Inc.; and Dan Watson, Managing Partner of the Alliance Consulting Group.

- 3. PNM proposed to recover the \$174.3 million revenue deficiency through an increase of \$92.2 million in non-fuel base rates and an increase of \$82.1 million in its Fuel and Purchased Power Cost Adjustment Clause ("Fuel Clause"). PNM also proposed to remove existing Energy Storage Agreement ("ESA") charges from base rates and to recover those ESA costs through the Fuel Clause, using its production cost allocator to spread ESA costs among the customer classes. PNM's Application used its currently approved allocation methodology authorized by the Commission in PNM's last rate proceeding, Case No. 22-00270-UT.
- 4. In its Application, PNM proposed to "band" the rate increase so that residential and certain other rate classes would not receive a full cost-based increase under cost-causation principles, while other rate classes would receive cost-based or above cost-based rate increases. Based on the banding adjustments to PNM's proposed allocation of costs, the proposed total rate increase for residential customers would be approximately 32.47%. PNM's rate proposal was intended to make commercial and industrial rates more competitive while mitigating the increase for residential customers. If the as-filed revenue requirement were to be approved, PNM also proposed phasing in the rate increase with a 50% increase beginning July 1, 2025 and the full rate increase beginning January 1, 2026.
- 5. Using the as-filed annual revenue requirement and proposed recovery of ESA costs through the Fuel Clause and the as-filed banding adjustments, PNM estimated a residential customer with an average usage of 600 kWh per month would experience an increase of \$11.12 per month beginning July 1, 2025 and an additional \$12.48 on January 1, 2026, for a total monthly bill impact of \$23.60. PNM acknowledged that the actual average bill increase would vary among customers and rate classes, with the intent that certain non-residential customer classes that historically have subsidized rates for other classes would receive cost-based rate increases.

#### II. Settlement Negotiations and Participation of Parties

- 6. Pursuant to the Hearing Examiners' Procedural Order issued July 11, 2024 ("Order"), the Parties were directed to participate in a settlement conference on or before November 1, 2024. PNM and the Parties collectively met and conferred on potential settlement on October 30, November 1, November 12 and 13, 2024, and additional meetings were also held between and among parties.
- 7. The Parties that participated in these settlement meetings are knowledgeable and sophisticated parties and are well-informed on the issues raised by PNM's Application and supporting testimonies, exhibits and schedules. The Parties represent a diverse group of stakeholders with diverse and often divergent or competing positions on the ratemaking issues at hand. The Parties actively participated in settlement negotiations between and among themselves and PNM, with considerable give and take on issues of interest and importance to each party. Each Party had the opportunity to engage in a thoughtful and thorough assessment of potential outcomes that could result either through settlement or litigation.
- 8. The Signatories agree to resolve all issues among them related to PNM's Application, as provided in the specific terms and conditions of settlement set forth in Sections III-X.

### III. Agreed-Upon Base Rate Increase and Illustrative Cost-of-Service Study

9. The Signatories agree that PNM should be authorized to implement a rate increase of \$105 million for its retail base rates which includes recovery of ESA costs in base rates and not through PNM's Fuel Clause. The Signatories agree to the following stated annual revenue requirement components and related settlement components which are set forth in Stipulation Exhibit 1 -- PNM's Illustrative Cost-of-Service Study:

- a. Stipulated overall revenue requirement increase of \$105 million for the Test Period;
- b. All ESA charges shall be recovered through base rates;
- c. PNM shall include the following agreed-upon stated cost of service components in its Illustrative Cost-of-Service Study:
  - i. Return on Equity of 9.45%;
  - ii. Capital structure of 51% equity, 0.25% preferred stock, and 48.75% long-term debt:
  - iii. Maintain currently approved depreciation rates for Four Corners Power Plant as established in Case Nos. 22-00270-UT and 15-00261-UT;
  - iv. Modification of PNM's current amortization period through December 31, 2028 on the unprotected Excess Deferred Federal Income Taxes ("EDFIT") regulatory liability to reflect amortization of remaining unprotected EDFIT through December 31, 2027.
- d. Requested rate case expenses shall be recovered with a debt only carrying charge.
- e. PNM will expand fee-free in person payments at Western Union locations as proposed in its Application and recover those costs in base rates;
- f. PNM will establish a regulatory asset or regulatory liability for the difference in actual ESA costs compared to the forecasted \$82.1 million included in base rates in the Test Period and thereafter until new rates are effective from PNM's next general rate case filing. The regulatory asset or regulatory liability is subject to the following conditions:
  - i. any recorded regulatory asset or regulatory liability will be subject to Commission approval in PNM's next rate case;
  - ii. carrying charges for the regulatory asset or regulatory liability will be the cost of debt; and
  - iii. the Parties' agreement on establishment of an ESA regulatory asset or regulatory liability is limited to the period of time between this rate case and PNM's next filed rate case.
- g. PNM will establish a regulatory liability associated with investment tax credits for the Sandia Battery Energy Storage System ("BESS") as proposed in its Application; and
- h. PNM will establish a regulatory liability equal to the return on legacy meters currently included in rates, as the legacy meters are retired during PNM's deployment of its grid modernization plan approved in Case No. 22-00058-UT.
- 10. In adjusting the as-filed Cost-of-Service Study, PNM agrees to reduce the as-filed requested Group Incentive Plan expense by \$2,164,822 or 60%, consistent with the Commission recent treatment of that expense in Case No. 22-00270-UT. PNM further agrees to withdraw its as-filed requested Annual Incentive Plan expense and reduce that cost of service line item by \$4,074,331 to zero dollars.

- as filed Cost of Service Study, that together with the stipulated cost of service adjustments listed above will result in an annual revenue requirement of \$105 million for the Illustrative Cost-of-Service Study. PNM's Illustrative Cost-of-Service Study shall include the generic reductions to operating expenses or other such appropriate adjustments necessary to ensure PNM's Illustrative Cost-of-Service Study achieves the stipulated annual revenue requirement of \$105 million.
- 12. PNM states the stipulated rate increase is necessary and will help to cover the cost of replacing aging equipment and facilities and improve and expand the system necessary to accommodate increasing generation resources and changing customer needs; the operational cost increases of managing system risks by increasing wildfire mitigation and vegetation management efforts; protecting against cyber and physical threats; and responding to inflationary impacts that increase the cost of electricity service like other goods and services.

## **IV.** Other Stipulated Terms

- 13. PNM will make a one-time shareholder contribution of \$1.5 million to the Good Neighbor Fund.
- 14. PNM agrees to work with Signatories to identify and explore options for monetizing investment tax credits to provide refunds to customers ahead of what is currently planned.
- 15. PNM agrees to maintain its Key Account Management Program consistent with the funding level included in PNM's as-filed Cost-of-Service Study.
- 16. Within its next rate case class cost of service study filing, PNM shall develop a cost of service for company-owned streetlights in Rate Schedule 20 separate from the cost of service for customer-owned streetlights within that rate schedule. The City agrees to work with PNM to

help develop this separation between costs of service for Rate Schedule 20. PNM reserves the right to choose its preferred methods for separating the two categories of streetlights but regardless of the outcome of the discussions with the City, PNM shall provide the information developed with the City in PNM's next rate case.

- 17. If changes to reform the federal corporate income tax laws are enacted and become effective on or before December 31, 2025 and are applicable to PNM, PNM shall make an adjustment to the Illustrative Cost-of-Service Study for the Phase II rate increase and PNM shall account for the applicable changes to the calculation of PNM's federal corporate income taxes as follows:
  - a. the federal income tax rate (the current rate is 21%);
  - b. existing permanent book/tax differences that are included in the Cost-of-Service calculation;
  - c. new permanent book/tax differences that would appropriately be included in the Cost-of-Service calculation (such as interest expense deductibility or state and local tax deductibility);
  - d. annual amortization of any deficient or excess deferred federal income taxes resulting from a statutory increase or reduction in the federal income tax rate. Such amortization would be calculated in a manner that is in accordance with any IRS normalization requirements applicable to excess deferred federal income taxes; and
  - e. The adjustment to account for any changes to the calculation of federal corporate income taxes shall be incorporated into the Phase II compliance Advice Notice filing described in Paragraph 22 of this Stipulation and shall not delay the stipulated Phase II change of rates effective with service rendered beginning April 1, 2026.
- 18. PNM commits that it will dedicate resources and investments and work collaboratively towards continuous improvement in power quality, including the "momentary average interruption frequency index" (MAIFI), as that term is defined in Section 17.9.589.7.M(3) NMAC of the Reliability Metrics Reporting Rule and in IEEE-1366- 2022, for customers whose electric service and operations are negatively impacted by such momentary interruptions.

- 19. Within forty-five days of issuance of a final order approving this Stipulation, PNM agrees that it will dismiss its appeal of the capital structure determination in Case No. 22-00270-UT docketed in New Mexico Supreme Court Docket S-1-SC-40332.
- 20. PNM agrees that it will make informational filings on any new amendments to the Four Corners Power Plant ("Four Corners") coal supply, co-tenancy and operating agreements. PNM intends to exit from the operation of the Four Corners generating units as of the termination of the current coal supply agreement and agrees PNM will obtain prior approval from the Commission to enter into any amendments that would extend PNM's participation in the operation of the Four Corners Power Plant's generating units beyond the current mid-2031 termination date of the coal supply agreement.
- 21. PNM, WRA, CCAE and other interested Signatories will file a motion to request wildfire mitigation workshops to be scheduled in Case No. 22-00154-UT. No Signatory is opposed to this provision.

### V. Agreed-Upon Phase-In of Rate Increase

22. The Signatories agree that if the Stipulation is approved, the stipulated rate increase shall be phased in through compliance advice notice filings by PNM, subject to review by Staff, as follows: 50% of base rate increase effective July 1, 2025, 100% of base rate increase effective April 1, 2026.

### VI. Agreed-Upon Rate Design

23. As a compromise of the various issues associated with rate design in this case, the Signatories agree that the allocation methodology proposed in PNM's Application shall be used for purposes of calculating the stipulated rates and shall include recovery of ESA costs in base rates instead of the Fuel Clause. PNM's as-filed rates were intended to make commercial and

industrial rates more competitive while mitigating the increase for residential customers; the overall intent of the stipulated rates is to further reduce the rate impact to consumers while also limiting rate increases for other customer classes. The Signatories further agree that in order to equitably distribute the revenue requirement increase across all customer classes, and subject to PNM collecting the stipulated revenue requirement of \$105 million, the stipulated rate schedule impacts shall be as follows:

- a. 19.85% or no more than 20% for Rate Schedules 1A Residential, 1B Residential TOU, 11B Water and Sewage Pumping TOU, and 20 Integrated System Streetlighting;
- b. 6.95% or no more than 7% for Rate Schedules 2A Small Power, 2B Small Power TOU, 3C General Power (Low Load Factor) TOU, 3D Pilot Municipal/Counties General Power TOU, 3E Pilot Municipal/Counties General Power (Low Load Factor) TOU, 3F -Non-Residential Charging, 4B Large Power TOU, 5B Large Service, 6 Private Area Lighting, 15B Large Service Universities, 30B Large Service Manufacturing, 33B Large Service Station Power TOU, 35B Large Power TOU, and 36B Special Service Renewable Energy Resources;
- c. 9.75% for Rate Schedule 3B General Power TOU;
- d. 15.4 % for Rate Schedules 10A and 10B Irrigation and Irrigation TOU; and
- e. the as-filed Rate Schedule 16 Special Charges rate adjustments, such as for meter tampering and pole reconnections, will be implemented in Phase I.
- 24. The rate increase for each rate class will be spread pro rata across each rate class's base rate elements, with the exception of the following: the Contribution to Production rate element

for Rate 36B will remain at \$ 0.00 per kW; the Customer Charge for Rate Schedule 11B will be cost-based; and the components for Rate Schedule 3B will be aligned with the Rate Schedule 3B unbundled cost of service submitted by PNM in its Application filing package. The pro rata spread is subject to minor differences that may result from the determination of the pro rata amount using the Rate Design Model, filed as PNM Exhibit HMP-2 and attached to the Direct Testimony of PNM witness Heidi M. Pitts.

- 25. The revenue requirement increases and percentage increases by customer class for Phase I and Phase II rates are attached in Stipulation Exhibit 2. Stipulation Exhibit 3 provides a table summarizing the stipulated rate schedules by customer class. Stipulation Exhibit 4 provides the calculated Sample Community Solar Bill Credits that would result from the stipulated rates, subject to the determinations of the Commission in Case No. 23-00071-UT. PNM shall provide a Proof of Revenues for the stipulated rates as part of its testimony in support of this Stipulation.
- 26. Using the stipulated annual revenue requirement and percentage increase by customer class and using similar bill comparison assumptions as shown the as-filed bill impact estimate provided in Paragraph 5 and as adjusted for ESA base rate recovery, PNM estimates a residential customer with an average usage of 600 kWh per month will see an increase of \$2.79 per month beginning July 1, 2025 and an additional \$7.00 as of April 1, 2026, for a total bill impact of \$9.79 per month.
- PNM will include in its Testimony in Support of Stipulation an exhibit showing the results of an illustrative COST™ Model that reflects the following assumptions: an Energy4 Allocator with a

non-renewable percentage of 79.7% applied to all rate schedules; and the re-functionalization of transmission ESA costs to production.

28. The Signatories agree that PNM's existing Pricing Advisory Committee will continue to work collaboratively on functionalization, classification, and allocation methodologies and rate design approaches that will result in a modern rate design that supports the energy transition and provides customers with pricing signals and pricing options that encourage customers to use electricity efficiently. The Signatories are not bound to support specific rate design principles, cost allocation methodologies or rate banding mechanisms in future rate cases.

### VII. Admission of Pre-filed Testimony into Record

29. The Signatories agree to the admission into the case record for background information of PNM's pre-filed direct and supplemental testimonies and exhibits, including PNM's Schedules required under Rules 17.1.3 and 17.9.530 NMAC and together with all errata, corrections and updates; and agree to the admission of all Signatories' testimonies and exhibits filed in support of this Stipulation.

### VIII. Basis and Scope of Stipulation

- 30. This Stipulation is the result of good faith, arms-length negotiation, compromise, settlement and accommodation among the Signatories with respect to the issues presented in this case. The Signatories agree that the stipulated resolution of this case provides benefits to both PNM and its customers, balances the interests of customers and shareholders, and results in just and reasonable rates. The Stipulation is in the public interest and should be accepted and approved by the Commission.
- 31. The Signatories agree that this Stipulation comprehensively resolves the issues in this case in a manner that is preferable to continued litigation. Because the Stipulation is

comprehensive and is the result of thoughtful give and take compromise of a range of issues, the terms and conditions of the Stipulation are interdependent and the various provisions of this Stipulation are not severable.

## IX. Support for and Binding Nature of Stipulation

- 32. The Stipulation is in the public interest and should be accepted and approved by the Commission. The Signatories agree to affirmatively support this Stipulation through filed individual or joint testimonies and oral testimony at hearing, and to undertake necessary and reasonable efforts in good faith before the Commission to obtain approval of the Stipulation without modification.
- 33. The Signatories recognize that a Signatory's support of the provisions of the Stipulation may differ from positions taken or testimony presented by that Signatory in other cases before the Commission or in other jurisdictions, and that the positions taken by a Signatory reflect the give and take of compromise and settlement necessary to resolve this case without continued litigation of all the issues raised by PNM's Application.
- 34. This Stipulation is binding on each of the Signatories only for the purposes of comprehensively settling the issues in this case and for no other purposes. Subject to compliance with a Commission order accepting and approving or enforcing the Stipulation, the positions taken in support of the Stipulation shall not be binding or precedential on a Signatory outside of this proceeding. To the extent that there is a difference, a Signatory does not waive its position in such other dockets. Because this is a settlement agreement, a Signatory is under no obligation to take the same position as set out in this Stipulation in other dockets not referenced herein, whether those dockets present the same or a different set of circumstances. The Signatories and non-contesting parties reserve all rights in other dockets in which they and PNM are parties, and nothing in this

Stipulation shall affect the rights or positions of any party in the appeal of Case No. 22-00270-UT in the New Mexico Supreme Court consolidated dockets S-1-SC-40307 and 40340 regarding the issues raised in those consolidated appeals or future proceedings relating to the Four Corners Power Plant.

- 35. The Signatories are not agreeing, unless otherwise expressly stated, to any specific allocation methodology or rate design principle or theory that may support or underlie any of the stipulated dollar amounts or balances, tariffs and rates, depreciation rates, or other values included in this Stipulation. No Signatory is under any obligation to take the same positions as set forth in this Stipulation in future PNM rate cases or other cases.
- 36. The Signatories acknowledge that in accordance with Rule 1.2.2.20(D) NMAC, that unless the Commission explicitly provides otherwise in the order approving this Stipulation, approval of a stipulation does not constitute Commission approval of or precedent regarding any principle or issue in the proceeding.
- 37. The Stipulation provisions shall not be operable until approved by the Commission, and upon approval shall be orders and directives of the Commission.

## X. Compliance with Commission Requirements and Procedural Orders

- 38. The Signatories agree that if, for any reason, the Hearing Examiners or Commission determine that this Stipulation does not satisfy the Commission's requirements for a Stipulation, the Signatories will endeavor in good faith to remedy any deficiencies in order to satisfy those requirements.
- 39. If the Commission issues an order rejecting this Stipulation or modifying one or more terms of this Stipulation in a way that is unacceptable to one or more Signatory, then each

Signatory shall have the right to withdraw from this Stipulation and to advocate for any position it deems appropriate to resolve this case through the litigation process.

40. If the Stipulation is rejected and this matter is to be resolved through litigation, the Signatories agree to make good faith efforts to complete the hearing process as expeditiously as possible in order to allow new rates to go into effect by no later than July 14, 2025.

## **XI.** Multiple Counterparts and Signatures

- 41. Each copy of this Stipulation, which may be executed by facsimile transmission or PDF signature, may not bear the signatures of all the Signatories but will be deemed fully executed if all copies together bear the signatures of all Signatories.
- 42. Fully and duly authorized representatives of the Signatories have signed this Stipulation effective as of the date first set forth above.

Respectfully submitted this 26th day of November 2024.

#### **ABCWUA**

By: <u>/s/ Keith W. Herrmann</u> NANN M. WINTER KEITH W. HERRMANN

STELZNER, WINTER, WARBURTON, FLORES & DAWES, P.A.
Post Office Box 528
Albuquerque, New Mexico 87103
(505) 938-7770
nwinter@stelznerlaw.com
kherrmann@stelznerlaw.com

CHRISTOPHER P. MELENDREZ
General Counsel for Albuquerque Bernalillo
County Water Utility Authority

Attorneys for Albuquerque Bernalillo County Water Utility Authority

## NEW MEXICO DEPT. OF JUSTICE RAÚL TORREZ

Attorney General

/s/ Gideon Elliot Gideon Elliot Public Utilities Bureau Chief 505-490-4865 gelliot@nmdoj.gov

/s/ Jocelyn Barrett
Jocelyn Barrett
Assistant Attorney Generals
Public Utilities
505-531-7972
JBarrett@nmdoj.gov

## PUBLIC SERVICE COMPANY OF NEW MEXICO

/s/ Stacey J. Goodwin
Stacey J. Goodwin,
Associate General Counsel

414 Silver Avenue SW MS 805 Albuquerque, New Mexico 87158

Phone: 505-241-4927 Fax: 505-241-2338

Stacey.Goodwin@pnmresources.com

Richard L. Alvidrez Miller Stratvert P.A. P.O. Box 25687 Albuquerque, NM 87125 (505) 842-1950 ralvidrez@mstlaw.com

Debrea M. Terwilliger Wilkinson Barker Knauer LLP 2138 W. 32<sup>nd</sup> Ave, Suite 300 Denver, CO 80211 (303) 626-2350 DTerwilliger@wbklaw.com

#### **NM AREA**

<u>/s/ Electronically Signed by Kelly Gould</u>

Kelly Gould, Esq. Peter Gould, Esq. The Gould Law Firm P.O. Box 34127

Santa Fe, New Mexico 87594

Tel: 505.690.1914

kelly@thegouldlawfirm.com peter@thegouldlawfirm.com

Counsel for New Mexico Affordable Reliable Energy Alliance

#### **NEW ENERGY ECONOMY**

/s/ Mariel Nanasi
Mariel Nanasi
300 East Marcy St.
Santa Fe, NM, 87501
(505) 469-4060
mariel@seedsbeneaththesnow.com

## BERNALILLO COUNTY ATTORNEY'S OFFICE

W. KEN MARTINEZ, County Attorney

/s/ Marah deMeule
Marah deMeule, Lead County Attorney
Valerie Joe, Assistant County Attorney
415 Silver Ave. SW, 6th Floor
Albuquerque, NM 87102
(505) 314-0180
mdemeule@bernco.gov

vjoe@bernco.gov

Counsel for Bernalillo County

#### WESTERN RESOURCE ADVOCATES

/s/ Cydney Beadles Cydney Beadles 141 East Palace Avenue, Suite 220 Santa Fe, NM 87501 505.231.7042 Cydney.Beadles@westernresources.org

## **CCAE**

/s/ Charles de Saillan Charles de Saillan 25 Wildflower Way Santa Fe, New Mexico 87506 (505) 819-9058 desaillan.ccae@gmail.com

Cara R. Lynch 3105 San Joaquin Avenue SE Albuquerque, New Mexico 87106 (505) 977-3025 Lynch.Cara.NM@gmail.com

Attorneys for Coalition for Clean Affordable

# Energy

#### CCSA

/s/ Stephanie Dzur Stephanie Dzur, Esq. 5724 Nugget Ct NE Albuquerque, NM 87111 Tel: (505) 730-5295 Stephanie@Dzur-Law.Com

Attorney for Coalition for Community Solar Access

### **CITY OF ALBUQUERQUE**

/s/ Brian Rowland Brian Rowland Brent W. Chapman Assistant City Attorneys PO Box 2248 Albuquerque, NM 87103 Phone 505-786-4500 browland@cabq.gov bchapman@cabq.gov

#### WALMART INC.

**CLARK FLEGE LLP** /s/ Julie A. Clark Julie A. Clark New Mexico Bar ID 160818 3440 Youngfield St., Suite 276 Wheat Ridge, CO 80033 (303) 731-6106 jclark@clarkflege.com

Attorneys for Walmart Inc.

#### THE KROGER CO.

### /s/ Kurt J. Boehm

Kurt J. Boehm, Esq. Jody Kyler Cohn, Esq. BOEHM, KURTZ & LOWRY 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202

Ph: 513-421-2255 Fax: 513-421-2764

E-Mail: <u>kboehm@BKLlawfirm.com</u> jkylercohn@BKLlawfirm.com

### /s/ McKenzie St. Denis

McKenzie St. Denis, Esq. (NM Bar ID: 142215) 5201 Venice Avenue, NE, Suite B Albuquerque, New Mexico 87113 Ph (505) 445-4444

Email: mckenzie@legalsolutionsofnm.com

Counsel for The Kroger Co.

GCG#533217

#### **UTILITY DIVISION STAFF**

### /s/ Nicholas R Rossi

John Bogatko
Nicholas R Rossi
Ryan Friedman
NMPRC Legal Division
P.O. Box 1269
Santa Fe, NM 87504-1269
(505) 231-1320
John.Bogatko@prc.nm.gov
nicholas.rossi@prc.nm.gov
Ryan.Friedman@prc.nm.gov

# STIPULATION EXHIBIT 1

PNM's Illustrative Cost-of Service Study Consisting of 99 pages

	A B	С	D	Е	F	G	Н	I	J
1	Stipulat	tion E	chibit 1 - PNM's Illustrative Cost of Service Study						
2	Test Per	riod E	nding June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3				Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
	Rate Ba	ise							
5		Ī							
	Net Plar	nt							
7									
8	Net Proc	duction	<u>Plant</u>						
9									
10	Stea	am Pr	oduction Net Plant	101/106	Gen Dmd	240,974,322		240,974,322	240,974,322
11		Tota	al Steam Production Net Plant			240,974,322	-	240,974,322	240,974,322
12									
13	Nuc	clear P	roduction Net Plant - Palo Verde	101/106	Gen Dmd	347,311,437		347,311,437	347,311,437
14			roduction Net Plant - Acq Adj (Drexel)	114	Gen Dmd	-		-	-
15	Nuc	clear P	roduction Net Plant - Acq Adj (First Chicago)	114	Gen Dmd	16,779,747		16,779,747	16,779,747
16		Tota	al Nuclear Production Net Plant			364,091,185	-	364,091,185	364,091,185
17									
18	Oth	er Pro	duction Plant - Gas & 40 MW Solar	101/106	Gen Dmd	377,586,968		377,586,968	377,586,968
19	Oth	er Pro	duction Plant - Renewable	101/106	Renewables	158,530,056		158,530,056	-
20		Tota	al Other Production Net Plant			536,117,025	-	536,117,025	377,586,968
21									
22	Tota	al Net	Production Plant			1,141,182,532	-	1,141,182,532	982,652,475
23									
24	Net Plan	nt Batte	ery Storage						
25									
26			sion Sited Batteries	101/106	Retail	20,184,418	-	20,184,418	20,184,418
27	Dist		n Sited Batteries	101/106	Retail	26,727,983	-	26,727,983	26,727,983
28		Tota	al Battery Storage Net Plant			46,912,401	-	46,912,401	46,912,401
29									
	Net Tran	nsmiss	ion Plant						
31									
32	Step	<u> </u>	ransformers & Generation Interconnections	101/106	Gen Dmd	4,119,928		4,119,928	4,119,928
33		Tota	al Transmission Station Equipment - Step-up Xfmr and Aux			4,119,928	-	4,119,928	4,119,928
34									
35			sion System Net Plant - Allocated	101/106	Trans Dmd	1,250,054,434		1,250,054,434	556,621,001
36			sion System Net Plant - FERC Incremental Rates	101/106	FERC	337,397,141		337,397,141	-
37			sion System Net Plant - Dedicated Retail	101/106	Retail	6,005,891		6,005,891	6,005,891
38	Trai	_	sion System Net Plant - Acq Adj (EIP)	114	Trans Dmd	78,880		78,880	35,123
39		Tota	al Transmission System Net Plant			1,593,536,346	-	1,593,536,346	562,662,016
40									
41	Tota	al Net	Transmission Plant			1,597,656,275	-	1,597,656,275	566,781,944

	A I	ВС	D	E	F	G	Н	I	j
1	Stipula	ation Ex	chibit 1 - PNM's Illustrative Cost of Service Study						
2	Test P	eriod E	nding June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3				Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
42							-		
43	Net Dis	stribution	n Plant						
44									
45	_		n Substations Net Plant - PNM	101/106	Retail	199,695,244		199,695,244	199,695,244
46			n Substations Net Plant - Renewables	101/106	Renewables	-		-	-
47	Dis		n Substations Net Plant - Grid Mod	101/106	Grid Mod	-		-	-
48		Tota	al Distribution Substations Net Plant			199,695,244	-	199,695,244	199,695,244
49									
50			istribution System Net Plant - PNM	101/106	Retail	788,963,636		788,963,636	788,963,636
51			istribution System Net Plant - Renewables	101/106	Renewables	4,291,993		4,291,993	-
52	Pri		istribution System Net Plant - Grid Mod	101/106	Grid Mod	5,857,809		5,857,809	-
53		Tota	al Primary Distribution Net Plant			799,113,439	-	799,113,439	788,963,636
54									
55			Distribution System Net Plant - PNM	101/106	Retail	340,199,544		340,199,544	340,199,544
56			Distribution System Net Plant - Renewables	101/106	Renewables	1,342,881		1,342,881	-
57	Se		y Distribution System Net Plant - Grid Mod	101/106	Grid Mod	3,044,182		3,044,182	-
58		Tota	al Secondary Distribution Net Plant			344,586,608	-	344,586,608	340,199,544
59									
60	Se	ervices I	Net Plant - PNM	101/106	Retail	123,529,928		123,529,928	123,529,928
61									
62	_		et Plant - PNM	101/106	Retail	47,907,691		47,907,691	47,907,691
63	Me		et Plant - Grid Mod	101/106	Grid Mod	10,201,823		10,201,823	-
64		Tota	al Meters Net Plant			58,109,515	-	58,109,515	47,907,691
65									
66			ghting - 371	101/106	Retail	1,163,014		1,163,014	1,163,014
67	Sti		hting - 373	101/106	Retail	13,591,316		13,591,316	13,591,316
68		Tota	al Lighting Net Plant			14,754,330	-	14,754,330	14,754,330
69	_		DI I D' L'I L' DI L			4 500 700 000		4 500 700 000	4 545 050 070
70 71	10	otal Net	Plant Distribution Plant			1,539,789,063	-	1,539,789,063	1,515,050,373
	N-4 DI-		0 Indonwikla Dland						
72 73	ivet Pla	ant Gene	eral & Intangible Plant						
74	0	oporal o	Intangible Net Plant	101/106	Total W&S excluding Riders	126,756,218		126,756,218	115,531,045
75			es General & Intangible Net Plant	101/106	Renewables	1.207.658		1,207,658	115,531,045
76			General & Intangible Net Plant	101/106	Grid Mod	14,492,490		14,492,490	-
77			n Related (Shared Services)	101/106	Prod W&S	15,607,280		15,607,280	15,193,897
78			sion Related (Shared Services)	101/106	Trans W&S	12,616,327		12,616,327	5,617,766
79			n/Customer Related (Shared Services)	101/106	Retail	80,471,663		80,471,663	80,471,663
80	וטו		al Net Plant General & Intangible Plant - PNM	101/100	Netali	251,151,636	-	251,151,636	216,814,370
81		1018	a net Fiant General & intangible Fiant - Pivivi			251,151,030	-	201,101,030	210,014,370
82		Tota	l al Net Plant			4,576,691,907		4,576,691,907	3,328,211,564
02		I Ola	AI INCL I IAIIL			4,570,091,907		4,370,091,907	3,320,211,304

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1 S	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
	· · · · · · · · · · · · · · · · · · ·					Test Period (with	
						Manual	
2 <b>T</b>	Test Period Ending June 30, 2026	FERC		Test Period	Other Manual	Adjustments)	PNM Base Rate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
83	<del>-                                     </del>	Account	Allocator	FINIVI	Aujustinients	FINIVI	Julisuiction
-	Accumulated Deferred Income Taxes						
85	Federal Tax Credit Carryforward	190	Retail	19,358,228		19,358,228	19,358,228
86	Federal Tax Credit Carryforward - Renewables	190	Renewables	- 10,000,220		-	-
87	Net Operating Loss (NOL)	190	Total Net Plt	2,764,230	5,487,708	8,251,938	6,274,218
88	Incentive Pay Plans	190	Total W&S		0, 101,100	-	-
89	Regulatory Assets - Coal Mine Decommissioning	190	Retail	_		-	_
90	Regulatory Liabilities - Renewable Rider	190	Renewables	_		-	_
91	Income Tax Regulatory Liability	190	ADIT	57,803,713	(637,446)	57,166,267	45,315,027
92	Income Tax Regulatory Asset	283	ADIT	(66,168,495)	(** , *)	(66,168,495)	(52,450,988)
93	Lease Liability	190	Excluded			-	-
94	Deferred Credits - Coal Mine Decommissioning	190	Retail	_		-	-
95	Regulatory Assets - ETA Carrying Charges	283	Retail	(0)		(0)	(0)
96	Regulatory Assets - ETA Job Training & Severance	283	Retail	- '		- `	- '
97	Regulatory Assets - ETA Payments to State Agencies	283	Retail	0		0	0
98	Regulatory Assets - ETA SJGS Plant Decommissioning	283	Retail	(667,624)		(667,624)	(667,624)
99	Regulatory Assets - ETA SJGS upfront Financing Cost	283	Retail	0		0	0
100	Regulatory Assets - ETA Westmoreland Coal Mine Sev	283	Retail	0		0	0
101	Deferred Credits - Joint Use	190	Retail	181,010		181,010	181,010
102	Deferred Credits - Pathnet	190	Retail	1,349,331		1,349,331	1,349,331
103	Deferred Credits - PVNGS Dry Casks	190	Retail	-		-	-
104	Other Deferred Credits	190	Retail	-		-	-
105	Other Liabilities - ETA Job Training and Severance	190	Retail	-		-	-
106	Other Liabilities - Navajo Workforce Training	190	Retail	-		-	-
107	Other Liabilities	190	Total W&S	-		-	-
108	Injury and Damages	283	Total W&S	1,460,657		1,460,657	1,324,629
109	Plant - AFUDC	283	Total Net Plt	(27,370,739)		(27,370,739)	(20,810,867)
110	Plant - Capitalized Interest	283	Total Net Plt	5,553,213		5,553,213	4,222,289
111	Decommissioning and Reclamation Trusts	283	Retail	-		-	-
112	ASC 740-10 (FIN 48) Reclassifications	283	Total Net Plt	_		-	-
113	PVNGS Licensing	283	Retail	41,710		41,710	41,710
114	Plant - 263A Adjustment	283	Total Net Plt	(23,641,797)		(23,641,797)	(17,975,631)
115	Deferred State Taxes	283	Total Net Plt			-	
116	Plant - CIAC	283	Total Net Plt	12,261,392		12,261,392	9,322,737
117	Plant - Depreciation Nuclear Fuel	282	Gen Dmd	9,663,055		9,663,055	9,663,055
118	Plant - Removal Cost	282	Total Net Plt	(7,430,377)		(7,430,377)	(5,649,558)
119	Plant - Repairs	282	Total Net Plt	(67,897,722)		(67,897,722)	(51,624,857)
120	Plant - Section 174 Deduction	282	Total Net Plt	(890,656)		(890,656)	(677,195)
121	Plant - Asset Retirement Obligation	282	Retail	7,857,390		7,857,390	7,857,390
122	Plant - Pollution Control Property		Gen Dmd	(2,154,701)		(2,154,701)	(2,154,701)
123	Plant - Liberalized Depreciation: Production	282	Gen Dmd	(169,234,057)		(169,234,057)	(169,234,057)
124 125	Plant - Liberalized Depreciation: Transmission	282 282	Trans Dmd Retail	(146,946,861)		(146,946,861)	(65,432,118)
126	Plant - Liberalized Depreciation: Distribution	282	Retail Total W&S	(154,067,714)		(154,067,714) (18,028,362)	(154,067,714)
_	Plant - Liberalized Depreciation: General and Intangible			(18,028,362)			(16,349,418)
127	Plant - Liberalized Depreciation: Renewables	282	Renewables	(48,205,503)		(48,205,503)	-

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1 S	tipulation Exhibit 1 - PNM's Illustrative Cost of Service Study	_	·				-
	est Period Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
128	Plant - Four Corners Imprudence	282	Gen Dmd	-		-	-
129	Regulatory Assets - SJGS Stranded Costs Units 2&3	282	Retail	(19,264,979)		(19,264,979)	(19,264,979)
130	Pension	283	Total W&S	(37,038,716)		(37,038,716)	(33,589,376)
131	Retiree Medical	283	Total W&S	-		-	-
132	Lease Asset	283	Excluded	-		-	-
133	Loss on Reacquired Debt	283	Total Net Plt	(1,035,735)		(1,035,735)	(787,503)
134	Other Comprehensive Income (OCI)	283	Excluded	-		-	-
135	Deferred Credits - SO2 Allowance	283	Retail	10,507		10,507	10,507
136	Deferred Debits - Rate Case Expense	283	Retail	(847,737)		(847,737)	(847,737)
137	Deferred Debits - Decoupling	283	Excluded	-		-	-
138	Deferred Debits - Grid Modernization	283	grid mod	-		-	-
139	Deferred Debits - RR Underground Rider	283	Retail	-		-	-
140	Prepaid Expenses	283	Total Net Plt	(1,650,270)		(1,650,270)	(1,254,754)
141	Regulatory Assets - COVID-19 Costs	283	Retail	(370,501)		(370,501)	(370,501)
142	Regulatory assets - FAC	283	Retail	-		-	-
143	Regulatory Assets - EIM Costs	283	Retail	(2,903,476)		(2,903,476)	(2,903,476)
144	Regulatory Assets - Energy Efficiency	283	Excluded	(0)		(0)	-
145	Regulatory Assets - ETA	283	Retail	-		-	-
146	Regulatory Assets - Sky Blue Under Recovery	283	Renewables	-		-	-
147	Regulatory Assets - Renewable Energy	283	Renewables	3,091,257		3,091,257	-
148	Regulatory Assets - Renewable Energy Credits	283	Renewables	(0)		(0)	-
149	Regulatory Assets - SJGS External Legal Fees	283	Retail	(115,954)		(115,954)	(115,954)
150	Regulatory Assets - SJGS Replacement Resources	283	Retail	(1,947,453)		(1,947,453)	(1,947,453)
151	Regulatory Assets - SJGS Undepreciated Investment	283	Retail	0		0	0
152	Regulatory Assets - SJGS Underground Coal Mine	283	Retail	(0)		(0)	(0)
153	Regulatory Assets - Solar Direct Regulatory Assets	283	Retail	-		-	-
154	Regulatory Assets - Transportation Electrification	283	Retail	-		-	-
155	Regulatory Assets - WCC Transaction Costs	283	Retail	-		-	-
156	Regulatory Liabilities - Energy Efficiency	283	Excluded	-		-	-
157	Regulatory Liabilities - FAC	283	Retail	-		-	-
158	Regulatory Assets - PCB Refinancing Hedge	283	Total Net Plt	(1,821,230)		(1,821,230)	(1,384,741)
159	Prepaid Expenses: Production	283	Gen Dmd	(393)		(393)	(393)
160	Prepaid Expenses: Transmission	283	Trans Plt	(5,683)		(5,683)	(2,016)
161	Prepaid Expenses: Transmission (incremental FERC Rates)	283	FERC	-		-	-
162	Prepaid Expenses: Distribution	283	Retail	(1,729)		(1,729)	(1,729)
163	Prepaid Expenses: Renewables	283	Renewables	-		-	-
164	Regulatory Assets - 2024 Rate Change	283	Retail	(736,301)		(736,301)	(736,301)
165	Regulatory Assets - SJGS Obsolete Inventory	283	Retail	(1,473,597)		(1,473,597)	(1,473,597)
166	Regulatory Liabilities - Earnings Test	283	Retail	-		-	-
167	Regulatory Assets - PVNGS Undepreciated Investment	283	Retail	(10,596,037)		(10,596,037)	(10,596,037)

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1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
2 Test Period Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3	Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
168 Regulatory Assets - ETC Over/Under SPE	283	Retail	-		-	-
169 Regulatory Assets - PVNGS Replacement Resources	283	Retail	(462,677)		(462,677)	(462,677)
170 Regulatory Assets - Rate Rider 12 UG Rate	283	Retail	-		-	-
171 Regulatory Assets - Renewable Rider Curr Reg	283	Renewables	-		-	-
172 Regulatory Assets - SJ Energy Transition Property (SPE)	283	Retail	(79,654,063)		(79,654,063)	(79,654,063)
173 Regulatory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail	-		-	-
174 Regulatory Liabilities - Energy Transition Cost True Up	283	Retail	305,611		305,611	305,611
175 Regulatory Liabilities - SJGS Retirements Rate Credit	283	Retail	-		-	-
176 Deferred Debits - WS-Transmission Revenue	283	FERC	-		-	-
177 Customer Advance	190	Retail	-		-	-
178 Deferred Credits - ETA	283	Retail	-		-	-
179 Other Liabilities - ETA Coal Mine Severance	283	Retail	-		-	-
180 Other Liabilities - ETA State Agency Payments	283	Retail	-		-	-
181			-			
182						
183						
184						
185						
186						
187						
188		·				
189 Total Accumulated Deferred Income Taxes			(770,929,836)	4,850,262	(766,079,574)	(607,262,272)

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1 S	tipulation E	xhibit 1 - PNM's Illustrative Cost of Service Study						
2 <b>T</b>	est Period	Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3			Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
190								
191 <b>R</b>	egulatory A	Assets & Liabilities						
192								
193	Coal Min	e Decommissioning	182	Retail	-		-	-
194	PCB Ref	inancing Hedge	182	Total Net Plt	7,170,198		7,170,198	5,451,736
195	Reg Liab	Renewables Fed Grant	254	Renewables	(10,222,296)		(10,222,296)	-
196	Reg Liab	Renewables St Credit	254	Renewables	(1,948,008)		(1,948,008)	-
197	SJGS C	oal Agreement Transaction Costs	182	Gen Dmd	-		-	-
198	SJGS 28	k3 50% Undepreciated Investment	182	Gen Dmd	75,846,374		75,846,374	75,846,374
199	SJGS C	County Ordinance Decommission	182	Gen Dmd	-		-	-
200	Energy I	mbalance Market (EIM) One Time Implementation Costs	182	Retail	11,431,010		11,431,010	11,431,010
201	SJGS R	eplacement Resources	182	Gen Dmd	7,667,139		7,667,139	7,667,139
202	SJGS Ex	rternal Legal Expenses	182	Gen Dmd	456,510		456,510	456,510
203	SJGS O	bsolete Inventory	182	Gen Dmd	5,801,562		5,801,562	5,801,562
204	COVID F	Regulatory Asset and Liability	182	Retail	1,561,547		1,561,547	1,561,547
205	Sky Blue	Under Recovery	182	Retail	-		-	-
206	Solar Dir	ect	182	Retail	-		-	-
207	Transpo	rtation Electrification Program (TEP)	182	Retail	-		-	=
208		wance Credit	182	Retail	0		0	0
209	PVNGS	Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	38,948,435		38,948,435	38,948,435
210	PVNGS	Unit 1 - 104MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-		-	-
211	PVNGS	Unit 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	2,642,134		2,642,134	2,642,134
212		Unit 2 - 10MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-		-	=
213	PVNGS	Costs to Obtain Replacement Resources	182	Gen Dmd	1,821,562		1,821,562	1,821,562
214		True-up for SRP Transaction Proceeds	182	Gen Dmd	126,114		126,114	126,114
215	2024 Ra	te Change Expenses	182	Retail	2,898,823		2,898,823	2,898,823
216	Energy 1	ransition Cost True-up	182	Gen Dmd	(1,203,193)		(1,203,193)	(1,203,193)
217	Excess [	Deferred Income Tax Regulatory Liability	254	ADIT	(231,684,367)	2,509,630	(229,174,736)	(181,664,119)
218								
219	To	tal Regulatory Assets & Liabilities			(88,686,457)	2,509,630	(86,176,826)	(28,214,368)

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1 S	ipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
						Test Period (with	
						Manual	
2 <b>T</b>	est Period Ending June 30, 2026	FERC		Test Period	Other Manual	Adjustments)	PNM Base Rate
				50.04		50.04	
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
220	than Data Dasa Hama						
222	ther Rate Base Items						
223	Customer Deposits	235	Retail	(6,221,788)		(6,221,788)	(6,221,788)
	RWIP-Production	108	Gen Dmd	(0,221,700)		(0,221,700)	(0,221,700)
224 225	RWIP-Production RWIP-Transmission	108	Trans Dmd	-		-	-
226	RWIP-Transmission RWIP-Distribution	108	Retail	-		-	-
227	CWIP - Production	107	Gen Dmd	-		-	-
228	CWIP - Production  CWIP - Transmission	107	Trans Dmd	-			-
229	CWIP - Transmission  CWIP - Distribution	107	Retail	-		-	-
230	CWIP - Bistribution  CWIP - Renewables	107	Renewables	-			-
231	CWIP - Renewables  CWIP - Production Related	107	Gen Dmd	-		-	-
232	ARO Liability - Production	230	Gen Driid Gen Dmd	(28,866,513)		(28,866,513)	(28,866,513)
233	ARO Liability - Production  ARO Liability - Transmission	230	Trans Dmd	(20,000,513)		(20,000,513)	(20,000,313)
234	ARO Liability - Transmission  ARO Liability - Distribution	230	Retail	(1 606 916)		(1,606,816)	(1,606,816)
	ARO Liability - 65MW SJGS	230	Excluded	(1,606,816)		(1,000,010)	(1,000,010)
235	Injuries and Damages PNM	230	Total W&S	(2,927,689)		(2,927,689)	(2,655,039)
236	NQRP - Expense in Excess of Funding	228	Total W&S			(3,477,633)	(2,655,039)
	Palo Verde Dry Cask Storage	253	Gen Dmd	(3,477,633)		(3,411,033)	(3,153,766)
238	FERC Incremental Rates	253	FERC	(55,490,053)		(55,490,053)	-
240	Pueblos Transmission Rights-of-Way	186	Trans Dmd	114,679,603		114,679,603	51,064,237
241	Pueblos Distribution Rights-of-Way	186	Retail			7,967,592	7,967,592
241	Prepaid Pension Asset	182/228	Total W&S	7,967,592 145,821,716		145,821,716	132,241,638
	Unamortized Loss on Reacquired Debt	182/228	Total Net Pit			4.100.682	
243	'	189 253		4,100,682			3,117,882
244	Tucson Electric Power ROW Payment		Trans Dmd	(712,638)		(712,638)	(317,322)
245	PV 1&2 Excess Gain Amortization	253	Retail	(22,984)		(22,984)	(22,984)
246	Possessory Interest Tax	186	Total W&S	3,363,277		3,363,277	3,050,062
247	Pathnet	253	Retail	(5,312,329)		(5,312,329)	(5,312,329)
248	2025 Rate Change Expenses	186	Retail	3,337,546		3,337,546	3,337,546
249	T + LOUI - D + D - U			474 004 070		474 004 070	450 000 100
250	Total Other Rate Base Items			174,631,976	-	174,631,976	152,622,400

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1	Stipu	lation E	xhibit 1 - PNM's Illustrative Cost of Service Study						
2	Toet	Period F	inding June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
	1031	i cilou L		TERO		1 CSt 1 CHOC	Otrici Maridai	Adjustificitis)	1 WW Dase Nate
3				Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
251									
252		king Cap	<u>ital</u>						
253									
	Fuel S	Stock .							
255		roductio	n Fuel Stock	151	Energy	915,189		915,189	915,189
256		V Nucle	ar Fuel (120.15)	120	Energy	81,139,432		81,139,432	81,139,432
257		Tot	al Fuel Stock			82,054,621	-	82,054,621	82,054,621
258									
		ials & Su							
260	F	roductio	n	154	Gen Dmd	27,174,074		27,174,074	27,174,074
261		ransmis	sion	154	Trans Plt	8,136,556		8,136,556	2,886,511
262		Distributio	on	154	Retail	25,045,844		25,045,844	25,045,844
263		Tot	al Materials & Supplies			60,356,473	-	60,356,473	55,106,429
264									
265	Prepa	yments							
266		roductio	n	165	Gen Dmd	4,673,109		4,673,109	4,673,109
267		ransmis	sion	165	Trans Plt	2,196,901		2,196,901	779,369
268	T	ransmis	sion (Incremental FERC Rates)	165	FERC	420,894		420,894	-
269		Distributio	on	165	Retail	4,199,418		4,199,418	4,199,418
270		Renewab	les	165	Renewables	124,627		124,627	-
271		Tot	al Prepayments			11,614,949	-	11,614,949	9,651,896
272									
273			Total Cash Working Capital (see Rule 530 schedule E-1)		Retail	6,503,398		6,503,398	6,503,398
274									
275		Tot	al Working Capital			160,529,441	-	160,529,441	153,316,343
276									
277		Tot	al Rate Base Adjustments & Working Capital			(524,454,876)	7,359,892	(517,094,983)	(329,537,897)
278									
279		Tot	al Net Original Cost Rate Base			4,052,237,031	7,359,892	4,059,596,923	2,998,673,667

	АВ	С	D	E	F	G	Н	ı	J
1 5	Stipulatio	on Exhibit 1 - PNM's Illustrati	ive Cost of Service Study						
	•	od Ending June 30, 2026	,	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3				Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
280									
	Operation	ns and Maintenance Expense	<u>e</u>						
282									
	Production	n Fuel related expenses							
284		n - FPPCAC Fuel Related							
				504	D: 14 : 1	F0.450.000		50.450.000	50.450.000
286 287		m Generation m Fuel Handling and Disposal		501	Direct Assignment Direct Assignment	59,159,008		59,159,008	59,159,008
288	Nucle			501 518	Direct Assignment  Direct Assignment	1,978,215 15,470,320		1,978,215 15,470,320	1,978,215 15,470,320
289		ear Disposal		518	Direct Assignment	866.288		866,288	866.288
290		Generation		547	Direct Assignment	96,037,692		96,037,692	96,037,692
291	Wind			555	Direct Assignment	32,252,724		32,252,724	00,007,002
292		hermal PPA		555	Direct Assignment	8,766,039		8.766.039	
293	_	nased Power Energy		555	Direct Assignment	110,551,362		110,551,362	110,551,362
294		ning reserves		555	Direct Assignment	112,483		112,483	112,483
295	Energ	gy Storage Agreement - Dema	ind	555	Direct Assignment	-		-	-
296		Total Fuel Costs (before OSS	5)			325,194,132	-	325,194,132	284,175,368
297									
298		ystem Sales		447	Direct Assignment	(97,512,369)		(97,512,369)	(97,512,369)
299		tate Hazard Sharing		447	Direct Assignment	-		-	-
300		Fuel Benefits		447.3	Direct Assignment	-			-
301		ical Sales of Gas (under FAC h	hedge plan)	447.7	Direct Assignment	-		-	<del>-</del>
302		Total Other Fuel				(97,512,369)	-	(97,512,369)	(97,512,369)
303									
304		Total Fuel (net OSS)				227,681,763	-	227,681,763	186,663,000
305	Б	. N. E. III							
306		uction - Non Fuel Items		5.47		40 500 074		10 500 071	40 500 074
307 308		Plants Fuel Transportation PPA - Valencia - Demand		547 555	Energy	12,528,671 20,963,221		12,528,671 20,963,221	12,528,671 20,963,221
309		gy Storage Agreement - Dema	and	555	Energy Energy	82,142,228		82,142,228	82,142,228
310		nase Power for Economy Servi		555	Energy	02,142,220		- 02,142,220	62,142,226
311		nased power for Rate 36B	oo outtimer	333	Energy	-		-	
312		CAC deferral			Energy	-			-
313		Purchases and Renewable En	nergy Amortization	555	Renewables	4,017,630		4,017,630	_
314		of Gallup - Mandoza Station Ch			Energy	-		-	-
315		Mine Decommissioning	-	501.15	Retail	-		-	-
316		er Fees			Gen Dmd	158,441		158,441	158,441
317		Total Non Fuel Items				119,810,191	-	119,810,191	115,792,561
318									
319		Total Fuel Related Exper	nse			347,491,954	-	347,491,954	302,455,561

	Α	В	С	D	E	F	G	Н	ı	J
1	Stip	ulatio	n Ex	hibit 1 - PNM's Illustrative Cost of Service Study						
2	Test	Perio	od En	ding June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3					Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
320										
321		1								
322	_	m Pro								
323		Oper-	Sup 8	& Eng-Prod	500	Gen Dmd	5,161,937		5,161,937	5,161,937
324	_			m Expense-Major	502	Gen Dmd	5,211,646		5,211,646	5,211,646
325				n Other Sources	503	Gen Dmd	-		-	-
326	i	Oper-	Elect	ric Exp-Major	505	Gen Dmd	1,440,208		1,440,208	1,440,208
327		Oper-	Misc	Steam Power Exp	506	Gen Dmd	2,099,786		2,099,786	2,099,786
328		Oper-	Rents	s-Steam Power	507	Gen Dmd	230,497		230,497	230,497
329				& Eng-Steam	510	Energy	603,898		603,898	603,898
330	)	Maint-	-Struc	ctures-Steam	511	Gen Dmd	4,083,313		4,083,313	4,083,313
331				r Plant	512	Energy	6,345,507		6,345,507	6,345,507
332		Maint-	-Elect	ric Plant	513	Energy	1,543,929		1,543,929	1,543,929
333		Maint-	-Gen	& Elec Plant	514	Gen Dmd	826,735		826,735	826,735
334										
335	Nucl	ear Pr	roduc	<u>tion</u>						
336		Oper-	Sup 8	& Eng-Nuclear	517	Gen Dmd	5,906,711		5,906,711	5,906,711
337		Oper-	Coola	ants and Water	519	Gen Dmd	4,944,020		4,944,020	4,944,020
338		Oper-	Stear	m Expenses-Nuclear	520	Gen Dmd	2,415,166		2,415,166	2,415,166
339				ric Exp	523	Gen Dmd	3,193,815		3,193,815	3,193,815
340	)	Oper-	Misc	Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit	524	Gen Dmd	10,702,739		10,702,739	10,702,739
341		Oper-	Misc	Nuclear Power - PV 1&2 Decommissioning and CE Credit	524	Retail	-		-	-
342		Total	Rents	s - Nuclear, excluding PV 1&2 Prudency Audit and Excess Gain Amortization	525	Gen Dmd	-		-	-
343		Oper-	Rents	s-Nuclear - PV 1&2 Excess Gain Amortization	525	Retail	(38,554)		(38,554)	(38,554)
344		Maint-	-Sup	& Eng-Nuclear	528	Energy	1,252,819		1,252,819	1,252,819
345		Maint-	-Struc	ctures-Major	529	Gen Dmd	798,482		798,482	798,482
346		Maint-	-Read	ctor Plant	530	Energy	3,054,879		3,054,879	3,054,879
347		Maint-	-Elec	Plant	531	Energy	3,671,029		3,671,029	3,671,029
348		Maint-	-Misc	Nuclear Plant	532	Gen Dmd	858,927		858,927	858,927
349	Othe	r Proc	ductio	<u>n</u>						
350	)	Oper-	Sup 8	& Eng-Other	546	Energy	5,573,377		5,573,377	5,573,377
351		Oper-	Oth F	Pwr Gen Exp-Other	549	Energy	124,984		124,984	124,984
352		Oper-	Oth F	Pwr Gen Exp-Other - Renewables	549	Renewables	1,655,522		1,655,522	-
353		Maint	- Stru	uctures	552	Gen Dmd	1,400,652		1,400,652	1,400,652
354				& Elec Plant	553	Energy	12,392,334		12,392,334	12,392,334
355		Maint-	-Gen	& Elec Plant - Renewables	553	Renewables	1,003,097		1,003,097	-
356				& Elec Plant	556	Gen Dmd	6,002,894		6,002,894	6,002,894
357				Related O&M						
358		Oper-	Oth F	Pwr Gen Exp-Other - Energy Storage Transmission	549	Retail	-			-
359				Pwr Gen Exp-Other - Energy Storage Distribution	549	Retail	-		-	
360				& Elec Plant-Energy Storage Transmission	553	Retail	-		-	-
361				& Elec Plant-Energy Storage Distribution	553	Retail	-		-	-
362	1 [		Total	Production O&M			92,460,348	-	92,460,348	89,801,728

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1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
					Test Period (with	
					Manual	
2 Test Period Ending June 30, 2026	FERC		Test Period	Other Manual	Adjustments)	PNM Base Rate
3	Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
363				•		
364 Transmission O&M (560-574, excluding 565):						
365 Oper-Sup & Eng-ETrans	560	Trans Dmd	3,264,064		3,264,064	1,453,414
366 Oper-Load Dispatch-ETrans	561	Trans Dmd	1,608,016		1,608,016	716,013
367 Oper-Station Exp-ETrans	562	Trans Dmd	2,107,851		2,107,851	938,578
368 Oper-Overhead Lines-ETrans	563	Trans Dmd	78,173		78,173	34,809
369 Oper-Misc Transmission-E	566	Trans Dmd	3,087,081		3,087,081	1,374,607
370 Oper-Rents-Transmission-E	567	Trans Dmd	19,417,130		19,417,130	8,646,009
371 Maint Sup & Eng-ETrans	568	Trans Dmd	2,733		2,733	1,217
372 Maint-Structures-ETrans	569	Trans Dmd	-		-	=
373 Maint-Sta Equip-ETrans	570	Trans Dmd	5,239,950		5,239,950	2,333,231
374 Maint-Overhead Lns-ETrans	571	Trans Dmd	1,642,106		1,642,106	731,193
375 Maint-Under Ground lines-ETrans	572	Trans Dmd	-		-	-
376 Maint-Misc Trans Plant	573	Trans Dmd	-		-	-
377 Maint-Trans Plant-NonMaj-E	574	Trans Dmd	5,767		5,767	2,568
378 Incremental Rate - Transmission O&M	560-564,566-574	FERC	1,251,042		1,251,042	-
379 Total Transmission O&M, excluding FERC 565			37,703,912	-	37,703,912	16,231,640
380						
381 Transmission O&M by Others (565):						
382 Transmission by Others	565	Gen Dmd	32,013,463		32,013,463	32,013,463
Total Transmission by Others, FERC 565			32,013,463	-	32,013,463	32,013,463
384						
385 Total Transmission O&M			69,717,375	-	69,717,375	48,245,103

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1 Sti	pulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
						Test Period (with	
						Manual	
2 <b>Te</b> :	st Period Ending June 30, 2026	FERC		Test Period	Other Manual	Adjustments)	PNM Base Rate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
386		Account	Allocator	1 IVIVI	Aujustinonts	1 14141	Jungalction
	al Dist O&M (580-598)						
388	a Dist Oxivi (300-390)						
	M Street & Private Lighting						
390	Oper-Street Light/Signal-E	585	Retail	38		38	38
391	Maint-Streetlight/Signal-E	596	Retail	981.229		981,229	981,229
392	Total Street and Private Lighting			981,267	-	981,267	981,267
393				, ,		, .	
	M Meters						
395	Oper-Meter Expense-EDist	586	Retail	3,797,705		3,797,705	3,797,705
396	Oper-Meter Expense-Grid Mod	597	Grid Mod	3,019,068		3,019,068	-
397	Maint-Meters-EDist	597	Retail	428,051		428,051	428,051
398	Maint-Meters-Grid Mod	597	Grid Mod	-		-	-
399	Total Meters			7,244,824	-	7,244,824	4,225,755
400							
401 All	Other Distribution O&M						
402	Oper-Sup & Eng-EDist	580	Retail	2,385,705		2,385,705	2,385,705
403	Oper-Station Exp-EDist	582	Retail	1,104,307		1,104,307	1,104,307
404	Oper-Overhead Lines-EDist	583	Retail	3,278,998		3,278,998	3,278,998
405	Oper-Undergrd Line-EDist	584	Retail	708,285		708,285	708,285
406	Oper-Misc Dist Exp-EDist	588	Retail	12,240,120		12,240,120	12,240,120
407	Oper-Rents-Distribution-E	589	Retail	1,148,392		1,148,392	1,148,392
408	Maint-Sup & Eng-EDist	590	Retail	3,600,779		3,600,779	3,600,779
409	Maint-Structures-EDist	591	Retail	49,552		49,552	49,552
410	Maint-Station Equip-EDist	592	Retail	1,320,092		1,320,092	1,320,092
411	Maint-Overhead Lns-EDist	593	Retail	10,814,869		10,814,869	10,814,869
412	Maint-Und Lines-EDist	594	Retail	2,412,820		2,412,820	2,412,820
413	Maintenance of Line Transformers	595	Retail	437		437	437
414	Maint-Misc Dist Plant-E	598	Retail				
415	Other Distribution O&M - Grid Mod	580-598	Grid Mod	1,079,772		1,079,772	
416	Total Other Distribution O&M			40,144,127	-	40,144,127	39,064,355
417							
418	Total Distribution O&M			48,370,217	-	48,370,217	44,271,376

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	pulation Exhibit 1 - PNM's Illustrative Cost of Service Study	_		-	**	-	-
						Test Period (with Manual	
2 <b>Te</b>	st Period Ending June 30, 2026	FERC		Test Period	Other Manual	Adjustments)	PNM Base Rate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
419		Account	Allocator	FINIVI	Aujustinents	FINIVI	Julisulction
	stomer Related O&M						
421	Storier Netated Oxivi						
	IM Related Customer Accounts Exp						
423	Supervision-Customer Accts	901	Retail	(324,877)		(324,877)	(324,877)
424	Meter Reading Expenses	902	Retail	9,952,377		9,952,377	9,952,377
425	Customer Record and Collections	903	Retail	13,150,371		13,150,371	13,150,371
426	Uncollectible Expenses	904	Retail	3,768,813		3,768,813	3,768,813
427	Misc Customer Accts Exp	905	Retail	-		-	-
428	Cust Service/Inf Expenses	906	Retail	109,690		109,690	109,690
429	Customer Assistance Exps	908	Retail	1,600,974		1,600,974	1,600,974
430	Inform/Instruc Advert Exps	909	Retail			-	
431	Demo & Selling Expenses - Non Production	912	Retail	-		-	-
432	Demo & Selling Expenses - Production	912	Sales	6,300,759		6,300,759	6,300,759
433	Advertising Expense	913	Sales	608,637		608,637	608,637
434	Total Customer Accounting Expenses - Grid Mod	901-905	Grid Mod	7,171,536		7,171,536	-
435	Total Customer Related O&M			42,338,279	-	42,338,279	35,166,744
436							
437 <u>Ad</u>	ministrative & General Expense						
438							
439	Admin and General Salaries	920	Total W&S excluding Riders	5,033,871		5,033,871	4,588,086
440	AG Office Supplies Exp	921	Total W&S excluding Riders	442,737		442,737	403,530
441	A&G Charged to CWIP	922	Total W&S excluding Riders	(14,950,025)		(14,950,025)	(13,626,093)
442	Production Related - Shared Services	9229	Prod W&S	16,394,108		16,394,108	15,959,884
443	Transmission Related - Shared Services	9229	Trans W&S	13,975,431		13,975,431	6,222,944
444	Distribution Related - Shared Services	9229	Dist W&S	54,666,291		54,666,291	54,666,291
445	Outside Services	923	Total W&S excluding Riders	1,597,839		1,597,839	1,456,338
446	Property Insurance	924	Total W&S excluding Riders	2,719,905		2,719,905	2,479,038
447	Injuries or Damages-Safety	925	Total W&S excluding Riders	14,888,590		14,888,590	13,570,098
448	Empl Pension and Benefits	926	Total W&S excluding Riders	11,624,341		11,624,341	10,594,922
449	Regulatory Commission Exp	928	Total W&S excluding Riders	2,655,693		2,655,693	2,420,512
450	Regulatory Commission Exp - (Rate Case Expense)	928	Retail	966,274		966,274	966,274
451	Production - Misc AG Expenses	930	Total W&S excluding Riders	9,182,874		9,182,874	8,369,664
452	Transmission - Rents-Cust	931	Total W&S excluding Riders	274,485		274,485	250,177
453	Total Gas A&G Maintenance	932	Total W&S excluding Riders	-		-	=
454	Maint of General Plant	935	Total W&S excluding Riders	2,435,777		2,435,777	2,220,071
455	Renewables - A&G (920-935)	920-935	Renewables	309,678		309,678	=
456	Grid Mod - A&G (920-935)	920-935	Grid Mod	1,226,434		1,226,434	=
457	Total Administrative & General Expense			123,444,302	-	123,444,302	110,541,737
458							
459	Generic Adjustment		Retail		(11,771,040)	(11,771,040)	(11,771,040)
460							
461	Total Operations & Maintenance Expense			496,140,712	(11,771,040)	484,369,672	432,048,210
462							

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1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
2 Test Period Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3	Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
463 Depreciation and Amortization Expense						
464						
465 Production Depreciation and Amortization						
466 Steam Production Plant	403	Gen Dmd	10,014,639		10,014,639	10,014,639
467 Nuclear Production Net Plant - Palo Verde	403	Gen Dmd	19,878,271		19,878,271	19,878,271
468 Nuclear Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd	-			-
469 Nuclear Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd	832,053		832,053	832,053
470 Other Production Plant - Gas & 40 MW Solar	403	Gen Dmd	20,752,769		20,752,769	20,752,769
471 Other Production Plant - Renewable	403	Renewables	8,091,078		8,091,078	-
472 Total Production Depreciation and Amortization Expense			59,568,810	-	59,568,810	51,477,732
473						
474 Energy Storage Depreciation and Amortization						
475						
476 Transmission Sited Batteries	403	Retail	338,998	-	338,998	338,998
477 Distribution Sited Batteries	403	Retail	868,925	-	868,925	868,925
478 Total Energy Depreciation and Amortization			1,207,924	-	1,207,924	1,207,924
479						
480 Transmission Depreciation and Amortization						
481 Step-Up Transformers & Generation Interconnections	403	Gen Dmd	330,154		330,154	330,154
482 Transmission System Plant - Allocated	403	Trans Dmd	45,753,163		45,753,163	20,372,850
483 Transmission System Plant - FERC Incremental Rates	403	FERC	10,347,728		10,347,728	-
484 Transmission System Net Plant - Dedicated Retail	403	Retail	693,169		693,169	693,169
485 Transmission System Plant - Acq. Adj. (EIP)	406	Trans Dmd	439,476		439,476	195,689
486 Total Transmission Depreciation and Amortization			57,563,691	-	57,563,691	21,591,863
487						

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1 5	tipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
						Test Period (with Manual	
2 -	est Period Ending June 30, 2026	FERC		Test Period	Other Manual	Adjustments)	PNM Base Rate
	est Feriod Ending June 30, 2020	FERC		rest renou	Other Marida	Aujustinents)	FINIVI Dase Nate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
488	istribution Depreciation and Amortization						
489	Distribution Substations Net Plant - PNM	403	Retail	7,734,096		7,734,096	7,734,096
490	Distribution Substations Net Plant - Renewables	403	Renewables	-		-	-
491	Distribution Substations Net Plant - Grid Mod	403	Grid Mod	-		-	-
492	Primary Distribution System Net Plant - PNM	403	Retail	38,186,812		38,186,812	38,186,812
493	Primary Distribution System Net Plant - Renewables	403	Renewables	188,096		188,096	-
494	Primary Distribution System Net Plant - Grid Mod	403	Grid Mod	331,718		331,718	-
495	Secondary Distribution System Net Plant - PNM	403	Retail	14,086,170		14,086,170	14,086,170
496	Secondary Distribution System Net Plant - Renewables	403	Renewables	57,167		57,167	-
497	Secondary Distribution System Net Plant - Grid Mod	403	Grid Mod	113,437		113,437	-
498	Services Net Plant - PNM	403	Retail	7,982,393		7,982,393	7,982,393
499	Meters Net Plant - PNM	403	Retail	2,564,005		2,564,005	2,564,005
500	Meters Net Plant - Grid Mod	403	Grid Mod	521,109		521,109	-
501	Private Lighting - 371	403	Retail	213,286		213,286	213,286
502	Street Lighting - 373	403	Retail	783,032		783,032	783,032
503	Total Distribution Depreciation and Amortization			72,761,322	-	72,761,322	71,549,795
504							
505	eneral Depreciation and Amortization						
506	General & Intangible Net Plant	403	Total W&S excluding Riders	24,667,013		24,667,013	22,482,571
507	Renewables General & Intangible Net Plant	403	Renewables	75,122		75,122	-
508	Grid Mod General & Intangible Net Plant	403	Grid Mod	-		-	-
509	Production Related (Shared Services)	403	Prod W&S	5,194,816		5,194,816	5,057,223
510	Transmission Related (Shared Services)	403	Trans W&S	4,017,016		4,017,016	1,788,687
511	Distribution/Customer Related (Shared Services)	403	Retail	24,478,747		24,478,747	24,478,747
512	Total General Depreciation and Amortization			58,432,714	-	58,432,714	53,807,228
513	·						
514	Total Depreciation and Amortization Expense			249,534,460	-	249,534,460	199,634,542
515							

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1 <b>S</b>	tipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
2 <b>T</b>	est Period Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
516 <b>G</b>	eneral Taxes				-		
517							
518 <u>P</u>	roperty Taxes						
519	Production Property Taxes						
520	Steam Production Plant	408	Gen Dmd	2,331,618		2,331,618	2,331,618
521	Nuclear Production Plant - Palo Verde	408	Gen Dmd	2,936,159		2,936,159	2,936,159
522	Other Production Plant - Gas & 40 MW Solar	408	Gen Dmd	3,737,044		3,737,044	3,737,044
523	Other Production Plant - Renewable	408	Renewables	1,591,519		1,591,519	-
524	Total Production Property Taxes			10,596,339	-	10,596,339	9,004,821
525							
526	Energy Storage Property Taxes						
527	Transmission Sited Batteries	408	Retail	-	-	-	-
528	Distribution Sited Batteries	408	Retail	262,569	-	262,569	262,569
529	Total Energy Storage Property Taxes			262,569	-	262,569	262,569
530							
531	Transmission Property Taxes						
532	Step-Up Transformers - Excluding 65MW SJGS	408	Gen Dmd	41,525		41,525	41,525
533	Transmission System Plant - Allocated	408	Trans Dmd	12,361,667		12,361,667	5,504,371
534	Transmission System Plant - FERC Incremental Rates	408	FERC	3,353,567		3,353,567	-
535	Transmission System Plant - Dedicated Retail	408	Retail	62,187		62,187	62,187
536	Total Transmission Property Taxes			15,818,945	-	15,818,945	5,608,082
537							
538	Distribution Property Taxes						
539	Distribution Substations Net Plant - PNM	408	Retail	1,982,839		1,982,839	1,982,839
540	Distribution Substations Net Plant - Renewables	408	Renewables	-		-	-
541	Distribution Substations Net Plant - Grid Mod	408	Grid Mod	-		-	-
542	Primary Distribution System Net Plant - PNM	408	Retail	7,405,025		7,405,025	7,405,025
543	Primary Distribution System Net Plant - Renewables	408	Renewables	42,929		42,929	-
544	Primary Distribution System Net Plant - Grid Mod	408	Grid Mod	21,185		21,185	-
545	Secondary Distribution System Net Plant - PNM	408	Retail	3,246,507		3,246,507	3,246,507
546	Secondary Distribution System Net Plant - Renewables	408	Renewables	14,033		14,033	-
547	Secondary Distribution System Net Plant - Grid Mod	408	Grid Mod	11,009		11,009	-
548	Services Net Plant - PNM	408	Retail	1,185,617		1,185,617	1,185,617
549	Meters Net Plant - PNM	408	Retail	473,458		473,458	473,458
550	Meters Net Plant - Grid Mod	408	Grid Mod	31,923		31,923	-
551	Private Lighting - 371	408	Retail	10,742		10,742	10,742
552	Street Lighting - 373	408	Retail	134,991		134,991	134,991
553	Total Distribution Property Taxes			14,560,258	-	14,560,258	14,439,179
554							*

	A B C D	E	F	G	Н	I	J
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study						
						Test Period (with	
						Manual	
2	Test Period Ending June 30, 2026	FERC		Test Period	Other Manual	Adjustments)	PNM Base Rate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
555	General Property Taxes				•		
556	General & Intangible Net Plant	408	Total W&S excluding Riders	1,314,440	-	1,314,440	1,198,037
557	Renewables General & Intangible Net Plant	408	Renewables	8,804	-	8,804	-
558	Grid Mod General & Intangible Net Plant	408	Grid Mod	53,120	-	53,120	-
559	Production Related (Shared Services)	408	Prod W&S	165,665	-	165,665	161,277
560	Transmission Related (Shared Services)	408	Trans W&S	205,358	-	205,358	91,441
561	Distribution/Customer Related (Shared Services)	408	Retail	831,120	-	831,120	831,120
562	Total General Property Taxes			2,578,506	-	2,578,506	2,281,874
563							
564	Total Property Taxes			43,816,617	=	43,816,617	31,596,526
565							
566	Payroll Taxes						
567	Production Related	408	Prod W&S	1,554,868		1,554,868	1,513,685
568	Battery Storage Related	408	Dist W&S	-		-	-
569	Transmission Related	408	Trans W&S	1,257,698		1,257,698	560,024
570	Distribution Related	408	Dist W&S	4,808,568		4,808,568	4,808,568
571	Total Payroll Taxes			7,621,134	-	7,621,134	6,882,277
572							
	Other Taxes						
574	Misc Taxes - Production Related	408	Gen Dmd	1,077		1,077	1,077
575	Misc Taxes - Transmission Related	408	Trans Dmd	973		973	433
576	Misc Taxes - Distribution Related	408	Retail	12,492		12,492	12,492
577	Regulatory Commission Fees (I&S) PNM	408	Retail	-		-	-
578	Joint Projects Four Corners	408	Gen Dmd	198,209		198,209	198,209
579	Joint Projects PVNGS	408	Gen Dmd	1,361,393		1,361,393	1,361,393
580	Joint Projects Transmission	408	Trans Dmd	61,999		61,999	27,607
581	Native American Taxes - Production	408	Gen Dmd	1,554,300		1,554,300	1,554,300
582	Native American Taxes - Transmission	408	Trans Plt	1,632,582		1,632,582	579,172
583	Native American Taxes - Dedicated FERC Incremental Rates	408	FERC	607,484		607,484	-
584	Native American Taxes - Distribution	408	Dist Plt	69,497		69,497	69,497
585	Total Other Taxes			5,500,006	-	5,500,006	3,804,180
586							
587	Total General Taxes			56,937,756	-	56,937,756	42,282,983

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1 S	tipulation	Exhibi	t 1 - PNM's Illustrative Cost of Service Study						· · · · · · · · · · · · · · · · · · ·
			g June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3				Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
588									
	ther Allov	wable E	xpenses						
590	Interes	t on Cus	stomer Deposits	431	Retail	220,117		220,117	220,117
591	Amortiz	zation L	oss on Reacquired Debt	407.3	Rate Base	1,235,729		1,235,729	912,787
592	Renew	able Gr	ant Amortization	407	Renewables	(1,146,464)		(1,146,464)	-
593	Accreti	on ARC	) - Production Related	411	Gen Dmd	2,887,511		2,887,511	2,887,511
594	Accreti	on ARC	- Production Related - (SJGS 65MW)	411	Excluded	-		-	-
595	Accreti	on ARC	) - Distribution Related	411	Retail	108,409		108,409	108,409
596	Wester	n Spirit		407.3	FERC	2,778,790		2,778,790	-
597	Amortiz	zation o	f 50% SJGS 2&3 Undepreciated Balance	407.3	Gen Dmd	6,276,936		6,276,936	6,276,936
598	Amortiz	zation o	f Eastern Imbalance Market Implementation Regulatory Asset	407.3	Retail	3,758,140		3,758,140	3,758,140
599	Amortiz	zation o	f PVNGS Unit 1 Undepreciated Investment Post - lease renewal	407.3	Retail	2,158,805		2,158,805	2,158,805
600	Amortiz	zation o	f PVNGS Unit 1 Undepreciated Investment Pre - lease renewal	407.3	Retail	1,877,267		1,877,267	1,877,267
601	Amortiz	zation o	f PVNGS Unit 2 Undepreciated Investment Post - lease renewal	407.3	Retail	146,109		146,109	146,109
602	Amortiz	zation o	f PVNGS Unit 2 Undepreciated Investment Pre - lease renewal	407.3	Retail	168,146		168,146	168,146
603	Amortiz	zation o	f PVNGS True-up for SRP Transaction	407.3	Retail	6,974		6,974	6,974
604	Amortiz	zation o	f PVNGS Costs to Obtain Replacement Resources	407.3	Retail	100,964		100,964	100,964
605	Amortiz	zation o	f SJGS Replacement Resources	407.3	Retail	332,751		332,751	332,751
606	Amortiz	zation o	f SJGS Legal Expenses	407.3	Retail	19,812		19,812	19,812
607			f SJGS Obsolete Inventory	407.3	Retail	251,786		251,786	251,786
608	Amortiz	zation o	f Pathnet	407.3	Trans Dmd	(199,577)		(199,577)	(88,867)
609			f SO2 Allowance Credit	407.3	Retail	-		-	-
610			ges on Advanced Payments Under ETA	407.3	Retail	108,102		108,102	108,102
611			f COVID Regulatory Asset and Liability	407.3	Retail	1,070,775		1,070,775	1,070,775
612	Amortiz	zation o	f SJGS Decommissioning Ordinance Costs	407.3	Retail	1,102,169		1,102,169	1,102,169
613	Amortiz	zation o	f Additional Coal Mine Decommissioning	407.3	Retail	732,137		732,137	732,137
614			f 2025 Rate Case Expenses	407.3	Retail	741,677		741,677	741,677
615			f Energy Transition Cost True - Up	407.3	Retail	(50,706)		(50,706)	(50,706)
616	T	otal Otl	her Allowable Expenses			24,686,359	-	24,686,359	22,841,801
617									
618									
619			erating Expenses			1,054,981,051	(11,771,040)	1,043,210,011	883,470,535
620	(	Excl Inc	come & Revenue Related Taxes)						
621									
622			nal Cost Rate Base			4,052,237,031	7,359,892	4,059,596,923	2,998,673,667
623	U		t of Capital			6.90%	6.90%	6.90%	6.90%
624			e Base (excluding Debt Return- Reg Asset Adjustment)			279,562,599	507,757	280,070,355	206,877,583
625			urn Adjustment			(661,411)		(661,411)	(661,411)
626	Return	on Rate	e Base			278,901,188	507,757	279,408,944	206,216,172

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		Exhibit 1 - PNM's Illustrative Cost of Service Study	_	·	J		·	,
	•	Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3			Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
627						,		
628 <b>F</b>	ederal Inc	ome Tax						
629	Return	Adjustments Adjustments						
630	Interest	on Long Term Debt		MDC	(83,782,108)	(152,170)	(83,934,277)	(61,999,137)
631		eturn- Reg Asset Adjustment Interest Adjustment			(541,065)	, , ,	(541,065)	(541,065)
632	Interest	on Long Term Debt			(84,323,172)	(152,170)	(84,475,342)	(62,540,202)
633					, , , , , , ,	,	,	,
634	Tax/Bo	ok Adjustments						
635								
636	Non-de	ductible Meals		Total Net Plt	-		-	-
637	Non-de	ductible Parking		Trans Dmd	123,788		123,788	55,120
638	Palo Ve	erde 1 & 2 Gain Amort Flow Through		FERC	(39,828)		(39,828)	-
639	Palo Ve	erde 1 & 2 Prudence Audit Flow Through		Retail	-		-	-
640	AFUDO	Equity Flow Through		Gen Dmd	(18,242,549)		(18,242,549)	(18,242,549)
641	AFUDO	Equity Flow Through - Renewables		Renewables	(41,891)		(41,891)	-
642	AFUDO	Equity Flow Through - Grid Mod		Grid Mod	(376,955)		(376,955)	-
643	Federa	Grant Amortization - Renewables		Renewables	(962,888)		(962,888)	-
644	Federa	Grant Basis Adj - Renewables		Renewables	481,444		481,444	=
645	Gain/Lo	oss Flow Through		Retail	166,269		166,269	166,269
646	ACRS I	Flow Through		Retail	-		-	-
647	San Jua	an ACRS Flow Through		Retail	-		-	-
648	Four Co	orners SO2 Reversal Flow Through		Retail	335,543		335,543	335,543
649		Depreciation		Retail	-		=	-
650	Amortiz	ration of EIP Prepaid Tax Reversal		Trans Dmd	-		=	-
651	Т	otal Tax/Book Adjustments			(18,557,067)	-	(18,557,067)	(17,685,617)
652								
653	Т	otal Return Adjustments			(102,880,239)	(152,170)	(103,032,409)	(80,225,819)
654								
655	N	let Taxable Equity Return			176,020,948	355,587	176,376,535	125,990,353

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1 Stipulat	ion Exhibit 1 - PNM's Illustrative Cost of Service Study						
2 Test Per	riod Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3		Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
656							
657 Federal	Tax Adjustments						
658							
659 Net Prov	vision For Deferred Income Tax						
660 Exc	ess Payroll Tax Reversal	410	Total W&S	(6,146)		(6,146)	(5,574)
661 Exc	ess Deferred Federal Income Tax Amortization		ADIT	(20,391,747)	(5,019,261)	(25,411,008)	(20,143,007)
662 ARA	AM Deferred Tax Reversal	410	Total Net Plt	(31,099)		(31,099)	(23,646)
663	Total Provision For Deferred Income Tax			(20,428,992)	(5,019,261)	(25,448,253)	(20,172,226)
664							
	ent Tax Credits						
	Verde 1&2 Production ITC Amortization	411.4	Gen Dmd	-	_	-	-
	neration ITC Amortization	411.4	Gen Dmd	(168,991)		(168,991)	(168,991)
	newables ITC Amortization	411.4	Renewables	-	<u> </u>	-	=
	Valley Transmission ITC Amortization	411.4	Trans Dmd	-	_	-	-
	search and Development & Other Credits	410	PV	(1,300,000)	<u> </u>	(1,300,000)	(1,300,000)
	er_ITC Amortization	411.4	Total Net Plt	-		-	-
672	Total Investment Tax Credit Amortization & Other Credits			(1,468,991)	-	(1,468,991)	(1,468,991)
673							
674	Total Federal Tax Adjustments			(21,897,983)	(5,019,261)	(26,917,244)	(21,641,217)
675							
676	Adjusted Equity Return			154,122,965	(4,663,674)	149,459,292	104,349,136
677	Federal Tax Factor (0.21/(1-0.21))			26.5823%	26.5823%	26.5823%	26.5823%
678	Federal Income Tax			40,969,396	(1,239,711)	39,729,685	27,738,378
679	Add:						
680	Total Provision For Deferred Income Tax			(20,428,992)	(5,019,261)	(25,448,253)	(20,172,226)
681	EIP Amortization			-	-	-	-
682	Total Investment Tax Credit Amortization & Other Credits			(1,468,991)	-	(1,468,991)	(1,468,991)
683 684	Net Allowable Federal Income Tax			19,071,413	(6,258,972)	12,812,441	6,097,160
004	Het Miowable i ederal litcolle Lax			18,071,413	(0,200,972)	12,012,441	0,097,100

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1 8	tipulatio	on Exhibit 1 - PNM's Illustrative Cost of Service Study						
	•	iod Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3			Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
685						,		
686 <b>S</b>	tate Inc	come Tax						
687								
688	Retur	ırn on Rate Base			278,901,188	507,757	279,408,944	206,216,172
689	Less:	s: Return Adjustments						
690	Intere	rest on Long Term Debt			(84,323,172)	(152,170)	(84,475,342)	(62,540,202)
691	Tax/E	Book Adjustments			(18,557,067)	-	(18,557,067)	(17,685,617)
692	Add:	: Net Allowable F I T			19,071,413	(6,258,972)	12,812,441	6,097,160
693								
694		New Mexico NOL Valuation Allowance	410	Total Net Plt	-	-	-	-
695		Amortization of Excess Deferred Taxes		ADIT	-	-	-	-
696	State	e Taxable Income			195,092,361	(5,903,384)	189,188,977	132,087,513
697		e Tax Factor			5.90%	5.90%	5.90%	5.90%
698		State Income Tax			11,510,449	(348,300)	11,162,150	7,793,163
699		22 MW, Battery project and PV Farm PTC	409	Renewables		_	-	-
700		New Mexico NOL Valuation Allowance	410	Total Net Plt		_	-	-
701		Amortization of Excess Deferred Taxes		ADIT			-	-
702		Net Allowable State Income Tax			11,510,449	(348,300)	11,162,150	7,793,163
703								
704								
705		Return on Rate Base			278,901,188	507,757	279,408,944	206,216,172
706								
707		Total Operating Expenses			1,054,981,051	(11,771,040)	1,043,210,011	883,470,535
708		(Excluding Income & Rev Related Taxes)						
709								
710		Net Allowable Federal Income Tax			19,071,413	(6,258,972)	12,812,441	6,097,160
711								
712		Net Allowable State Income Tax			11,510,449	(348,300)	11,162,150	7,793,163
713								

1 (	A B	C	D	E	F	G	Н		j
			t 1 - PNM's Illustrative Cost of Service Study	_	•	-			-
			g June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
3				Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
714 <b>F</b>	Revenue								
715		of SO2 Cre		411	FERC	-		-	-
716			ric Property Transmission	454	Trans Plt	(525,554)		(525,554)	(186,445)
717			ic Property - Distribution	454	Retail	(3,313,235)		(3,313,235)	(3,313,235)
718		Payment C		451	Retail	(1,120,650)		(1,120,650)	(1,120,650)
719			Charge Revenue	451	Retail	(1,818,977)		(1,818,977)	(1,818,977)
720			evenue - Transmission	456	Trans Dmd	(944,817)		(944,817)	(420,705)
721 722			evenue - Distribution cillary Services Credit Sch 2-5	456 456100	Retail Gen Dmd	(1,238,927)		(1,238,927)	(1,238,927)
723			sses (Financial)	456100 456100	Gen Dmd	(3,008,078)		(3,008,078)	(3,008,078)
724			edispatch contract revenues	456100	Gen Dind Gen Dmd	4,982		4,982	4,982
725			ces-Sch 1 and Sch 8 Transmission	456100	Trans Dmd	(7,257,626)		(7,257,626)	(3,231,657)
726			m Sch 7 Transmission	456100	Trans Dmd wo NITS	(9,535,268)		(9,535,268)	(4,736,152)
727			ces-Sch 1 ST PTP and Transmission Service	456100	Trans Dmd	(46,217)		(46,217)	(20,579)
728			ice Customer Revenue Credits	442&555	Retail	(4,214,090)		(4,214,090)	(4,214,090)
729			Servicing & Administration Fees	421	G&I PIt	(221,600)		(221,600)	(204,418)
730			es Revenue	418	Retail	(1,717,601)		(1,717,601)	(1,717,601)
731						(1,111,001)		(1,111,001)	(1,11,111)
732		Total Rev	venue Credits			(65,888,398)	-	(65,888,398)	(56,157,274)
733								( ) /	, , , , ,
734		Total Rev	venue Requirements Before Revenue Tax			1,298,575,702	(17,870,555)	1,280,705,148	1,047,419,757
735									
736		Revenue	: Tax Factor (I&S Fee) '(Revenue Tax Rate/(1-Revenue Tax Rate))			0.508573%	0.508573%	0.508573%	0.508573%
737		Revenue	Tax			6,604,205	(90,885)	6,513,321	5,326,894
738									
			IUE REQUIREMENT			1,077,498,145	(17,961,439)	1,059,536,705	866,083,651
			EQUIREMENT			227,681,763	-	227,681,763	186,663,000
741 <b>1</b>	TOTAL R	EVENUE I	REQUIREMENT			1,305,179,908	(17,961,439)	1,287,218,468	1,052,746,651
742									
		Cost of Ca							
744	_	Term Deb				2.07%	2.07%	2.07%	2.07%
745		erred Stock				0.01%	0.01%	0.01%	0.01%
746	Comr	mon Stock				4.82%	4.82%	4.82%	4.82%
747		Total Wei	eighted Cost of Capital			6.90%	6.90%	6.90%	6.90%
748									
749		Federal Ir	ncome Tax Rate			21.00%	21.00%	21.00%	21.00%
750									
751		Effective	State Income Tax Rate			5.57%	5.57%	5.57%	5.57%
752									
753		I&S Fee F	Rate			0.508573%	0.508573%	0.508573%	0.508573%

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1 5	Stipulat	ation Exhibit 1 - PNM's Illustrative Cost of Service Study						
2	Foet Poi	Period Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
	iest rei	erioù Eliding Julie 30, 2026	FERG		rest Fellou	Other Mariual	Aujustinents)	FINIVI DASE NAIE
3			Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
754								
755 <u>I</u>	Key Allo	<u>llocators</u>						
756								
757		Sales (MWh)					1,522,358	1,522,358
758		Allocator		Sales			100.00%	100.00%
759								
_	Nage ar	and Salary Ratios		Ratios				
761		Production Other Prod O&M		18.93%			10,452,318	10,175,473
762				Prod W&S			100.00%	97.35%
763		Transmission Trans O&M		15.88%			8,768,835	3,904,564
764				Trans W&S			100.00%	44.53%
765		Distribution Dist O&M		<u>33.28</u> %			18,370,025	18,370,025
766				Dist W&S			100.00%	100.00%
767								
768		Total PTD		68.09%			37,591,178	32,450,061
769		Allocator					100.00%	86.32%
770								
771		Customer Accounting CA O&M		21.21%			11,706,229	11,706,229
772		Cust Service & Information CS&I O&M		2.86%			1,576,210	1,576,210
773		Sales Sales O&M		<u>7.85</u> %			4,331,248	4,331,248
774		Total PTDCAS		<u>100.00</u> %			55,204,865	50,063,749
775		Allocator		PTDCAS			100.00%	90.69%
776								
777		Administrative and General					-	-
778								
779		Total Wages and Salaries					55,204,865	50,063,749
780		Allocator		Total W&S			100.00%	90.69%
781							54,928,019	50,063,749
782	Net Plan	ant In Service Ratios		Total W&S excluding Riders			100.00%	91.14%
783								
784		Total Production Plant					982,652,475	982,652,475
785		Allocator		Prod Plt			100.00%	100.00%
786								
787		Total Transmission Plant					1,597,656,275	566,781,944
788		Allocator		Trans Plt			100.00%	35.48%
789								
790		Total Distribution Plant					1,515,050,373	1,515,050,373
791		Allocator		Dist Plt			100.00%	100.00%
792								
793		Total General & Intangible Plant					235,038,105	216,814,370
794		Allocator		G&I PIt			100.00%	92.25%
795								

	А В	C D	E	F	G	Н	ı	J
1 S		ion Exhibit 1 - PNM's Illustrative Cost of Service Study						
		riod Ending June 30, 2026	FERC		Test Period	Other Manual	Test Period (with Manual Adjustments)	PNM Base Rate
	estren	Tiou Enamy June 30, 2026	FERG		rest renou	Other Mariual	Aujustinients)	FINIVI Dase Nate
3			Account	Allocator	PNM	Adjustments	PNM	Jurisdiction
796		Total Net Plant					4,377,309,630	3,328,211,564
797		Allocator		Total Net Plt			100.00%	76.03%
798								
799		Total ADIT					(757,077,346)	(600,126,312)
800		Allocator		ADIT			100.00%	79.27%
801								
802		Total Rate Base					4,059,596,923	2,998,673,667
803		Allocator		Rate Base			100.00%	73.87%
804								
805		Generation Demand allocator					1,716	1,716
806				Gen Dmd			100.00%	100.00%
807								
808		Energy allocator		_			10,324	10,324
809				Energy			100.00%	100.00%
810								
811		Generation and Transmission Demand		Gen/Trans Dmd			100.00%	62.83%
812							0.500	4.500
813							3,589	1,598
814		Transmission Demand		Trans Dmd			100.00%	44.53%
815 816							0.047	4 500
		Tii D ::::::::::::::::::::		Tarana Danadana NITO			3,217	1,598
817 818		Transmission Demand without Network		Trans Dmd wo NITS			100.00%	49.67%
819								
	Other Allo	legators						
821	Julier Alic	locators						
822		Excluded Costs		Excluded			100.00%	0.00%
823		Excluded COSIS		Excluded			100.0070	0.0070
824		Direct Assignment to NEC		NEC			0.00%	0.00%
825		Birost / toolgrimont to 1420		1120			0.0070	0.0070
826		Allocation to FERC Customers		FERC			100.00%	0.00%
827				. 2110			100.0070	3.3370
828		Direct Assignment to Retail		Retail			100.00%	100.00%
829				1101011			.55.0070	.55.5676
830		Allocation to Palo Verde		PV			100.00%	100.00%
831								
832		Allocation to Grid Mod		Grid Mod			100.00%	0.00%
833								
834		Direct Assignment to Renewables		Renewables			100.00%	0.00%

	Α	В	С	D	E	F	K	L	М	N	0
1	Stip	ulatio	n Ex	hibit 1 - PNM's Illustrative Cost of Service Study							
2	Test	Perio	od Er	iding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
4	Rate	Base	<u>e</u>								
5											
6	Net	<u>Plant</u>									
7											
8	Net I	Produ	ıction	<u>Plant</u>							
9											
10		Stear	n Pro	duction Net Plant	101/106	Gen Dmd	-	-	240,974,322	-	=
11			Tota	Steam Production Net Plant			-	-	240,974,322	-	=
12			$oxedsymbol{oxed}$								
13		Nucle	ear Pr	oduction Net Plant - Palo Verde	101/106	Gen Dmd	-	-	347,311,437	-	=
14		Nucle	ear Pr	oduction Net Plant - Acq Adj (Drexel)	114	Gen Dmd	-	-	-	-	=
15		Nucle	ear Pr	oduction Net Plant - Acq Adj (First Chicago)	114	Gen Dmd	-	=	16,779,747	-	-
16			Tota	Nuclear Production Net Plant			-	-	364,091,185	-	-
17											
18		Other	r Proc	uction Plant - Gas & 40 MW Solar	101/106	Gen Dmd	-	-	377,586,968	-	-
19		Other	r Proc	uction Plant - Renewable	101/106	Renewables	158,530,056	-	158,530,056	-	-
20			Tota	Other Production Net Plant			158,530,056	-	536,117,025	-	-
21											
22		Total	Net F	Production Plant			158,530,056	-	1,141,182,532	-	-
23											
24	Net I	Plant	Batte	ry Storage							
25											
26		Trans	smiss	on Sited Batteries	101/106	Retail	-	-	20,184,418	-	-
27		Distril	butior	Sited Batteries	101/106	Retail	-	-	26,727,983	-	-
28			Tota	Battery Storage Net Plant			-	-	46,912,401	-	-
29											
30	Net <sup>-</sup>	Trans	missi	on Plant							
31			LĪ								
32		Step-	Up T	ransformers & Generation Interconnections	101/106	Gen Dmd	-	-	4,119,928	-	-
33			Tota	Transmission Station Equipment - Step-up Xfmr and Aux			-	-	4,119,928	-	-
34											
35		Trans	smiss	on System Net Plant - Allocated	101/106	Trans Dmd	-	-	556,621,001	693,433,433	-
36		Trans	smiss	on System Net Plant - FERC Incremental Rates	101/106	FERC	-	-	-	337,397,141	-
37		Trans	smiss	on System Net Plant - Dedicated Retail	101/106	Retail	-	-	6,005,891	-	-
38		Trans	smiss	on System Net Plant - Acq Adj (EIP)	114	Trans Dmd	-	-	35,123	43,756	-
39			Tota	Transmission System Net Plant			-	-	562,662,016	1,030,874,331	-
40											
41		Total	Net 7	ransmission Plant		_	-	-	566,781,944	1,030,874,331	-

	Α	В	С	D	E	F	K	L	М	N	0
1	Stipu	ulation	n Ext	nibit 1 - PNM's Illustrative Cost of Service Study							
2	Test	Perio	od En	ding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
42											
43	Net L	Distribu	ution	<u>Plant</u>							
44 45	-	D:-4-:L		Cub-t-ti N-t Dit DNM	404/400	Retail			400 005 044		
				Substations Net Plant - PNM	101/106		-	-	199,695,244	-	-
46 47	_			Substations Net Plant - Renewables	101/106	Renewables Grid Mod	-	-	-	-	-
48				Substations Net Plant - Grid Mod Distribution Substations Net Plant	101/106	Grid Mod	-	-	199,695,244	-	-
48			Total	Distribution Substations Net Plant			-	-	199,095,244	-	-
50	H-,	Drimos	n, Die	stribution System Net Plant - PNM	101/106	Retail	_		788,963,636	_	
51			•	tribution System Net Plant - PNW tribution System Net Plant - Renewables	101/106	Renewables	4,291,993	-	4,291,993	-	
52				stribution System Net Plant - Renewables	101/106	Grid Mod	4,291,993	5,857,809	5,857,809	-	
53	- '			Primary Distribution Net Plant	101/100	Grid Mod	4,291,993	5,857,809	799,113,439	-	
54	+		TUlai	Filliary Distribution Net Flant			4,291,993	5,657,609	799,113,439	-	-
55		Secon	danı	Distribution System Net Plant - PNM	101/106	Retail		-	340,199,544	_	
56				Distribution System Net Plant - PNM  Distribution System Net Plant - Renewables	101/106	Renewables	1.342.881	-	1,342,881	-	
57				Distribution System Net Plant - Grid Mod	101/106	Grid Mod	1,342,001	3,044,182	3,044,182		
58	<del>                                     </del>			Secondary Distribution Net Plant	101/100	Grid Mod	1,342,881	3,044,182	344,586,608	-	
59	1		Total	Secondary Distribution Net Flant			1,342,001	3,044,102	344,300,000	-	
60		Servic	oc N	et Plant - PNM	101/106	Retail	-	-	123,529,928	-	-
61	<del>                                     </del>	OCI VIC	C3 14	SET PAIRE - LIVINI	101/100	Itetali	-	<del>-</del>	123,329,920	-	<u> </u>
62	<del></del>	Meters	e Net	Plant - PNM	101/106	Retail	_	_	47,907,691	_	_
63				Plant - Grid Mod	101/106	Grid Mod	_	10,201,823	10,201,823	_	_
64	<b>'</b>			Meters Net Plant	101/100	Grid Widd	_	10,201,823	58,109,515	_	
65			rotar	Motoro Hot Flank				10,201,020	00,100,010		
66		Private	e Liał	nting - 371	101/106	Retail	_	-	1,163,014	_	_
67				ing - 373	101/106	Retail	_	-	13,591,316	_	_
68				Lighting Net Plant	101/100	. totali	-	_	14,754,330	_	_
69			. 0.01	—gg					,,000		
70	-	Total N	Net P	lant Distribution Plant			5,634,875	19,103,815	1,539,789,063	-	_
71			Ť				.,,	.,,	, , ,		
	Net F	Plant G	Gener	al & Intangible Plant							
73			Ï								
74		Gener	al & l	ntangible Net Plant	101/106	Total W&S excluding Riders	-	-	115,531,045	11,225,174	-
75				s General & Intangible Net Plant	101/106	Renewables	1,207,658	-	1,207,658		-
76				eneral & Intangible Net Plant	101/106	Grid Mod	-	14,492,490	14,492,490	-	-
77				Related (Shared Services)	101/106	Prod W&S	413,383	· · · · · ·	15,607,280	-	-
78				on Related (Shared Services)	101/106	Trans W&S	-	-	5,617,766	6,998,562	-
79	1	Distrib	oution	/Customer Related (Shared Services)	101/106	Retail	-	-	80,471,663	-	-
80				Net Plant General & Intangible Plant - PNM			1,621,041	14,492,490	232,927,901	18,223,735	-
81				*							
82		-	Total	Net Plant			165,785,972	33,596,305	3,527,593,841	1,049,098,066	-

А	B C D	E	F	K	L	М	N	0
1 Sti	ipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>Te</b>	st Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3		A	A II 4	1	1	Ii. ali aki a	louis distinu	Ii. ali aki a
83		Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
-	ccumulated Deferred Income Taxes							
85	Federal Tax Credit Carryforward	190	Retail	_		19,358,228	_	_
86	Federal Tax Credit Carryforward - Renewables	190	Renewables	-		19,000,220	-	
87	Net Operating Loss (NOL)	190	Total Net Plt	-	-	6,274,218	1,977,720	
88	Incentive Pay Plans	190	Total W&S			0,274,210	1,377,720	
89	Regulatory Assets - Coal Mine Decommissioning	190	Retail	_	_	_	-	_
90	Regulatory Liabilities - Renewable Rider	190	Renewables	_	_	_	-	_
91	Income Tax Regulatory Liability	190	ADIT	3,426,837	-	48,741,865	8,424,402	0
92	Income Tax Regulatory Asset	283	ADIT	(3,966,477)	-	(56,417,465)	(9,751,030)	(0)
93	Lease Liability	190	Excluded	-	-	-	-	-
94	Deferred Credits - Coal Mine Decommissioning	190	Retail	-	_	_	-	_
95	Regulatory Assets - ETA Carrying Charges	283	Retail	-	-	(0)	-	-
96	Regulatory Assets - ETA Job Training & Severance	283	Retail	_	_	-	-	-
97	Regulatory Assets - ETA Payments to State Agencies	283	Retail	-	-	0	-	-
98	Regulatory Assets - ETA SJGS Plant Decommissioning	283	Retail	-	-	(667,624)	-	-
99	Regulatory Assets - ETA SJGS upfront Financing Cost	283	Retail	-	-	0	-	-
100	Regulatory Assets - ETA Westmoreland Coal Mine Sev	283	Retail	-	-	0	-	-
101	Deferred Credits - Joint Use	190	Retail	-	-	181,010	-	-
102	Deferred Credits - Pathnet	190	Retail	-	-	1,349,331	-	-
103	Deferred Credits - PVNGS Dry Casks	190	Retail	-	-	-	-	-
104	Other Deferred Credits	190	Retail	-	-	-	-	-
105	Other Liabilities - ETA Job Training and Severance	190	Retail	-	-	-	-	-
106	Other Liabilities - Navajo Workforce Training	190	Retail	-	-	-	-	-
107	Other Liabilities	190	Total W&S	-	-	-	-	-
108	Injury and Damages	283	Total W&S	7,325	-	1,331,954	128,703	-
109	Plant - AFUDC	283	Total Net Plt	-	-	(20,810,867)	(6,559,872)	-
110	Plant - Capitalized Interest	283	Total Net Plt	-	-	4,222,289	1,330,924	-
111	Decommissioning and Reclamation Trusts	283	Retail	-	-	-	-	-
112	ASC 740-10 (FIN 48) Reclassifications	283	Total Net Plt	-	-	-	-	-
113	PVNGS Licensing	283	Retail	-	-	41,710	-	-
114	Plant - 263A Adjustment	283	Total Net Plt	-	-	(17,975,631)	(5,666,166)	-
115	Deferred State Taxes	283	Total Net Plt	-	-	-	-	-
116	Plant - CIAC	283	Total Net Plt	-	-	9,322,737	2,938,655	-
117	Plant - Depreciation Nuclear Fuel	282	Gen Dmd	-	-	9,663,055	-	-
118	Plant - Removal Cost	282	Total Net Plt	-	-	(5,649,558)	(1,780,818)	-
119	Plant - Repairs	282	Total Net Pit	-	-	(51,624,857)	(16,272,865)	-
120	Plant - Section 174 Deduction	282	Total Net Plt	-	-	(677,195)	(213,461)	-
121	Plant - Asset Retirement Obligation	282	Retail	-	-	7,857,390	-	-
122	Plant - Pollution Control Property	282	Gen Dmd	-	-	(2,154,701)	-	-
123	Plant - Liberalized Depreciation: Production	282	Gen Dmd	-	-	(169,234,057)	- (04.544.545)	-
124	Plant - Liberalized Depreciation: Transmission	282	Trans Dmd	-	-	(65,432,118)	(81,514,743)	-
125	Plant - Liberalized Depreciation: Distribution	282	Retail	- (00.110)	-	(154,067,714)	- (4 500 555)	-
126	Plant - Liberalized Depreciation: General and Intangible	282	Total W&S	(90,410)	-	(16,439,828)	(1,588,535)	-
127	Plant - Liberalized Depreciation: Renewables	282	Renewables	(48,205,503)	-	(48,205,503)	-	-

	Α	В	С	D	E	F	К	L	M	N	0
1	Stip	ulatio	n Ex	hibit 1 - PNM's Illustrative Cost of Service Study							
				·							
										FERC	
2	Test	t Perio	od Er	nding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
128		Plant -	- Four	Corners Imprudence	282	Gen Dmd	-	-	-	-	-
129		Regula	atory.	Assets - SJGS Stranded Costs Units 2&3	282	Retail	-	-	(19,264,979)	-	-
130		Pensio	on		283	Total W&S	(185,745)	-	(33,775,121)	(3,263,595)	-
131		Retire	e Me	dical	283	Total W&S	-	-	-	-	-
132		Lease	Asset		283	Excluded	-	-	-	-	-
133		Loss o	n Rea	cquired Debt	283	Total Net Plt	-	-	(787,503)	(248,232)	-
134		Other	Comp	prehensive Income (OCI)	283	Excluded	-	-	-	-	-
135		Deferi	red Cr	edits - SO2 Allowance	283	Retail	-	-	10,507	-	-
136		Defer	red De	ebits - Rate Case Expense	283	Retail	-	-	(847,737)	-	-
137		Deferi	red De	ebits - Decoupling	283	Excluded	-	-	-	-	-
138	_			ebits - Grid Modernization	283	grid mod	-	-	-	-	-
139		Deferi	red De	ebits - RR Underground Rider	283	Retail	-	-	-	-	-
140	_	Prepa			283	Total Net Plt	-	-	(1,254,754)	(395,516)	-
141		Regula	atory.	Assets - COVID-19 Costs	283	Retail	-	-	(370,501)	-	-
142		Regula	atory	assets - FAC	283	Retail	-	-	-	-	-
143				Assets - EIM Costs	283	Retail	-	-	(2,903,476)	-	-
144		Regula	atory.	Assets - Energy Efficiency	283	Excluded	-	-	-	-	(0)
145		Regula	atory.	Assets - ETA	283	Retail	-	-	-	-	-
146		Regula	atory.	Assets - Sky Blue Under Recovery	283	Renewables	-	-	-	-	-
147		Regula	atory.	Assets - Renewable Energy	283	Renewables	3,091,257	-	3,091,257	-	-
148		Regula	atory.	Assets - Renewable Energy Credits	283	Renewables	(0)	-	(0)	-	-
149		Regula	atory.	Assets - SJGS External Legal Fees	283	Retail	-	-	(115,954)	-	-
150		-		Assets - SJGS Replacement Resources	283	Retail	-	-	(1,947,453)	-	-
151		Regula	atory.	Assets - SJGS Undepreciated Investment	283	Retail	-	-	0	-	-
152		Regula	atory.	Assets - SJGS Underground Coal Mine	283	Retail	-	-	(0)	-	-
153		Regula	atory.	Assets - Solar Direct Regulatory Assets	283	Retail	-	-	-	-	-
154		Regula	atory.	Assets - Transportation Electrification	283	Retail	-	-	-	-	-
155		Regula	atory.	Assets - WCC Transaction Costs	283	Retail	-	-	-	-	-
156		Regula	atory	Liabilities - Energy Efficiency	283	Excluded	-	-	-	-	-
157		Regula	atory	Liabilities - FAC	283	Retail	-	-	-	-	-
158				Assets - PCB Refinancing Hedge	283	Total Net Plt	-	-	(1,384,741)	(436,489)	-
159	_	Prepa	id Exp	enses: Production	283	Gen Dmd	-	-	(393)	-	-
160		Prepa	id Exp	enses: Transmission	283	Trans Plt	-	-	(2,016)	(3,667)	-
161	_			enses: Transmission (incremental FERC Rates)	283	FERC	-	-	-	-	-
162	_			enses: Distribution	283	Retail	-	-	(1,729)	-	-
163		Prepa	id Exp	enses: Renewables	283	Renewables	-	-	-	-	-
164	_	-		Assets - 2024 Rate Change	283	Retail	-	-	(736,301)	-	-
165	_	-		Assets - SJGS Obsolete Inventory	283	Retail	-	-	(1,473,597)	-	-
166	_	Regula	atory	Liabilities - Earnings Test	283	Retail	-	-	-	-	-
167	1	Regula	atory.	Assets - PVNGS Undepreciated Investment	283	Retail	-	-	(10,596,037)	-	-

	A B C D	Е	F	K	L	M	N	0
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2	Test Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3		Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
168	Regulatory Assets - ETC Over/Under SPE	283	Retail	-	-	-	-	-
169	Regulatory Assets - PVNGS Replacement Resources	283	Retail	-	-	(462,677)	-	-
170	Regulatory Assets - Rate Rider 12 UG Rate	283	Retail	-	-	-	-	-
171	Regulatory Assets - Renewable Rider Curr Reg	283	Renewables	-	-	-	-	-
172	Regulatory Assets - SJ Energy Transition Property (SPE)	283	Retail	-	-	(79,654,063)	-	-
173	Regulatory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail	-	-	-	-	-
174	Regulatory Liabilities - Energy Transition Cost True Up	283	Retail	-	-	305,611	-	-
175	Regulatory Liabilities - SJGS Retirements Rate Credit	283	Retail	-	-	-	-	-
176	Deferred Debits - WS-Transmission Revenue	283	FERC	-	-	-	-	-
177	Customer Advance	190	Retail	-	-	-	-	-
178	Deferred Credits - ETA	283	Retail	-	-	-	-	-
179	Other Liabilities - ETA Coal Mine Severance	283	Retail	-	-	-	-	-
180	Other Liabilities - ETA State Agency Payments	283	Retail	-	-	-	-	-
181								
182								
183								
184								
185								
186			·					
187			·					
188			·					
189	Total Accumulated Deferred Income Taxes		·	(45,922,715)	-	(653,184,987)	(112,894,587)	(0)

	Α		C	D	E	F	K	L	М	N	0
1	Sti	pulatio	n Ex	nibit 1 - PNM's Illustrative Cost of Service Study							
2	Tes	st Peri	od Er	ding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
19	_										
		gulato	ry As	sets & Liabilities							
19											
19	_	_		Decommissioning	182	Retail	-	-	-	-	-
19				ancing Hedge	182	Total Net Plt	-	-	5,451,736	1,718,462	-
19		_		enewables Fed Grant	254	Renewables	(10,222,296)	-	(10,222,296)	-	-
19	_			enewables St Credit	254	Renewables	(1,948,008)	-	(1,948,008)	-	-
19				Agreement Transaction Costs	182	Gen Dmd	-	-	-	-	-
19				50% Undepreciated Investment	182	Gen Dmd	-	-	75,846,374	-	-
19		_		unty Ordinance Decommission	182	Gen Dmd	-	-	-	-	-
20		Energ	gy Iml	palance Market (EIM) One Time Implementation Costs	182	Retail	-	-	11,431,010	-	-
20		SJGS	S Rep	acement Resources	182	Gen Dmd	-	-	7,667,139	-	-
20		SJGS	S Exte	rnal Legal Expenses	182	Gen Dmd	-	-	456,510	-	-
20	3	SJGS	S Obs	plete Inventory	182	Gen Dmd	-	-	5,801,562	-	-
20	4	COV	ID Re	gulatory Asset and Liability	182	Retail	-	-	1,561,547	-	-
20	5	Sky E	Blue U	nder Recovery	182	Retail	-	-	-	-	-
20		Solar	Direc	t	182	Retail	-	-	-	-	-
20	7	Trans	sporta	tion Electrification Program (TEP)	182	Retail	-	-	-	-	-
20	8	SO2	Allow	ance Credit	182	Retail	-	-	0	-	-
20	9	PVN	GS Ur	it 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	38,948,435	-	-
21	0	PVN	GS Ur	it 1 - 104MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
21	1	PVN	GS Ur	it 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	2,642,134	-	-
21	2	PVN	GS Ur	it 2 - 10MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
21	3	PVN	GS Co	sts to Obtain Replacement Resources	182	Gen Dmd	-	-	1,821,562	-	-
21	4	PVN	GS Tr	ue-up for SRP Transaction Proceeds	182	Gen Dmd	-	-	126,114	-	-
21	5	2024	Rate	Change Expenses	182	Retail	-	-	2,898,823	-	-
21	6	Energ	gy Tra	nsition Cost True-up	182	Gen Dmd	-	-	(1,203,193)	-	-
21	7	Exce	ss De	ferred Income Tax Regulatory Liability	254	ADIT	(13,737,902)	-	(195,402,021)	(33,772,715)	(0)
21	8										
21	9		Tota	Regulatory Assets & Liabilities			(25,908,206)	_	(54,122,574)	(32,054,253)	(0)

A	A B C D	Е	F	K	L	М	N	0
1 St	ipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>Te</b>	est Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3		Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
220								
221 <b>O</b> 1	ther Rate Base Items							
222								
223	Customer Deposits	235	Retail	-	-	(6,221,788)	-	-
224	RWIP-Production	108	Gen Dmd	-	-	-	-	-
225	RWIP-Transmission	108	Trans Dmd	-	-	-	-	-
226	RWIP-Distribution	108	Retail	-	-	-	-	-
227	CWIP - Production	107	Gen Dmd	-	-	-	-	-
228	CWIP - Transmission	107	Trans Dmd	-	-	-	-	-
229	CWIP - Distribution	107	Retail	-	-	-	-	-
230	CWIP - Renewables	107	Renewables	-	-	-	-	-
231	CWIP - Production Related	107	Gen Dmd	-	-	-	-	-
232	ARO Liability - Production	230	Gen Dmd	-	-	(28,866,513)	-	-
233	ARO Liability - Transmission	230	Trans Dmd	-	-	-	-	-
234	ARO Liability - Distribution	230	Retail	-	-	(1,606,816)	-	-
235	ARO Liability - 65MW SJGS	230	Excluded	-	-	-	-	-
236	Injuries and Damages PNM	228	Total W&S	(14,682)	=	(2,669,721)	(257,968)	-
237	NQRP - Expense in Excess of Funding		Total W&S	(17,440)	-	(3,171,208)	(306,425)	-
238	Palo Verde Dry Cask Storage	253	Gen Dmd	-	-	-	-	-
239	FERC Incremental Rates	253	FERC	-	=	•	(55,490,053)	-
240	Pueblos Transmission Rights-of-Way	186	Trans Dmd	-	-	51,064,237	63,615,366	-
241	Pueblos Distribution Rights-of-Way	186	Retail	-	=	7,967,592	-	-
242	Prepaid Pension Asset	182/228	Total W&S	731,278	-	132,972,916	12,848,800	-
243	Unamortized Loss on Reacquired Debt	189	Total Net Plt	-	-	3,117,882	982,799	-
244	Tucson Electric Power ROW Payment	253	Trans Dmd	-	-	(317,322)	(395,316)	-
245	PV 1&2 Excess Gain Amortization	253	Retail	-	=	(22,984)	=	-
246	Possessory Interest Tax	186	Total W&S	16,866	-	3,066,928	296,349	-
247	Pathnet	253	Retail	-	-	(5,312,329)	-	-
248	2025 Rate Change Expenses	186	Retail	-	-	3,337,546	-	-
249								
250	Total Other Rate Base Items		·	716,023	-	153,338,423	21,293,553	=

A B C D	E	F	К	L	М	N	0
1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 Test Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3	Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
251							
252 Working Capital							
253							
254 Fuel Stock							
255 Production Fuel Stock	151	Energy	-	-	915,189	-	-
256 PV Nuclear Fuel (120.15)	120	Energy	-	-	81,139,432	-	-
Total Fuel Stock			-	-	82,054,621	-	-
258							
259 Materials & Supplies							
260 Production	154	Gen Dmd	-	-	27,174,074	-	-
261 Transmission	154	Trans Plt	-	-	2,886,511	5,250,045	-
262 Distribution	154	Retail	-	-	25,045,844	-	-
263 Total Materials & Supplies			-	-	55,106,429	5,250,045	-
264							
265 Prepayments							
266 Production	165	Gen Dmd	_	_	4,673,109	_	_
267 Transmission	165	Trans Plt	-	-	779,369	1,417,532	-
268 Transmission (Incremental FERC Rates)	165	FERC	-	-	-	420,894	-
269 Distribution	165	Retail	-	-	4,199,418	-	-
270 Renewables	165	Renewables	124.627	-	124,627	-	-
271 Total Prepayments			124,627	-	9,776,523	1,838,426	-
272			,				
273 Total Cash Working Capital (see Rule 530 schedule E-1)		Retail	_	_	6,503,398	_	_
274					.,,		
275 Total Working Capital			124,627	_	153,440,970	7,088,471	_
276			,02.		,,	.,,	
277 Total Rate Base Adjustments & Working Capital			(70,990,271)	_	(400,528,168)	(116,566,816)	(0)
278 Potar rate base rajustinone a vronting capital			(.0,000,271)		(100,020,100)	( , , )	(0)
279 Total Net Original Cost Rate Base			94,795,701	33,596,305	3,127,065,673	932,531,250	(0)

	A B C D	E	F	K	L	М	N	0
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
	Test Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3		Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
280								
	Operations and Maintenance Expense							
282								
283	Production Fuel related expenses							
284	D. L. C. EDDOAGE ID. L. L.							
	Production - FPPCAC Fuel Related	504	D: 1.4 : 1			50.450.000		
286	Steam Generation	501 501	Direct Assignment	-	-	59,159,008 1,978,215	-	-
287 288	Steam Fuel Handling and Disposal  Nuclear	518	Direct Assignment Direct Assignment	-	=	15,470,320	-	=
289	Nuclear Disposal	518	Direct Assignment  Direct Assignment	-	-	866,288		=
290	Gas Generation	547	Direct Assignment  Direct Assignment	-	<u>-</u>	96,037,692		-
290	Wind PPA	555	Direct Assignment  Direct Assignment	32,252,724	<u> </u>	32,252,724	<u> </u>	-
292	Geothermal PPA	555	Direct Assignment	8,766,039		8,766,039		-
293	Purchased Power Energy	555	Direct Assignment	0,700,039		110,551,362		-
294	Spinning reserves	555	Direct Assignment	_	-	112,483		-
295	Energy Storage Agreement - Demand	555	Direct Assignment	_	_	-	_	-
296	Total Fuel Costs (before OSS)	000	Billoot / toolgrimonit	41,018,763	_	325,194,132	_	_
297	10001 0000 (0000 000)			41,010,700		020,104,102		
298	Off-system Sales	447	Direct Assignment	_	-	(97,512,369)	_	-
299	Tri State Hazard Sharing	447	Direct Assignment	_	_	-	_	-
300	EIM Fuel Benefits	447.3	Direct Assignment	_	_	-	_	-
301	Physical Sales of Gas (under FAC hedge plan)	447.7	Direct Assignment	-	-	-	-	-
302	Total Other Fuel		Ţ.	-	-	(97,512,369)	-	-
303						, , , , , , ,		
304	Total Fuel (net OSS)			41,018,763	_	227,681,763	_	-
305				, , , , , , , , , , , , , , , , , , , ,		, , , , , , , , , , , , , , , , , , , ,		
306	Production - Non Fuel Items							
307	Gas Plants Fuel Transportation	547	Energy	-	-	12,528,671	-	-
308	Gas PPA - Valencia - Demand	555	Energy	-	-	20,963,221	-	-
309	Energy Storage Agreement - Demand	555	Energy	-	-	82,142,228	=	-
310	Purchase Power for Economy Service Customer	555	Energy	-	-	-	=	-
311	Purchased power for Rate 36B		Energy	-	-	-	-	-
312	FPPCAC deferral		Energy	-	-	-	-	-
313	REC Purchases and Renewable Energy Amortization	555	Renewables	4,017,630	-	4,017,630	-	-
314	City of Gallup - Mandoza Station Charges		Energy	-	-	-	-	-
315	Coal Mine Decommissioning	501.15	Retail	-	-	-	-	-
316	Broker Fees		Gen Dmd	-	-	158,441	-	-
317	Total Non Fuel Items			4,017,630	-	119,810,191	-	-
318								
319	Total Fuel Related Expense			45,036,393	-	347,491,954	-	-

2 <b>Te</b> 3 320 321 <u>O</u>	est Period Ending June 30, 2026	FERC Account		PNM Renewable			FERC	
3 320 321 <u>O</u> 322 <u>St</u> 323 324 325				PNM Renewable			FFDC	
3 320 321 <u>O</u> 322 <u>St</u> 323 324 325		Account			Grid Mod	Total PNM Retail	Transmission	Excluded
320 O O O O O O O O O O O O O O O O O O O		Account			-			
321 <u>O</u> . 322 <u>St</u> 323 . 324 . 325			Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
322 <u>St</u> 323 324 325								
323 324 325								
324 325	team Production							
325	Oper-Sup & Eng-Prod	500	Gen Dmd	-	-	5,161,937	-	-
	Oper-Steam Expense-Major	502	Gen Dmd	-	-	5,211,646	-	-
226	Steam from Other Sources	503	Gen Dmd	-	-	-	-	-
<b>5</b> 20	Oper-Electric Exp-Major	505	Gen Dmd	-	-	1,440,208	-	-
327	Oper-Misc Steam Power Exp	506	Gen Dmd	-	-	2,099,786	-	-
328	Oper-Rents-Steam Power	507	Gen Dmd	-	-	230,497	-	-
329	Maint-Sup & Eng-Steam	510	Energy	-	-	603,898	-	=
330	Maint-Structures-Steam	511	Gen Dmd	-	-	4,083,313	-	-
331	Maint-Boiler Plant	512	Energy	-	-	6,345,507	-	=
332	Maint-Electric Plant	513	Energy	-	-	1,543,929	-	=
333	Maint-Gen & Elec Plant	514	Gen Dmd	-	-	826,735	-	-
334								
335 No	uclear Production							
336	Oper-Sup & Eng-Nuclear	517	Gen Dmd	-	-	5,906,711	-	-
337	Oper-Coolants and Water	519	Gen Dmd	-	-	4,944,020	-	-
338	Oper-Steam Expenses-Nuclear	520	Gen Dmd	-	-	2,415,166	-	-
339	Oper-Electric Exp	523	Gen Dmd	-	-	3,193,815	-	-
340	Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit	524	Gen Dmd	-	-	10,702,739	-	-
341	Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit	524	Retail	-	-	-	-	-
342	Total Rents - Nuclear, excluding PV 1&2 Prudency Audit and Excess Gain Amortization	525	Gen Dmd	-	-	-	-	-
343	Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization	525	Retail	-	-	(38,554)	-	-
344	Maint-Sup & Eng-Nuclear	528	Energy	-	-	1,252,819	-	-
345	Maint-Structures-Major	529	Gen Dmd	-	-	798,482	-	-
346	Maint-Reactor Plant	530	Energy	-	-	3,054,879	-	-
347	Maint-Elec Plant	531	Energy	-	-	3,671,029	-	-
348	Maint-Misc Nuclear Plant	532	Gen Dmd	-	-	858,927	-	-
349 O	ther Production					·		
350	Oper-Sup & Eng-Other	546	Energy	-	-	5,573,377	-	-
351	Oper-Oth Pwr Gen Exp-Other	549	Energy	-	-	124,984	-	-
352	Oper-Oth Pwr Gen Exp-Other - Renewables	549	Renewables	1,655,522	-	1,655,522	-	-
353	Maint - Structures	552	Gen Dmd	-	-	1,400,652	-	-
354	Maint-Gen & Elec Plant	553	Energy	-	-	12,392,334	-	_
355	Maint-Gen & Elec Plant - Renewables	553	Renewables	1,003,097	-	1,003,097	_	_
356	Maint-Gen & Elec Plant	556	Gen Dmd	-	_	6,002,894	-	-
	nergy Storage Related O&M					2,222,001		
358	Oper-Oth Pwr Gen Exp-Other - Energy Storage Transmission	549	Retail	-	_	-	_	_
359	Oper-Oth Pwr Gen Exp-Other - Energy Storage Distribution	549	Retail	-	_	-	_	_
360	Maint-Gen & Elec Plant-Energy Storage Transmission	553	Retail	_	_	_	_	_
361	Maint-Gen & Elec Plant-Energy Storage Distribution	553	Retail	_		_	_	_
362	Total Production O&M	000	Notali	2,658,619		92,460,348	-	-

1	A B C D	E	F	K	L	М	N	0
1 S	tipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>T</b> (	est Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3		Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
363								
364 <u>T</u> ı	ransmission O&M (560-574, excluding 565):							
365	Oper-Sup & Eng-ETrans	560	Trans Dmd	-	-	1,453,414	1,810,650	-
366	Oper-Load Dispatch-ETrans	561	Trans Dmd	-	-	716,013	892,003	-
367	Oper-Station Exp-ETrans	562	Trans Dmd	-	-	938,578	1,169,273	-
368	Oper-Overhead Lines-ETrans	563	Trans Dmd	-	=	34,809	43,364	-
369	Oper-Misc Transmission-E	566	Trans Dmd	-	-	1,374,607	1,712,473	-
370	Oper-Rents-Transmission-E	567	Trans Dmd	-	-	8,646,009	10,771,121	-
371	Maint Sup & Eng-ETrans	568	Trans Dmd	-	-	1,217	1,516	-
372	Maint-Structures-ETrans	569	Trans Dmd	-	-	-	-	-
373	Maint-Sta Equip-ETrans	570	Trans Dmd	-	-	2,333,231	2,906,719	-
374	Maint-Overhead Lns-ETrans	571	Trans Dmd	-	-	731,193	910,913	-
375	Maint-Under Ground lines-ETrans	572	Trans Dmd	-	-	-	-	-
376	Maint-Misc Trans Plant	573	Trans Dmd	-	-	-	-	-
377	Maint-Trans Plant-NonMaj-E	574	Trans Dmd	-	-	2,568	3,199	-
378	Incremental Rate - Transmission O&M	560-564,566-574	FERC	-	-	-	1,251,042	-
379	Total Transmission O&M, excluding FERC 565			-	-	16,231,640	21,472,272	-
380								
381 <u>Tı</u>	ransmission O&M by Others (565):							
382	Transmission by Others	565	Gen Dmd	-	-	32,013,463	-	-
383	Total Transmission by Others, FERC 565			-	-	32,013,463	-	-
384								
385	Total Transmission O&M			-	-	48,245,103	21,472,272	-

	4	В	2	D	Е	F	K	L	М	N	0
1 S	tipula	tion	Exhibit 1	- PNM's Illustrative Cost of Service Study							
2 <b>T</b>	est P	eriod	Ending J	June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
386											
	otal D	ist O8	<u>3M (580</u>	<u>-598)</u>							
388											
			& Private								
390				t/Signal-E	585	Retail	-	-	38	-	-
391	Ma		reetlight/s		596	Retail	-	-	981,229	-	-
392		To	otal Street	t and Private Lighting			-	-	981,267	-	-
393											
394 P											
395	O	er-Me	eter Expe	ense-EDist	586	Retail	-	-	3,797,705	-	-
396	O	er-Me	eter Expe	ense-Grid Mod	597	Grid Mod	-	3,019,068	3,019,068	-	=
397	Ma	aint-M	eters-EDi	ist	597	Retail	-	-	428,051	-	-
398	Ma	aint-M	eters-Grid	d Mod	597	Grid Mod	-	-	-	-	-
399		To	otal Meter	'S			-	3,019,068	7,244,824	-	-
400											
401 A	ll Oth	er Dis	tribution (	D&M							
402	O	er-Su	ıp & Eng-	EDist	580	Retail	-	-	2,385,705	-	-
403	O	er-St	ation Exp	-EDist	582	Retail	-	-	1,104,307	-	-
404	O	er-O	erhead L	ines-EDist	583	Retail	-	-	3,278,998	-	-
405	O	er-Ur	ndergrd Li	ine-EDist	584	Retail	-	-	708,285	-	-
406	O	er-Mi	sc Dist E	xp-EDist	588	Retail	-	-	12,240,120	-	-
407	O	er-Re	ents-Distri	ibution-E	589	Retail	-	-	1,148,392	-	-
408	Ma	aint-Su	up & Eng-	-EDist	590	Retail	-	-	3,600,779	-	-
409	Ma	aint-St	tructures-	EDist	591	Retail	-	-	49,552	-	-
410	Ma	aint-St	tation Equ	uip-EDist	592	Retail	-	-	1,320,092	-	-
411				Lns-EDist	593	Retail	-	-	10,814,869	-	-
412	Ma	aint-U	nd Lines-l	EDist	594	Retail	-	=	2,412,820	-	-
413	Ma	ainten	ance of Li	ine Transformers	595	Retail	-	=	437	-	-
414			isc Dist P		598	Retail	-	=	-	-	-
415				n O&M - Grid Mod	580-598	Grid Mod	-	1,079,772	1,079,772	_	-
416				Distribution O&M		-	-	1,079,772	40,144,127	-	-
417								,,	-, ,.=-		
418		To	otal Distrib	bution O&M			-	4,098,841	48,370,217	-	-

	АВ	С	D	E	F	K	L	М	N	0
1 5	Stipulation	on Ex	hibit 1 - PNM's Illustrative Cost of Service Study							
			nding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
			,							
3				Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
419										
	Custome	r Rela	ted O&M							
421										
422 <u>F</u>	NM Rela	ated C	Customer Accounts Exp							
423	Supe	ervisio	n-Customer Accts	901	Retail	-	-	(324,877)	-	-
424	Mete	r Rea	ding Expenses	902	Retail	-	-	9,952,377	-	-
425	Cust	omer	Record and Collections	903	Retail	-	-	13,150,371	-	-
426	Unco	llectib	ole Expenses	904	Retail	-	-	3,768,813	-	-
427	Misc	Custo	omer Accts Exp	905	Retail	-	-	-	-	-
428	Cust	Servi	ce/Inf Expenses	906	Retail	-	-	109,690	-	-
429	Cust	omer	Assistance Exps	908	Retail	-	-	1,600,974	-	-
430	Infor	m/Ins	truc Advert Exps	909	Retail	-	-	-	-	-
431	Dem	o & S	elling Expenses - Non Production	912	Retail	-	-	-	-	-
432	Dem	o & S	elling Expenses - Production	912	Sales	-	-	6,300,759	-	-
433	Adve	ertising	Expense	913	Sales	-	-	608,637	-	-
434	Tot	al Cu	stomer Accounting Expenses - Grid Mod	901-905	Grid Mod	-	7,171,536	7,171,536	-	-
435		Tota	I Customer Related O&M			-	7,171,536	42,338,279	-	-
436							, ,	, ,		
437	Administr	ative	& General Expense							
438										
439	Adm	in and	I General Salaries	920	Total W&S excluding Riders	-	-	4,588,086	445,785	-
440	AG C	Office	Supplies Exp	921	Total W&S excluding Riders	-	-	403,530	39,208	-
441			ged to CWIP	922	Total W&S excluding Riders	-	-	(13,626,093)	(1,323,932)	-
442			Related - Shared Services	9229	Prod W&S	434,223	_	16,394,108	-	_
443	_		ion Related - Shared Services	9229	Trans W&S	-	_	6,222,944	7,752,487	_
444	_		n Related - Shared Services	9229	Dist W&S	_	_	54,666,291		_
445			ervices	923	Total W&S excluding Riders	_	_	1,456,338	141,500	-
446			nsurance	924	Total W&S excluding Riders	_	_	2,479,038	240,867	-
447			Damages-Safety	925	Total W&S excluding Riders	_	_	13,570,098	1,318,492	_
448	,		sion and Benefits	926	Total W&S excluding Riders	-	-	10,594,922	1,029,419	-
449			/ Commission Exp	928	Total W&S excluding Riders	-	-	2,420,512	235,181	-
450			/ Commission Exp - (Rate Case Expense)	928	Retail	-	-	966,274	-	-
451			n - Misc AG Expenses	930	Total W&S excluding Riders	-	_	8,369,664	813,209	-
452			ion - Rents-Cust	931	Total W&S excluding Riders	_		250,177	24,308	
453			A&G Maintenance	932	Total W&S excluding Riders	-	-	200,177	-	-
454			eneral Plant	935	Total W&S excluding Riders	_		2,220,071	215,706	-
455			es - A&G (920-935)	920-935	Renewables	309,678	-	309,678	213,700	
456			- A&G (920-935)	920-935	Grid Mod	309,070	1,226,434	1,226,434	-	
457	Silu	_	Il Administrative & General Expense	020-000	Crid Wood	743,901	1,226,434	112,512,072	10,932,229	
458		TOLO	п ланинование и основа Ехронос			145,801	1,220,434	112,012,012	10,332,229	-
459	-		Generic Adjustment		Retail	_		(11,771,040)	_	_
460		1	Generic Aujustinerit		INGIAII	-	-	(11,771,040)	-	-
461		Tota	Il Operations & Maintenance Expense			7,420,150	12,496,810	451,965,171	32,404,502	
462	-	1018	ii Operations α iviainteriance Expense			1,420,150	12,490,810	451,905,171	32,404,502	-
402		1								

A B C D	E	F	К	L	М	N	0
1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 Test Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3	Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
463 Depreciation and Amortization Expense							
464							
465 Production Depreciation and Amortization							
466 Steam Production Plant	403	Gen Dmd	-	-	10,014,639	-	-
467 Nuclear Production Net Plant - Palo Verde	403	Gen Dmd	-	-	19,878,271	-	-
468 Nuclear Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd	-	-	-	-	-
469 Nuclear Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd	-	-	832,053	-	-
470 Other Production Plant - Gas & 40 MW Solar	403	Gen Dmd	-	-	20,752,769	-	-
471 Other Production Plant - Renewable	403	Renewables	8,091,078	-	8,091,078	-	-
Total Production Depreciation and Amortization Expense			8,091,078	-	59,568,810	-	-
473							
474 Energy Storage Depreciation and Amortization							
475							
476 Transmission Sited Batteries	403	Retail	-	-	338,998	-	-
Distribution Sited Batteries	403	Retail	-	-	868,925	-	=
478 Total Energy Depreciation and Amortization			-	-	1,207,924	-	-
479							
480 Transmission Depreciation and Amortization							
481 Step-Up Transformers & Generation Interconnections	403	Gen Dmd	-	-	330,154	-	-
482 Transmission System Plant - Allocated	403	Trans Dmd	-	-	20,372,850	25,380,313	-
483 Transmission System Plant - FERC Incremental Rates	403	FERC	-	-	-	10,347,728	-
484 Transmission System Net Plant - Dedicated Retail	403	Retail	-	-	693,169		
485 Transmission System Plant - Acq. Adj. (EIP)	406	Trans Dmd	-	-	195,689	243,788	<u> </u>
486 Total Transmission Depreciation and Amortization			-	-	21,591,863	35,971,829	-
487							

	A B C D	E	F	K	L	М	N	0
1 8	tipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>1</b>	est Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3		Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
488	istribution Depreciation and Amortization							
489	Distribution Substations Net Plant - PNM	403	Retail	•	-	7,734,096	-	-
490	Distribution Substations Net Plant - Renewables	403	Renewables	•	-	•	-	-
491	Distribution Substations Net Plant - Grid Mod	403	Grid Mod	-	-	-	-	-
492	Primary Distribution System Net Plant - PNM	403	Retail	-	-	38,186,812	-	-
493	Primary Distribution System Net Plant - Renewables	403	Renewables	188,096	-	188,096	-	-
494	Primary Distribution System Net Plant - Grid Mod	403	Grid Mod	-	331,718	331,718	-	-
495	Secondary Distribution System Net Plant - PNM	403	Retail	-	-	14,086,170	-	-
496	Secondary Distribution System Net Plant - Renewables	403	Renewables	57,167	-	57,167	-	-
497	Secondary Distribution System Net Plant - Grid Mod	403	Grid Mod	-	113,437	113,437	-	-
498	Services Net Plant - PNM	403	Retail	-	-	7,982,393	-	-
499	Meters Net Plant - PNM	403	Retail	-	-	2,564,005	-	-
500	Meters Net Plant - Grid Mod	403	Grid Mod	-	521,109	521,109	-	-
501	Private Lighting - 371	403	Retail	-	-	213,286	-	-
502	Street Lighting - 373	403	Retail	-	-	783,032	-	-
503	Total Distribution Depreciation and Amortization			245,263	966,264	72,761,322	-	-
504								
505 C	eneral Depreciation and Amortization							
506	General & Intangible Net Plant	403	Total W&S excluding Riders	-	-	22,482,571	2,184,441	-
507	Renewables General & Intangible Net Plant	403	Renewables	75,122	-	75,122	-	-
508	Grid Mod General & Intangible Net Plant	403	Grid Mod	-	-	-	-	-
509	Production Related (Shared Services)	403	Prod W&S	137,593	-	5,194,816	-	-
510	Transmission Related (Shared Services)	403	Trans W&S	-	-	1,788,687	2,228,330	-
511	Distribution/Customer Related (Shared Services)	403	Retail	-	-	24,478,747	-	-
512	Total General Depreciation and Amortization			212,715	-	54,019,943	4,412,771	-
513								
514	Total Depreciation and Amortization Expense			8,549,055	966,264	209,149,861	40,384,599	-
515								

	Α	В	C D	E	F	K	L	М	N	0
1	Stipu	ulation	Exhibit 1 - PNM's Illustrative Cost of Service Study							
2	Test	Period	Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3				Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
	Gene	eral Tax	<u>res</u>							
517										
		erty Tax								
519			ion Property Taxes							
520	_		Production Plant	408	Gen Dmd	-	-	2,331,618	-	-
521			Production Plant - Palo Verde	408	Gen Dmd	-	-	2,936,159	-	-
522	_		roduction Plant - Gas & 40 MW Solar	408	Gen Dmd	-	-	3,737,044	-	-
523	(		roduction Plant - Renewable	408	Renewables	1,591,519	-	1,591,519	-	-
524		To	otal Production Property Taxes			1,591,519	-	10,596,339	-	-
525										
526	_		Storage Property Taxes							
527	_		ission Sited Batteries	408	Retail	-	-	-	-	-
528	I		tion Sited Batteries	408	Retail	-	-	262,569	-	-
529		To	otal Energy Storage Property Taxes			-	-	262,569	-	-
530										
531			ission Property Taxes							
532			Transformers - Excluding 65MW SJGS	408	Gen Dmd	-	-	41,525	-	-
533			ission System Plant - Allocated	408	Trans Dmd	-	-	5,504,371	6,857,296	-
534			ission System Plant - FERC Incremental Rates	408	FERC	-	-	-	3,353,567	-
535			ission System Plant - Dedicated Retail	408	Retail	-	-	62,187	-	-
536		To	otal Transmission Property Taxes			-	-	5,608,082	10,210,862	-
537										
538			tion Property Taxes							
539	_		tion Substations Net Plant - PNM	408	Retail	-	-	1,982,839	-	-
540	_		tion Substations Net Plant - Renewables	408	Renewables	-	-	-	-	-
541	_		tion Substations Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
542			Distribution System Net Plant - PNM	408	Retail	-	-	7,405,025	-	-
543			Distribution System Net Plant - Renewables	408	Renewables	42,929	-	42,929	-	-
544			Distribution System Net Plant - Grid Mod	408	Grid Mod	-	21,185	21,185	-	-
545			ary Distribution System Net Plant - PNM	408	Retail	-	-	3,246,507	-	-
546			ary Distribution System Net Plant - Renewables	408	Renewables	14,033	-	14,033	-	-
547			ary Distribution System Net Plant - Grid Mod	408	Grid Mod	-	11,009	11,009	=	-
548	_		s Net Plant - PNM	408	Retail	-	-	1,185,617	-	-
549			Net Plant - PNM	408	Retail	-	-	473,458	-	-
550	_		Net Plant - Grid Mod	408	Grid Mod	-	31,923	31,923	-	-
551			Lighting - 371	408	Retail	-	-	10,742	-	-
552	,		ighting - 373	408	Retail	-	-	134,991	-	-
553		To	otal Distribution Property Taxes			56,963	64,117	14,560,258	-	-
554										

	A B C D	E	F	K	L	М	N	0
1 St	ipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>T</b> e	est Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3		Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
555	General Property Taxes							
556	General & Intangible Net Plant	408	Total W&S excluding Riders	-	-	1,198,037	116,403	-
557	Renewables General & Intangible Net Plant	408	Renewables	8,804	-	8,804	-	-
558	Grid Mod General & Intangible Net Plant	408	Grid Mod	-	53,120	53,120	-	-
559	Production Related (Shared Services)	408	Prod W&S	4,388	-	165,665	-	-
560	Transmission Related (Shared Services)	408	Trans W&S	-	-	91,441	113,916	-
561	Distribution/Customer Related (Shared Services)	408	Retail	-	-	831,120	-	-
562	Total General Property Taxes			13,192	53,120	2,348,186	230,320	-
563								
564	Total Property Taxes			1,661,673	117,236	33,375,435	10,441,182	-
565								
566 Pa	ayroll Taxes							
567	Production Related	408	Prod W&S	41,183	-	1,554,868	-	-
568	Battery Storage Related	408	Dist W&S	-	-	-	-	-
569	Transmission Related	408	Trans W&S	-	-	560,024	697,673	-
570	Distribution Related	408	Dist W&S	-	-	4,808,568	-	-
571	Total Payroll Taxes			41,183	-	6,923,460	697,673	-
572								
573 O	her Taxes							
574	Misc Taxes - Production Related	408	Gen Dmd	-	-	1,077	-	-
575	Misc Taxes - Transmission Related	408	Trans Dmd	-	-	433	540	-
576	Misc Taxes - Distribution Related	408	Retail	-	-	12,492	-	-
577	Regulatory Commission Fees (I&S) PNM	408	Retail	-	-	-	-	-
578	Joint Projects Four Corners	408	Gen Dmd	-	-	198,209	-	-
579	Joint Projects PVNGS	408	Gen Dmd	-	-	1,361,393	-	-
580	Joint Projects Transmission	408	Trans Dmd	-	-	27,607	34,392	-
581	Native American Taxes - Production	408	Gen Dmd	-	-	1,554,300	-	-
582	Native American Taxes - Transmission	408	Trans Plt	-	-	579,172	1,053,410	-
583	Native American Taxes - Dedicated FERC Incremental Rates	408	FERC	-	-	-	607,484	-
584	Native American Taxes - Distribution	408	Dist Plt	-	-	69,497	-	-
585	Total Other Taxes			-	-	3,804,180	1,695,826	-
586						, , ,		
587	Total General Taxes			1,702,856	117,236	44,103,075	12,834,681	-

Account   Alocator   Jurisdiction   Jurisdiction	A I	В	С	D	E	F	K	L	М	N	0
Total PNM Renewable	tipula	latio	n Ex	hibit 1 - PNM's Illustrative Cost of Service Study							
Sal	est P	Perio	od Er	nding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	-	Excluded
S89   Other Allowable Expenses					Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
Interest on Customer Deposits											
Amortization Loss on Reacquired Debt   407.3   Rate Base   28,856   10,227   951,869   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860   283,860											
Renewable Grant Amortization   407   Renewables   (1,148,464)   - (1,146,464)   -	Int	nteres	st on	Customer Deposits	431	Retail	-	-	220,117	-	-
Accretion ARO - Production Related   411	An	mort	tizatio	on Loss on Reacquired Debt	407.3	Rate Base	28,856	10,227	951,869	283,860	(0)
Accretion ARO - Production Related - (SJGS 65MW)	Re	lenev	wable	Grant Amortization	407	Renewables	(1,146,464)	-	(1,146,464)	-	-
Secretion ARO - Distribution Related	Ac	ccret	tion A	ARO - Production Related	411	Gen Dmd	-	-	2,887,511	-	-
Sept	Ac	ccret	tion A	ARO - Production Related - (SJGS 65MW)	411	Excluded	-	-	-	-	-
Amortization of 50% SUGS 283 Undepreciated Balance   407.3   Gen Dmd   -   6.276,936   -	Ac	ccret	tion /	ARO - Distribution Related	411	Retail	-	-	108,409	-	-
Amortization of Eastern Imbalance Market Implementation Regulatory Asset   407.3   Retail   -   -   3,758,140   -	W	Veste	ern S	pirit	407.3	FERC	-	-	-	2,778,790	-
Amortization of PVNGS Unit 1 Undepreciated Investment Post - lease renewal	An	mort	tizatio	on of 50% SJGS 2&3 Undepreciated Balance	407.3	Gen Dmd	-	-	6,276,936	-	-
Amortization of PVNGS Unit 1 Undepreciated Investment Pre - lease renewal   407.3   Retail   -   1,877,267   -	An	mort	tizatio	on of Eastern Imbalance Market Implementation Regulatory Asset	407.3	Retail	-	-	3,758,140	-	-
Amortization of PVNGS Unit 2 Undepreciated Investment Post - lease renewal	An	mort	tizatio	on of PVNGS Unit 1 Undepreciated Investment Post - lease renewal	407.3	Retail	-	-	2,158,805	-	-
Amortization of PVNGS Unit 2 Undepreciated Investment Pre - lease renewal   407.3   Retail   -   -   168,146   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -     6,974   -	An	mort	tizatio	on of PVNGS Unit 1 Undepreciated Investment Pre - lease renewal	407.3	Retail	-	-	1,877,267	-	-
Amortization of PVNGS True-up for SRP Transaction	An	mort	tizatio	on of PVNGS Unit 2 Undepreciated Investment Post - lease renewal	407.3	Retail	-	-	146,109	-	-
Amortization of PVNGS Costs to Obtain Replacement Resources	An	mort	tizatio	on of PVNGS Unit 2 Undepreciated Investment Pre - lease renewal	407.3	Retail	-	-	168,146	-	-
Amortization of SJGS Replacement Resources	An	mort	tizatio	on of PVNGS True-up for SRP Transaction	407.3	Retail	-	-	6,974	-	-
Amortization of SJGS Legal Expenses   407.3   Retail   -   19,812   -	An	mort	tizatio	on of PVNGS Costs to Obtain Replacement Resources	407.3	Retail	-	-	100,964	-	-
Amortization of SJGS Obsolete Inventory	An	mort	tizatio	on of SJGS Replacement Resources	407.3	Retail	-	-	332,751	-	-
Amortization of Pathnet	An	mort	tizatio	on of SJGS Legal Expenses	407.3	Retail	-	-	19,812	-	-
Amortization of SO2 Allowance Credit   407.3   Retail   -   -   -   -   -	An	mort	tizatio	on of SJGS Obsolete Inventory	407.3	Retail	-	-	251,786	-	-
Carrying Charges on Advanced Payments Under ETA   407.3   Retail   -   -   108,102   -	An	mort	tizatio	on of Pathnet	407.3	Trans Dmd	-	-	(88,867)	(110,710)	-
611         Amortization of COVID Regulatory Asset and Liability         407.3         Retail         -         -         1,070,775         -           612         Amortization of SJGS Decommissioning Ordinance Costs         407.3         Retail         -         -         1,102,169         -           613         Amortization of Additional Coal Mine Decommissioning         407.3         Retail         -         -         732,137         -           614         Amortization of 2025 Rate Case Expenses         407.3         Retail         -         -         741,677         -           615         Amortization of Energy Transition Cost True - Up         407.3         Retail         -         -         -         741,677         -           616         Total Other Allowable Expenses         (1,117,608)         10,227         21,734,420         2,951,939           618                                                                                                                                                                                                                                                                                                                                         <	An	mort	tizatio	on of SO2 Allowance Credit	407.3	Retail	-	-	-	-	-
Amortization of SJGS Decommissioning Ordinance Costs   407.3   Retail   -   -   1,102,169   -	Ca	arryi	ing C	harges on Advanced Payments Under ETA	407.3	Retail	-	-	108,102	-	-
Amortization of Additional Coal Mine Decommissioning   407.3   Retail   -   -   732,137   -	An	mort	tizatio	on of COVID Regulatory Asset and Liability	407.3	Retail	-	-	1,070,775	-	-
614     Amortization of 2025 Rate Case Expenses     407.3     Retail     -     -     741,677     -       615     Amortization of Energy Transition Cost True - Up     407.3     Retail     -     -     (50,706)     -       616     Total Other Allowable Expenses     (1,117,608)     10,227     21,734,420     2,951,939       617     -     -     -     -     -       618     -     -     -     -     -       619     Total Operating Expenses     57,573,217     13,590,537     954,634,289     88,575,722       620     (Excl Income & Revenue Related Taxes)     -     -     -     -       621           -     -     -     -     -	An	mort	tizatio	on of SJGS Decommissioning Ordinance Costs	407.3	Retail	-	-	1,102,169	-	-
615 Amortization of Energy Transition Cost True - Up 407.3 Retail (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706) - (50,706	An	mort	tizatio	on of Additional Coal Mine Decommissioning	407.3	Retail	-	-	732,137	-	-
616     Total Other Allowable Expenses     (1,117,608)     10,227     21,734,420     2,951,939       617     618       619     Total Operating Expenses     57,573,217     13,590,537     954,634,289     88,575,722       620     (Excl Income & Revenue Related Taxes)       621     621	An	mort	tizatio	on of 2025 Rate Case Expenses	407.3	Retail	-	-	741,677	-	-
617         618           619         Total Operating Expenses         57,573,217         13,590,537         954,634,289         88,575,722           620         (Excl Income & Revenue Related Taxes)         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         621         622         622         622         623         624         624         624         625         624         625         624         625         625         625         625         625         625         625         625         625         625         625         625         625         625         625         625         625         625	An	mort	tizatio	on of Energy Transition Cost True - Up	407.3	Retail	-	-	(50,706)	-	-
618			Tota	Other Allowable Expenses			(1,117,608)	10,227	21,734,420	2,951,939	(0)
619         Total Operating Expenses         57,573,217         13,590,537         954,634,289         88,575,722           620         (Excl Income & Revenue Related Taxes)											
620 (Excl Income & Revenue Related Taxes) 621											
621			Tota	Operating Expenses			57,573,217	13,590,537	954,634,289	88,575,722	(0)
621			(Exc	I Income & Revenue Related Taxes)							
				ı							
622 Total Net Original Cost Rate Base 94,795,701 33,596,305 3,127,065,673 932,531,250	То	otal I	Net (	Driginal Cost Rate Base			94,795,701	33,596,305	3,127,065,673	932,531,250	(0)
623 Weighted Cost of Capital 6.90% 6.90% 6.90% 6.90%									, , ,	6.90%	6.90%
624 Return on Rate Base (excluding Debt Return- Reg Asset Adjustment) 6,539,927 2,317,799 215,735,308 64,335,047											-
625 Debt-Only Return Adjustment							-	-	-	-	
626 Return on Rate Base 6,539,927 2,317,799 215,735,308 64,335,047				,			6,539,927	2,317,799	215,735,308	64,335,047	-

	АВ	С	D	E	F	K	L	М	N	0
1 8	Stipulatio	on Ex	hibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>T</b>	est Peri	od Er	nding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3				Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
627										
	ederal I									
629			<u>ustments</u>							
630			Long Term Debt		MDC	(1,959,950)	(694,621)	(64,653,709)	(19,280,568)	0
631			n- Reg Asset Adjustment Interest Adjustment			(0)	(0)	(0)	-	
632	Inter	est on	Long Term Debt			(1,959,950)	(694,621)	(64,653,709)	(19,280,568)	0
633										
634	Tax/I	Book /	<u>Adjustments</u>							
635										
636			tible Meals		Total Net Plt	-	-	-	-	-
637			tible Parking		Trans Dmd	-	-	55,120	68,668	-
638			e 1 & 2 Gain Amort Flow Through		FERC	-	-	-	(39,828)	-
639			e 1 & 2 Prudence Audit Flow Through		Retail	-	-	-	-	-
640			quity Flow Through		Gen Dmd	-	-	(18,242,549)	-	-
641			quity Flow Through - Renewables		Renewables	(41,891)	-	(41,891)	-	-
642			quity Flow Through - Grid Mod		Grid Mod	-	(376,955)	(376,955)	-	-
643			ant Amortization - Renewables		Renewables	(962,888)	-	(962,888)	-	-
644	Fede	ral Gr	ant Basis Adj - Renewables		Renewables	481,444	-	481,444	-	-
645			Flow Through		Retail	-	-	166,269	-	-
646			v Through		Retail	-	-	-	-	-
647			ACRS Flow Through		Retail	-	-	-	-	-
648			ers SO2 Reversal Flow Through		Retail	-	-	335,543	-	-
649			preciation		Retail	-	-	-	-	-
650	Amo		on of EIP Prepaid Tax Reversal		Trans Dmd	-	-	-	-	-
651		Tota	I Tax/Book Adjustments			(523,335)	(376,955)	(18,585,907)	28,840	-
652										
653		Tota	l Return Adjustments			(2,483,285)	(1,071,576)	(83,239,615)	(19,251,728)	0
654										
655		Net 7	Taxable Equity Return			4,056,641	1,246,223	132,495,693	45,083,318	0

TALBICI D	E	F	К	L	М	N	0
1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							-
2 Test Period Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3	Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
656							
657 Federal Tax Adjustments							
658							
659 Net Provision For Deferred Income Tax							
660 Excess Payroll Tax Reversal	410	Total W&S	(31)	-	(5,604)	(542)	-
661 Excess Deferred Federal Income Tax Amortization		ADIT	(1,523,265)	-	(21,666,273)	(3,744,735)	(0)
ARAM Deferred Tax Reversal	410	Total Net Plt	-	-	(23,646)	(7,453)	-
663 Total Provision For Deferred Income Tax			(1,523,296)	-	(21,695,523)	(3,752,730)	(0)
664							
665 Investment Tax Credits							
Palo Verde 1&2 Production ITC Amortization	411.4	Gen Dmd	-	-	-	-	-
Generation ITC Amortization	411.4	Gen Dmd	-	-	(168,991)	-	-
Renewables ITC Amortization	411.4	Renewables	-	-	-	-	-
669 PV Valley Transmission ITC Amortization	411.4	Trans Dmd	-	-	-	-	-
Research and Development & Other Credits	410	PV	-	-	(1,300,000)	-	-
Other ITC Amortization	411.4	Total Net Plt	-	-	-	-	-
Total Investment Tax Credit Amortization & Other Credits			-	-	(1,468,991)	-	-
673							
674 Total Federal Tax Adjustments			(1,523,296)	-	(23,164,514)	(3,752,730)	(0)
675							
676 Adjusted Equity Return			2,533,345	1,246,223	109,331,179	41,330,588	(0)
677 Federal Tax Factor (0.21/(1-0.21))			26.5823%	26.5823%	26.5823%	26.5823%	26.5823%
678 Federal Income Tax			673,421	331,274	29,062,719	10,986,612	(0)
679 Add:							, ,
680 Total Provision For Deferred Income Tax			(1,523,296)	-	(21,695,523)	(3,752,730)	(0)
681 EIP Amortization			- 1	-	-	-	- '
682 Total Investment Tax Credit Amortization & Other Credits			-	-	(1,468,991)	-	-
683					,		
684 Net Allowable Federal Income Tax			(849,875)	331,274	5,898,205	7,233,882	(0)

-	A B C D		E	F	K	L	М	N	0
1 <b>St</b>	tipulation Exhibit 1 - PNM's Illustrative Cost of Ser	vice Study							
2 <b>Te</b>	est Period Ending June 30, 2026		FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3			Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
685									
	tate Income Tax								
687									
688	Return on Rate Base				6,539,927	2,317,799	215,735,308	64,335,047	-
689	Less: Return Adjustments								
690	Interest on Long Term Debt				(1,959,950)	(694,621)	(64,653,709)	(19,280,568)	0
691	Tax/Book Adjustments				(523,335)	(376,955)	(18,585,907)	28,840	-
692	Add: Net Allowable F I T				(849,875)	331,274	5,898,205	7,233,882	(0)
693									
694	New Mexico NOL Valuation Allowance		410	Total Net Plt	-	-	-	-	-
695	Amortization of Excess Deferred Taxes			ADIT	-	-	-	-	-
696	State Taxable Income				3,206,766	1,577,497	138,393,898	52,317,200	(0)
697	State Tax Factor				5.90%	5.90%	5.90%	5.90%	5.90%
698	State Income Tax				189,199	93,072	8,165,240	3,086,715	(0)
699	Add: 22 MW, Battery project and PV Farm PTC		409	Renewables		-	-	-	-
700	Add: New Mexico NOL Valuation Allowance		410	Total Net Plt	-	-	-	-	-
701	Amortization of Excess Deferred Taxes			ADIT	-	-	-	-	-
702	Net Allowable State Income Tax				189,199	93,072	8,165,240	3,086,715	(0)
703									
704									
705	Return on Rate Base				6,539,927	2,317,799	215,735,308	64,335,047	-
706						, ,	,	, ,	
707	Total Operating Expenses				57,573,217	13,590,537	954,634,289	88,575,722	(0)
708	(Excluding Income & Rev Related Taxes)					, , , , , ,			(-7
709									
710	Net Allowable Federal Income Tax				(849,875)	331,274	5,898,205	7,233,882	(0)
711					` ' '	,			(-7
712	Net Allowable State Income Tax				189,199	93,072	8,165,240	3,086,715	(0)
713						•			, ,

	Α	В	C D	E	F	K	L	М	N	0
1	Stipu	lation	on Exhibit 1 - PNM's Illustrative Cost of Service Study							
2	Test I	Perio	od Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
3				Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
			Credits:							
715	_		of SO2 Credits	411	FERC	-	-	-	-	-
716			For Electric Property Transmission	454	Trans Plt	-	-	(186,445)	(339,109)	-
717			for Electric Property - Distribution	454	Retail	-	-	(3,313,235)	-	-
718			Payment Charges	451	Retail	-	-	(1,120,650)	-	-
719			Service Charge Revenue	451	Retail	-	-	(1,818,977)	-	-
720	_		r Retail Revenue - Transmission	456	Trans Dmd	-	-	(420,705)	(524,111)	-
721			r Retail Revenue - Distribution	456	Retail	-	-	(1,238,927)	-	-
722			eration Ancillary Services Credit Sch 2-5	456100	Gen Dmd	-	-	(3,008,078)	-	-
723			Power Losses (Financial)	456100	Gen Dmd	-	-	(30,930,741)	-	-
724			smission redispatch contract revenues	456100	Gen Dmd	-	-	4,982	-	-
725			lary Services-Sch 1 and Sch 8 Transmission	456100	Trans Dmd	-	-	(3,231,657)	(4,025,969)	-
726			t Term Firm Sch 7 Transmission	456100	Trans Dmd wo NITS	-	-	(4,736,152)	(4,799,116)	-
727			lary Services-Sch 1 ST PTP and Transmission Service	456100	Trans Dmd	-	-	(20,579)	(25,637)	-
728			nomy Service Customer Revenue Credits	442&555	Retail	-	-	(4,214,090)	-	-
729	S	Securit	uritization Servicing & Administration Fees	421	G&I PIt	-	-	(204,418)	(17,182)	-
730	S	Shared	ed Services Revenue	418	Retail	-	-	(1,717,601)	-	-
731										
732		7	Total Revenue Credits			-	-	(56, 157, 274)	(9,731,124)	-
733										
734		1	Total Revenue Requirements Before Revenue Tax			63,452,467	16,332,683	1,128,275,769	153,500,241	(0)
735										
736		F	Revenue Tax Factor (I&S Fee) '(Revenue Tax Rate/(1-Revenue Tax Rate))			0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
737		F	Revenue Tax			322,702	83,064	5,738,106	780,661	(0)
738										
739	NON-	-FUEL	EL REVENUE REQUIREMENT			22,756,406	16,415,747	906,332,112	154,280,902	(0)
740	FUEL	REVI	VENUE REQUIREMENT			41,018,763	-	227,681,763	-	-
741	TOTA	AL RE	REVENUE REQUIREMENT			63,775,169	16,415,747	1,134,013,875	154,280,902	(0)
742										
743	Weigh	hted C	Cost of Capital							
744	L	ong T	Term Debt			2.07%	2.07%	2.07%	2.07%	2.07%
745	P	Preferr	erred Stock			0.01%	0.01%	0.01%	0.01%	0.01%
746	С	Comm	mon Stock			4.82%	4.82%	4.82%	4.82%	4.82%
747		-	Total Weighted Cost of Capital			6.90%	6.90%	6.90%	6.90%	6.90%
748						2.5076	2.0070	2.5070	3.3070	3.0070
749		-	Federal Income Tax Rate			21.00%	21.00%	21.00%	21.00%	21.00%
750	-	- '	I design mostle rax rete			21.0070	21.0070	21.0070	21.0070	21.0070
751		-	Effective State Income Tax Rate			5.57%	5.57%	5.57%	5.57%	5.57%
	-		Ellective State Illicoffle Tax Rate			5.57%	5.57%	5.57%	5.57%	5.57%
752			1005 D.			0.5005700/	0.5005700/	0.5005700/	0.5005700/	0.50057001
753		ĮI.	I&S Fee Rate			0.508573%	0.508573%	0.508573%	0.508573%	0.508573%

	АВ	C	E	F	K	L	М	N	0
1 S	tipulati	on Exhibit 1 - PNM's Illustrative Cost of Service Study							
								FERC	
2 <b>T</b>	ast Par	iod Ending June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	Transmission	Excluded
	031101	lou Lituring June 30, 2020	1 LIKO		1 WWW Teriewabie	Ona Moa	Total I NW Notali	Transmission	Lxcluded
3			Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
754									
755 <b>K</b>	ey Allo	cators							
756									
757		Sales (MWh)			-	-	-	-	-
758		Allocator		Sales	0.00%	0.00%	0.00%	0.00%	0.00%
759									
760 <u>V</u>	/age an	d Salary Ratios		Ratios					
761		Production Other Prod O&M		18.93%	276,846	0	0	0	0
762				Prod W&S	2.65%	0.00%	0.00%	0.00%	0.00%
763		Transmission Trans O&M		15.88%	0	0	0	4,864,271	0
764				Trans W&S	0.00%	0.00%	0.00%	55.47%	0.00%
765		Distribution Dist O&M		33.28%	0	0	0	0	0
766				Dist W&S	0.00%	0.00%	0.00%	0.00%	0.00%
767									
768		Total PTD		68.09%	276,846	0	0	4,864,271	0
769		Allocator			0.74%	0.00%	0.00%	12.94%	0.00%
770									
771		Customer Accounting CA O&M		21.21%	-	-	-	-	-
772		Cust Service & Information CS&I O&M		2.86%	-	-	-	-	-
773		Sales Sales O&M		7.85%	-	-	-	-	-
774		Total PTDCAS		100.00%	276,846	-	=	4,864,271	-
775		Allocator		PTDCAS	0.50%	0.00%	0.00%	8.81%	0.00%
776					0.0011				
777		Administrative and General			-	-	-	-	-
778									
779		Total Wages and Salaries			276,846	-	-	4,864,271	-
780		Allocator		Total W&S	0.50%	0.00%	0.00%	8.81%	0.00%
781					-	-	=	4,864,271	-
782 N	let Plant	In Service Ratios		Total W&S excluding Riders	0.00%	0.00%	0.00%	8.86%	0.00%
783									
784		Total Production Plant			-	-		-	-
785		Allocator		Prod Plt	0.00%	0.00%		0.00%	0.00%
786									
787		Total Transmission Plant			-	-		1,030,874,331	-
788		Allocator		Trans Plt	0.00%	0.00%	0.00%	64.52%	0.00%
789									
790		Total Distribution Plant						-	-
791		Allocator		Dist Plt	0.00%	0.00%	0.00%	0.00%	0.00%
792									
793		Total General & Intangible Plant			-	-		18,223,735	-
794		Allocator		G&I Plt	0.00%	0.00%		7.75%	0.00%
795									

	АВ	С	D	E	F	K	L	М	N	0
1 8	tipulati	on Ex	chibit 1 - PNM's Illustrative Cost of Service Study							
									5500	
2 -	oot Dori	: E.	nding June 30, 2026	FERC		PNM Renewable	Grid Mod	Total PNM Retail	FERC Transmission	Excluded
۷ ا	est Peri	IOU EI	nuing June 30, 2026	FERC		PINIVI Reflewable	Grid Mod	Total Pivivi Retail	Transmission	Excluded
3				Account	Allocator	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction	Jurisdiction
796		Tota	Il Net Plant			-	-	-	1,049,098,066	-
797		Alloc	cator		Total Net Plt	0.00%	0.00%		23.97%	0.00%
798										
799		Tota	al ADIT			(45,383,076)	-		(111,567,958)	(0)
800		Alloc	cator		ADIT	5.99%	0.00%		14.74%	0.00%
801										
802		Tota	al Rate Base			94,795,701	33,596,305		932,531,250	(0)
803		Alloc	cator		Rate Base	2.34%	0.83%		22.97%	0.00%
804										
805		Gen	eration Demand allocator			-	-	-	-	-
806					Gen Dmd	0.00%	0.00%	0.00%	0.00%	0.00%
807										
808		Ener	rgy allocator			-	-	-	-	-
809					Energy	0.00%	0.00%	0.00%	0.00%	0.00%
810										
811		Gen	eration and Transmission Demand		Gen/Trans Dmd	0.00%	0.00%	0.00%	37.17%	0.00%
812										
813						-	-	-	1,991	-
814		Tran	nsmission Demand		Trans Dmd	0.00%	0.00%		55.47%	0.00%
815										
816						-	-	-	1,619	-
817		Tran	nsmission Demand without Network		Trans Dmd wo NITS	0.00%	0.00%		50.33%	0.00%
818										
819										
	Other Allo	ocator	<u>s</u>							
821										
822		Excl	uded Costs		Excluded	0.00%	0.00%	0.00%	0.00%	100.00%
823										
824		Dire	ct Assignment to NEC		NEC	0.00%	0.00%	0.00%	0.00%	0.00%
825										
826		Alloc	cation to FERC Customers		FERC	0.00%	0.00%	0.00%	100.00%	0.00%
827										
828		Dire	ct Assignment to Retail		Retail	0.00%	0.00%	0.00%	0.00%	0.00%
829										
830		Alloc	cation to Palo Verde		PV	0.00%	0.00%	0.00%	0.00%	0.00%
831										
832		Alloc	cation to Grid Mod		Grid Mod	0.00%	100.00%	0.00%	0.00%	0.00%
833										
834		Dire	ct Assignment to Renewables		Renewables	100.00%	0.00%	0.00%	0.00%	0.00%

	A E	ВС	D	E	F	Р	Q	R	S	Т	U
1			chibit 1 - PNM's Illustrative Cost of Service Study				-				-
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2	Test Pe	eriod E	nding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
	Rate B	356		Account	Allocator			NOL @ 9.4370	Equity 5170	T CI T Depreciation	LDI II Allioit
5	Trace B	1									
	Net Pla	nt									
7	1101110										
8	Net Pro	duction	Plant								
9											
10	Ste	am Pro	oduction Net Plant	101/106	Gen Dmd		230,775,053	-	-	10,199,269	-
11		Tota	al Steam Production Net Plant				230,775,053	-	-	10,199,269	-
12											
13	Nu	clear P	roduction Net Plant - Palo Verde	101/106	Gen Dmd		347,311,437	-	-	-	=
14			roduction Net Plant - Acq Adj (Drexel)	114	Gen Dmd		-	=	-	-	=
15	Nu		roduction Net Plant - Acq Adj (First Chicago)	114	Gen Dmd		16,779,747	-	-	-	-
16		Tota	l Nuclear Production Net Plant				364,091,185	-	-	-	-
17											
18			duction Plant - Gas & 40 MW Solar	101/106	Gen Dmd		377,586,968	-	-	-	-
19	Otl		duction Plant - Renewable	101/106	Renewables		-	-	-	-	=
20		Tota	al Other Production Net Plant				377,586,968	-	-	-	-
21											
22	To	tal Net l	Production Plant				972,453,206	-	-	10,199,269	-
23											
	Net Pla	nt Batte	ery Storage								
25			ion Sited Batteries	404/400			00 404 440				
26 27			n Sited Batteries	101/106 101/106	Retail Retail		20,184,418 26,727,983	=	=	-	-
28	DIS		n Sited Batteries al Battery Storage Net Plant	101/106	Retail		, ,	-	-	-	-
29		TOTA	a Battery Storage Net Plant				46,912,401	-	-	-	-
30	Not Tro	nomico	l ion Plant								
31	<u>ivet IIa</u>	115111155	IOH FIANL								
32	Ste	n-I In T	ransformers & Generation Interconnections	101/106	Gen Dmd		4,119,928	_		-	_
33		<u> </u>	al Transmission Station Equipment - Step-up Xfmr and Aux	101/100	Con Bind		4,119,928				
34		1016	Transmission Station Equipment - Otop-up Airin and Adx				7,110,320				
35	Tra	ansmiss	ion System Net Plant - Allocated	101/106	Trans Dmd		556,621,001	-	_	-	_
36			sion System Net Plant - FERC Incremental Rates	101/106	FERC		-	_	_	-	_
37			sion System Net Plant - Dedicated Retail	101/106	Retail		6,005,891	-	-	-	-
38			ion System Net Plant - Acq Adj (EIP)	114	Trans Dmd		35,123	-	=	-	-
39			Il Transmission System Net Plant				562,662,016	-	=	-	-
40											
41	To	tal Net	Transmission Plant				566,781,944				

	A B	С	D	Е	F	Р	Q	R	S	Т	U
1	Stipulat	ion Exh	ibit 1 - PNM's Illustrative Cost of Service Study				-				
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				5500					• "		
2	lest Pe	10d En	ding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
42				710004111	, modutor			1.02 @ 0.1070	Equity 0170	. C Bop. co.a.c.	231117111011
	Net Dist	ibution	Plant								
44											
45	Dist	ribution	Substations Net Plant - PNM	101/106	Retail		199,695,244	-	-	-	-
46	Dist	ribution	Substations Net Plant - Renewables	101/106	Renewables		-	-	-	-	-
47	Dist	ribution	Substations Net Plant - Grid Mod	101/106	Grid Mod		-	-	-	-	-
48		Total	Distribution Substations Net Plant				199,695,244	-	-	-	-
49											
50			tribution System Net Plant - PNM	101/106	Retail		788,963,636	-	-	-	-
51			tribution System Net Plant - Renewables	101/106	Renewables		-	-	-	-	-
52	Prin		tribution System Net Plant - Grid Mod	101/106	Grid Mod		-	-	-	-	-
53		Total	Primary Distribution Net Plant				788,963,636	-	-	-	-
54											
55			Distribution System Net Plant - PNM	101/106	Retail		340,199,544	-	-	-	-
56			Distribution System Net Plant - Renewables	101/106	Renewables		-	-	-	-	-
57	Sec		Distribution System Net Plant - Grid Mod	101/106	Grid Mod		<u> </u>	-	-	-	-
58		Total	Secondary Distribution Net Plant				340,199,544	-	-	-	-
59											
60	Ser	rices Ne	et Plant - PNM	101/106	Retail		123,529,928	-	-	-	-
61			Plant - PNM	404/400	Retail		47.007.004				
62				101/106			47,907,691	-	-	-	-
63	Met		Plant - Grid Mod	101/106	Grid Mod		47.007.004	-	-	-	-
64 65		Total	Meters Net Plant				47,907,691	-	-	-	-
66	Deix	oto Liab	iting - 371	101/106	Retail		1,163,014	-			
67			ing - 373	101/106	Retail		13,591,316	-		-	-
68	Sile		Lighting Net Plant	101/100	Retail		14,754,330	-	-	-	
69		TOtal	Lighting Net Flant				14,754,550	-	-	-	
70	Tot	l Net P	ant Distribution Plant				1,515,050,373				
71	100	11001	an Distribution Flant				1,010,000,010				
	Net Plan	t Gener	al & Intangible Plant								
73		2001									
74	Ger	eral & I	ntangible Net Plant	101/106	Total W&S excluding Riders		115,531,045	_	_	-	_
75			s General & Intangible Net Plant	101/106	Renewables		-	-	-	-	-
76			eneral & Intangible Net Plant	101/106	Grid Mod		-	-	=	-	-
77			Related (Shared Services)	101/106	Prod W&S		15,193,897	-	-	-	-
78			on Related (Shared Services)	101/106	Trans W&S		5,617,766	-	-	-	-
79			Customer Related (Shared Services)	101/106	Retail		80,471,663	-	-	-	-
80			Net Plant General & Intangible Plant - PNM				216,814,370	-	-	-	-
81			•								
82		Total	Net Plant				3,318,012,295	-	-	10,199,269	-

Account   Allocator   ROE @ 9.45%   Equity 51%   F	T	U
Account Allocator   ROE @ 9.45%   Equity 51%   F		
Account   Allocator   ROE @ 9.45%   Equity 51%   F		
Account   Allocator   ROE @ 9.45%   Equity 51%   F		
A Accumulated Deferred Income Taxes	Adjustment 3	Adjustment 4
A Accumulated Deferred Income Taxes	5000 0	·
Bell   Accumulated Deferred Income Taxes	FCPP Depreciation	EDFIT Amort
Federal Tax Credit Carryforward   190   Retail   19,358,228		
Federal Tax Credit Carry/onward - Renewables   190   Renewables		
Net Operating, Loss (NOL)	-	-
190   Total W&S   -   -	-	-
Regulatory Assets - Coal Mine Decommissioning   190   Retail   -   -   -	1,547	-
Regulatory Liabilities - Renewable Rider	-	-
190	-	-
100	-	<del>-</del>
193   Lease Liability   190   Excluded   -   -   -	4,716	(505,148)
Deferred Credits - Coal Mine Decommissioning   190   Retail   -   -   -	(5,399)	-
Regulatory Assets - ETA Carrying Charges   283   Retail   (0)   -   -	-	-
Regulatory Assets - ETA Job Training & Severance   283	-	-
Regulatory Assets - ETA Payments to State Agencies   283   Retail   0   -   -   -	-	-
98         Regulatory Assets - ETA SIGS Plant Decommissioning         283         Retail         (667,624)         -         -           99         Regulatory Assets - ETA SIGS upfront Financing Cost         283         Retail         0         -         -           100         Regulatory Assets - ETA Westmoreland Coal Mine Sev         283         Retail         0         -         -           101         Deferred Credits - Joint Use         190         Retail         181,010         -         -           102         Deferred Credits - Pathnet         190         Retail         1,349,331         -         -           103         Deferred Credits - Pathnet         190         Retail         -         -         -           104         Other Deferred Credits         190         Retail         -         -         -           104         Other Deferred Credits         190         Retail         -         -         -         -           105         Other Labilities         190         Retail         -         -         -         -           105         Other Labilities         190         Retail         -         -         -         -           106         Other Labilities </td <td>-</td> <td>-</td>	-	-
Pagulatory Assets - ETA SJGS upfront Financing Cost   283   Retail   0   -   -   -	-	-
Regulatory Assets - ETA Westmoreland Coal Mine Sev   283   Retail   0   -   -   -	-	-
Deferred Credits - Joint Use	-	-
Deferred Credits - Pathnet   190   Retail   1,349,331   -   -   -	-	-
Deferred Credits - PVNGS Dry Casks   190	-	-
104   Other Deferred Credits   190   Retail   -   -   -   -   -	-	-
105   Other Liabilities - ETA Job Training and Severance   190   Retail   -   -   -   -       106   Other Liabilities - Navajo Workforce Training   190   Retail   -   -   -       107   Other Liabilities   Navajo Workforce Training   190   Total W&S   -   -       108   Injury and Damages   283   Total W&S   1,324,629   -   -     109   Plant - AFUDC   283   Total Net Plt   (20,795,547)   -   -     110   Plant - Capitalized Interest   283   Total Net Plt   4,219,181   -   -     111   Decommissioning and Reclamation Trusts   283   Retail   -   -   -     112   ASC 740-10 (FIN 48) Reclassifications   283   Total Net Plt   -   -   -     113   PVNGS Licensing   283   Retail   41,710   -   -     114   Plant - 263A Adjustment   283   Total Net Plt   (17,962,398)   -   -     115   Deferred State Taxes   283   Total Net Plt   9,315,874   -   -     116   Plant - CIAC   283   Total Net Plt   9,315,874   -   -     117   Plant - Depreciation Nuclear Fuel   282   Gen Dmd   9,663,055   -   -     118   Plant - Repairs   282   Total Net Plt   (5,645,399)   -   -     119   Plant - Repairs   282   Total Net Plt   (5,545,399)   -   -     119   Plant - Repairs   282   Total Net Plt   (5,545,399)   -   -     119   Plant - Repairs   282   Total Net Plt   (5,545,399)   -   -	-	-
106         Other Liabilities - Navajo Workforce Training         190         Retail         -         -         -           107         Other Liabilities         190         Total W&S         -         -         -         -           108         Injury and Damages         283         Total W&S         1,324,629         -         -           109         Plant - AFUDC         283         Total Net Plt         (20,795,547)         -         -           110         Plant - Capitalized Interest         283         Total Net Plt         4,219,181         -         -         -           111         Decommissioning and Reclamation Trusts         283         Retail         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -<	-	-
107         Other Liabilities         190         Total W&S         -         -         -           108         Injury and Damages         283         Total W&S         1,324,629         -         -           109         Plant - AFUDC         283         Total Net Plt         (20,795,547)         -         -           110         Plant - Capitalized Interest         283         Total Net Plt         4,219,181         -         -           111         Decommissioning and Reclamation Trusts         283         Retail         -         -         -         -           112         ASC 740-10 (FIN 48) Reclassifications         283         Total Net Plt         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - </td <td>-</td> <td>-</td>	-	-
108	-	-
109   Plant - AFUDC   283   Total Net Plt   (20,795,547)   -   -   -	-	-
110         Plant - Capitalized Interest         283         Total Net Plt         4,219,181         -         -           111         Decommissioning and Reclamation Trusts         283         Retail         -         -         -           112         ASC 740-10 (FIN 48) Reclassifications         283         Total Net Plt         -         -         -           113         PVNGS Licensing         283         Retail         41,710         -         -           114         Plant - 263A Adjustment         283         Total Net Plt         (17,962,398)         -         -           115         Deferred State Taxes         283         Total Net Plt         -         -         -           116         Plant - CIAC         283         Total Net Plt         9,315,874         -         -           117         Plant - Depreciation Nuclear Fuel         282         Gen Dmd         9,663,055         -         -           118         Plant - Repairs         282         Total Net Plt         (5,645,399)         -         -           119         Plant - Repairs         282         Total Net Plt         (51,586,852)         -         -	-	-
111         Decommissioning and Reclamation Trusts         283         Retail         -         -         -           112         ASC 740-10 (FIN 48) Reclassifications         283         Total Net Plt         -         -         -           113         PVNGS Licensing         283         Retail         41,710         -         -         -           114         Plant - 263A Adjustment         283         Total Net Plt         (17,962,398)         -         -         -           115         Deferred State Taxes         283         Total Net Plt         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	(15,320)	-
112     ASC 740-10 (FIN 48) Reclassifications     283     Total Net Plt     -     -     -       113     PVNGS Licensing     283     Retail     41,710     -     -       114     Plant - 263A Adjustment     283     Total Net Plt     (17,962,398)     -     -       115     Deferred State Taxes     283     Total Net Plt     -     -     -       116     Plant - CIAC     283     Total Net Plt     9,315,874     -     -       117     Plant - Depreciation Nuclear Fuel     282     Gen Dmd     9,663,055     -     -       118     Plant - Removal Cost     282     Total Net Plt     (5,645,399)     -     -       119     Plant - Repairs     282     Total Net Plt     (51,586,852)     -     -	3,108	-
113         PVNGS Licensing         283         Retail         41,710         -         -           114         Plant - 263A Adjustment         283         Total Net Plt         (17,962,398)         -         -           115         Deferred State Taxes         283         Total Net Plt         -         -         -           116         Plant - CIAC         283         Total Net Plt         9,315,874         -         -         -           117         Plant - Depreciation Nuclear Fuel         282         Gen Dmd         9,663,055         -         -         -           118         Plant - Removal Cost         282         Total Net Plt         (5,645,399)         -         -         -           119         Plant - Repairs         282         Total Net Plt         (51,586,852)         -         -         -	-	-
114         Plant - 263A Adjustment         283         Total Net Plt         (17,962,398)         -         -         -           115         Deferred State Taxes         283         Total Net Plt         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	-	-
115         Deferred State Taxes         283         Total Net Plt         -         -         -           116         Plant - CIAC         283         Total Net Plt         9,315,874         -         -           117         Plant - Depreciation Nuclear Fuel         282         Gen Dmd         9,663,055         -         -           118         Plant - Removal Cost         282         Total Net Plt         (5,645,399)         -         -           119         Plant - Repairs         282         Total Net Plt         (51,586,852)         -         -	-	-
116         Plant - CIAC         283         Total Net Plt         9,315,874         -         -           117         Plant - Depreciation Nuclear Fuel         282         Gen Dmd         9,663,055         -         -           118         Plant - Removal Cost         282         Total Net Plt         (5,645,399)         -         -           119         Plant - Repairs         282         Total Net Plt         (51,586,852)         -         -	(13,233)	-
117         Plant - Depreciation Nuclear Fuel         282         Gen Dmd         9,663,055         -         -           118         Plant - Removal Cost         282         Total Net Plt         (5,645,399)         -         -           119         Plant - Repairs         282         Total Net Plt         (51,586,852)         -         -	-	-
118     Plant - Removal Cost     282     Total Net Pit     (5,645,399)     -     -       119     Plant - Repairs     282     Total Net Pit     (51,586,852)     -     -	6,863	-
119         Plant - Repairs         282         Total Net Plt         (51,586,852)         -         -	-	-
	(4,159)	-
	(38,005)	-
120   Plant - Section 174 Deduction   282   Total Net Plt   (676,697) -   -	(499)	-
121 Plant - Asset Retirement Obligation 282 Retail 7,857,390	-	-
122 Plant - Pollution Control Property 282 Gen Dmd (2,154,701)	-	-
123 Plant - Liberalized Depreciation: Production 282 Gen Dmd (169,234,057)	=	-
124 Plant - Liberalized Depreciation: Transmission 282 Trans Dmd (65,432,118)	-	-
125 Plant - Liberalized Depreciation: Distribution 282 Retail (154,067,714)	-	-
126 Plant - Liberalized Depreciation: General and Intangible 282 Total W&S (16,349,418)	-	-
127 Plant - Liberalized Depreciation: Renewables 282 Renewables	-	-

	A I	ВС	D	E	F	Р	Q	R	S	Т	U
1	Stipula	ation Ex	chibit 1 - PNM's Illustrative Cost of Service Study				-				
			•								
2	Test P	eriod E	nding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
128	Pla	ant - Fou	r Corners Imprudence	282	Gen Dmd		_	-	- Lquity 0170	- Depression	-
129	_		Assets - SJGS Stranded Costs Units 2&3	282	Retail		(19,264,979)	-	_	_	_
130		nsion	Tibeta 5000 Strained Costs Office Edu	283	Total W&S		(33,589,376)	-	-	_	_
131		tiree Me	dical	283	Total W&S		-	-	-	_	_
132	Lea	ase Asse		283	Excluded		_	-	-	_	_
133			acquired Debt	283	Total Net Plt		(786,924)	-	-	(580)	-
134	Ot	her Com	prehensive Income (OCI)	283	Excluded		- 1	-	_	-	-
135	De	ferred C	redits - SO2 Allowance	283	Retail		10,507	-	_	-	-
136	De	ferred D	ebits - Rate Case Expense	283	Retail		(847,737)	-	-	-	-
137	De	ferred D	ebits - Decoupling	283	Excluded		-	-	-	-	-
138	De	ferred D	ebits - Grid Modernization	283	grid mod		-	-	-	-	-
139	De	ferred D	ebits - RR Underground Rider	283	Retail		-	-	-	-	-
140	Pre	epaid Exp	penses	283	Total Net Plt		(1,253,830)	-	-	(924)	-
141	Re	gulatory	Assets - COVID-19 Costs	283	Retail		(370,501)	-	-	-	-
142	Re	gulatory	assets - FAC	283	Retail		-	-	-	-	-
143	Re	gulatory	Assets - EIM Costs	283	Retail		(2,903,476)	-	-	-	-
144	Re	gulatory	Assets - Energy Efficiency	283	Excluded		-	-	-	-	-
145	Re	gulatory	Assets - ETA	283	Retail		-	-	-	-	-
146	Re	gulatory	Assets - Sky Blue Under Recovery	283	Renewables		-	-	-	-	-
147	Re	gulatory	Assets - Renewable Energy	283	Renewables		-	-	-	-	-
148	Re	gulatory	Assets - Renewable Energy Credits	283	Renewables		-	-	-	-	-
149	Re	gulatory	Assets - SJGS External Legal Fees	283	Retail		(115,954)	-	-	-	-
150	Re	gulatory	Assets - SJGS Replacement Resources	283	Retail		(1,947,453)	-	-	-	-
151	Re	gulatory	Assets - SJGS Undepreciated Investment	283	Retail		0	-	-	-	-
152	Re	gulatory	Assets - SJGS Underground Coal Mine	283	Retail		(0)	-	-	-	-
153	Re	gulatory	Assets - Solar Direct Regulatory Assets	283	Retail		-	-	-	-	-
154	Re	gulatory	Assets - Transportation Electrification	283	Retail		-	-	-	-	-
155	Re	gulatory	Assets - WCC Transaction Costs	283	Retail		-	-	-	-	-
156	Re	gulatory	Liabilities - Energy Efficiency	283	Excluded		-	-	-	-	-
157	Re	gulatory	Liabilities - FAC	283	Retail		-	-	-	-	-
158	Re	gulatory	Assets - PCB Refinancing Hedge	283	Total Net Plt		(1,383,722)	-	-	(1,019)	-
159	Pre	epaid Exp	penses: Production	283	Gen Dmd		(393)	-	-	-	-
160			penses: Transmission	283	Trans Plt		(2,016)	-	-	-	-
161			penses: Transmission (incremental FERC Rates)	283	FERC		-	-	-	-	-
162			penses: Distribution	283	Retail		(1,729)	-	-	-	=
163			penses: Renewables	283	Renewables		-	-	-	-	-
164			Assets - 2024 Rate Change	283	Retail		(736,301)	-	-	-	-
165			Assets - SJGS Obsolete Inventory	283	Retail		(1,473,597)	-	-	-	=
166			Liabilities - Earnings Test	283	Retail		-	-	-	-	-
167	Re	gulatory	Assets - PVNGS Undepreciated Investment	283	Retail		(10,596,037)	-	-	-	-

	A B	C D	E	F	Р	Q	R	S	Т	U
1	Stipulation	Exhibit 1 - PNM's Illustrative Cost of Service Study								
2	Test Period	Ending June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
168	Regulate	ory Assets - ETC Over/Under SPE	283	Retail		-	-	-	-	-
169	Regulate	ory Assets - PVNGS Replacement Resources	283	Retail		(462,677)	-	-	-	-
170	Regulate	ory Assets - Rate Rider 12 UG Rate	283	Retail		-	-	-	-	-
171	Regulate	ory Assets - Renewable Rider Curr Reg	283	Renewables		-	-	-	-	-
172	Regulate	ory Assets - SJ Energy Transition Property (SPE)	283	Retail		(79,654,063)	-	-	-	-
173	Regulate	ory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail		-	-	-	-	-
174	Regulate	ory Liabilities - Energy Transition Cost True Up	283	Retail		305,611	-	-	-	-
175	Regulate	ory Liabilities - SJGS Retirements Rate Credit	283	Retail		-	-	-	-	-
176		Debits - WS-Transmission Revenue	283	FERC		-	-	-	-	-
177	Custom	er Advance	190	Retail		-	-	-	-	-
178	Deferre	d Credits - ETA	283	Retail		-	-	-	-	-
179	Other Li	abilities - ETA Coal Mine Severance	283	Retail		-	-	-	-	-
180	Other Li	abilities - ETA State Agency Payments	283	Retail		-	-	-	-	-
181										
182										
183										
184										
185										
186										
187										
188										
189	T	otal Accumulated Deferred Income Taxes				(610,864,610)	-	-	(62,903)	(505,148)

1	A B C D	E	F	P Q	R	S	Т	U
1 St	ipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>T</b> e	st Period Ending June 30, 2026	FERC		As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
2		A	Allocator		DOE @ 0.450/	Fit F40/	FCPP Depreciation	EDFIT Amort
3 190		Account	Allocator		ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT AMOR
	equiatory Assets & Liabilities							
191	eguiatory Assets & Liadilities							
193	Coal Mine Decommissioning	182	Retail				_	
194	PCB Refinancing Hedge	182	Total Net Plt	5,447,7	-	-	4,013	-
194	Reg Liab Renewables Fed Grant	254	Renewables	5,447,7	23 -	-	4,013	-
196	Reg Liab Renewables St Credit	254	Renewables		-	-	-	-
197	SJGS Coal Agreement Transaction Costs	182	Gen Dmd	<u> </u>			-	
198	SJGS 2&3 50% Undepreciated Investment	182	Gen Dmd	75,846,3			-	<u>-</u>
198	SJGS 200 Ordepredated investment  SJGS County Ordinance Decommission	182	Gen Dind Gen Dmd	75,040,3	74 -	-	-	
200	Energy Imbalance Market (EIM) One Time Implementation Costs	182	Retail	11,431,0		<u> </u>		-
200	SJGS Replacement Resources	182	Gen Dmd	7,667,1		-	-	-
201	SJGS External Legal Expenses	182	Gen Dind Gen Dmd	456,5		<u> </u>	-	-
203	SJGS Obsolete Inventory	182	Gen Dmd	5,801,5		-	-	
203	COVID Regulatory Asset and Liability	182	Retail	1,561,5		-	-	-
205	Sky Blue Under Recovery	182	Retail	1,301,0		<u> </u>		
206	Solar Direct	182	Retail	<del>                                     </del>	-	-	-	-
207	Transportation Electrification Program (TEP)	182	Retail			-	-	-
208	SO2 Allowance Credit	182	Retail		0 -	-		-
209	PVNGS Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	38,948,4	•	-	-	-
210	PVNGS Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dind Gen Dmd	30,940,4	-	-	-	
211	PVNGS Unit 2 - 104WW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	2,642,1			-	
212	PVNGS Unit 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	2,042,		-	-	-
213	PVNGS Costs to Obtain Replacement Resources	182	Gen Dmd	1,821,5		-	-	-
214	PVNGS Costs to Obtain Replacement Resources  PVNGS True-up for SRP Transaction Proceeds	182	Gen Dmd	126,1			_	-
215	2024 Rate Change Expenses	182	Gen Dind Retail	2,898,8		-	-	-
216	<u> </u>		Gen Dmd			<u> </u>	-	-
217	Energy Transition Cost True-up  Excess Deferred Income Tax Regulatory Liability	182 254	Gen Dma ADIT	(1,203,1		-	(18,904)	1,988,770
218	Excess Deferred income Tax Regulatory Liability	204	ADII	(183,580,6		-	(10,904)	1,900,770
219	Total Regulatory Assets & Liabilities			(30,134,8	96)		(14,890)	1,988,770
219	Total Regulatory Assets & Liabilities			(30,134,8	86) -	-	(14,890)	1,988,770

<i>A</i>	B C D	E	F	Р	Q	R	S	T	U
1 St	pulation Exhibit 1 - PNM's Illustrative Cost of Service Study								
2 <b>Te</b>	st Period Ending June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3		Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
220		Account	Allocator	++-		ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT AMOR
	her Rate Base Items								
222	Her Nate Base items								
223	Customer Deposits	235	Retail		(6,221,788)	_	_	_	_
224	RWIP-Production	108	Gen Dmd		(0,221,700)	_	_	_	_
225	RWIP-Transmission	108	Trans Dmd		_	-	_	_	_
226	RWIP-Distribution	108	Retail		_	-	_	_	_
227	CWIP - Production	107	Gen Dmd		_	-	_	_	_
228	CWIP - Transmission	107	Trans Dmd		-	-	-	-	-
229	CWIP - Distribution	107	Retail		-	-	-	-	-
230	CWIP - Renewables	107	Renewables		-	-	-	-	-
231	CWIP - Production Related	107	Gen Dmd		-	-	-	-	-
232	ARO Liability - Production	230	Gen Dmd		(28,866,513)	-	-	-	-
233	ARO Liability - Transmission	230	Trans Dmd		-	-	-	-	-
234	ARO Liability - Distribution	230	Retail		(1,606,816)	-	-	-	-
235	ARO Liability - 65MW SJGS	230	Excluded		-	-	-	-	-
236	Injuries and Damages PNM	228	Total W&S		(2,655,039)	-	-	-	-
237	NQRP - Expense in Excess of Funding		Total W&S		(3,153,768)	-	-	-	-
238	Palo Verde Dry Cask Storage	253	Gen Dmd		-	-	-	-	-
239	FERC Incremental Rates	253	FERC		-	-	-	-	-
240	Pueblos Transmission Rights-of-Way	186	Trans Dmd		51,064,237	-	-	-	-
241	Pueblos Distribution Rights-of-Way	186	Retail		7,967,592	-	-	-	-
242	Prepaid Pension Asset	182/228	Total W&S		132,241,638	-	-	-	-
243	Unamortized Loss on Reacquired Debt	189	Total Net Plt		3,115,587	-	-	2,295	-
244	Tucson Electric Power ROW Payment	253	Trans Dmd		(317,322)	-	-	-	-
245	PV 1&2 Excess Gain Amortization	253	Retail		(22,984)	-	-	-	-
246	Possessory Interest Tax	186	Total W&S		3,050,062	-	-	-	-
247	Pathnet	253	Retail		(5,312,329)	-	-	-	-
248	2025 Rate Change Expenses	186	Retail		3,337,546	-	-	-	-
249									
250	Total Other Rate Base Items				152,620,105	-	-	2,295	-

	АВ	C D	E	F	Р	Q	R	S	Т	U
1 S	tipulatio	ion Exhibit 1 - PNM's Illustrative Cost of Service Study								
2 T	est Perio	riod Ending June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
251							Ü	, ,		
	Norking	g Capital								
253										
254 F	uel Stock	ck								
255	Produ	duction Fuel Stock	151	Energy		915,189	-	-	-	-
256	PV N	Nuclear Fuel (120.15)	120	Energy		81,139,432	-	=	-	-
257		Total Fuel Stock				82,054,621	-	=	-	-
258										
	laterials &	s & Supplies								
260	Produ	duction	154	Gen Dmd		27,174,074	-	=	-	-
261	Trans	nsmission	154	Trans Plt		2,886,511	-	-	-	-
262	Distrib	ribution	154	Retail		25,045,844	-	=	-	-
263		Total Materials & Supplies				55,106,429	-	=	-	-
264										
265 P	repayme	nents								
266	Produ	duction	165	Gen Dmd		4,673,109	-	=	-	-
267	Trans	nsmission	165	Trans Plt		779,369	-	=	-	-
268	Trans	nsmission (Incremental FERC Rates)	165	FERC		-	-	-	-	-
269	Distrib	ribution	165	Retail		4,199,418	-	=	-	-
270	Rene	ewables	165	Renewables		-	-	-	-	-
271		Total Prepayments				9,651,896	-	-	-	-
272										
273		Total Cash Working Capital (see Rule 530 schedule E-1	1)	Retail		6,503,398	-	-	-	=
274										
275		Total Working Capital				153,316,343	-	-	-	-
276										
277		Total Rate Base Adjustments & Working Capital				(335,063,048)	-	=	(75,498)	1,483,623
278										
279		Total Net Original Cost Rate Base				2,982,949,247	-	-	10,123,771	1,483,623

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1			Exhibit 1 - PNM's Illustrative Cost of Service Study	_		-	4	.,		·	Ū
			,								
2	Test	Period I	Ending June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
280	1			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT AMOR
28		atione a	and Maintenance Expense								
282		ations a	ind Maintenance Expense								
283		iction Fi	uel related expenses								
284		JOHOTT C	AST TOTAL CONTROL ON POTICOS								
28		uction - F	FPPCAC Fuel Related								
286			eneration	501	Direct Assignment		59,159,008	-	-	-	-
287		Steam Fi	uel Handling and Disposal	501	Direct Assignment		1,978,215	-	-	-	-
288	8 1	luclear		518	Direct Assignment		15,470,320	-	-	-	-
289	1 6	luclear [	Disposal	518	Direct Assignment		866,288	-	-	-	-
290		Gas Gen	neration	547	Direct Assignment		96,037,692	-	-	-	-
29		Vind PP.	A	555	Direct Assignment			-	-	-	-
292			mal PPA	555	Direct Assignment			-	-	-	-
293			ed Power Energy	555	Direct Assignment		110,551,362	-	-	-	-
294			reserves	555	Direct Assignment		112,483	-	-	-	-
29			Storage Agreement - Demand	555	Direct Assignment		82,142,228	-	-	-	-
296		To	tal Fuel Costs (before OSS)				366,317,597	-	-	-	-
297											
298			em Sales	447	Direct Assignment		(97,512,369)	-	-	-	-
299			Hazard Sharing	447	Direct Assignment		-	-	-	-	-
300			Benefits	447.3	Direct Assignment		-	-	-	-	-
30			Sales of Gas (under FAC hedge plan)	447.7	Direct Assignment		(07.540.000)	-	-	-	-
302		10	tal Other Fuel				(97,512,369)	-	-	-	-
		_									
304		To	tal Fuel (net OSS)				268,805,228	-	-	-	-
309			on - Non Fuel Items								
307			nts Fuel Transportation	547	Energy		12,528,671	_		_	
308			ns ruer transportation A - Valencia - Demand	555	Energy		20,963,221	-		-	-
309			Storage Agreement - Demand	555	Energy		20,903,221	-	<u>-</u>	-	-
310			e Power for Economy Service Customer	555	Energy			-		-	
31			ed power for Rate 36B	333	Energy			-		-	
312			Geferral		Energy		-	-		-	-
313			chases and Renewable Energy Amortization	555	Renewables		-	-	-	-	-
314			allup - Mandoza Station Charges		Energy		-	-	-	-	-
31!			e Decommissioning	501.15	Retail		_	-	_	-	_
316		Broker F	0		Gen Dmd		158,441	-	_	-	-
317			tal Non Fuel Items				33,650,333	-	_	-	-
318							, , , , , , ,				
319			Total Fuel Related Expense				302,455,561	-	-	-	-

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1 S	tipulatio	on Ex	hibit 1 - PNM's Illustrative Cost of Service Study								
			•								
2 <b>T</b>	est Peri	od Er	nding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
								505.00450	= :: =40/	5000 0	EDELT 4
3 320	_			Account	Allocator	_		ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
	0.0.4										
	<u>8M</u>	41									
323	team Pr		on & Eng-Prod	500	Gen Dmd		5,161,937	_		_	
324			m Expense-Major	500	Gen Dmd		5,161,937	-		-	
325			n Other Sources	502	Gen Dind Gen Dmd		5,211,040	-	<u> </u>	-	<u>-</u>
326			ric Exp-Major	505	Gen Dmd		1,440,208	-		-	
327			Steam Power Exp	506	Gen Dmd		2,099,786	-	<u> </u>	-	
328			s-Steam Power	507	Gen Dmd		230,497	-		-	
329			& Eng-Steam	510	Energy		603,898	-	-	-	-
330			ctures-Steam	511	Gen Dmd		4,083,313	_	_	_	_
331			er Plant	512	Energy		6,345,507	_	_	_	-
332			tric Plant	513	Energy		1,543,929	-	_	_	-
333			& Elec Plant	514	Gen Dmd		826,735	-	_	_	-
334							,				
	uclear F	roduc	tion								
336			& Eng-Nuclear	517	Gen Dmd		5,906,711	-	-	-	-
337			ants and Water	519	Gen Dmd		4,944,020	-	-	-	-
338	Oper	-Stea	m Expenses-Nuclear	520	Gen Dmd		2,415,166	-	-	-	-
339	Oper	-Elect	ric Exp	523	Gen Dmd		3,193,815	-	-	-	-
340	Oper	-Misc	Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit	524	Gen Dmd		10,702,739	-	-	-	-
341	Oper	-Misc	Nuclear Power - PV 1&2 Decommissioning and CE Credit	524	Retail		-	-	-	-	-
342	Total	Rents	s - Nuclear, excluding PV 1&2 Prudency Audit and Excess Gain Amortization	525	Gen Dmd		-	-	-	-	-
343	Oper	-Rent	s-Nuclear - PV 1&2 Excess Gain Amortization	525	Retail		(38,554)	-	-	-	-
344	Main	t-Sup	& Eng-Nuclear	528	Energy		1,252,819	-	-	-	-
345	Main	t-Struc	ctures-Major	529	Gen Dmd		798,482	-	-	-	-
346	Main	t-Read	ctor Plant	530	Energy		3,054,879	-	-	-	-
347	Main	t-Elec	Plant	531	Energy		3,671,029	-	-	-	-
348			Nuclear Plant	532	Gen Dmd		858,927	-	-	-	-
	ther Pro										
350			& Eng-Other	546	Energy		5,573,377	-	-	-	-
351			Pwr Gen Exp-Other	549	Energy		124,984	-	-	-	-
352			Pwr Gen Exp-Other - Renewables	549	Renewables		-	=	•	-	-
353			uctures	552	Gen Dmd		1,400,652	-	-	-	-
354			& Elec Plant	553	Energy		12,392,334	-	-	-	-
355			& Elec Plant - Renewables	553	Renewables		-	-	-	-	-
356			& Elec Plant	556	Gen Dmd		6,002,894	-	-	-	-
			Related O&M								
358			Pwr Gen Exp-Other - Energy Storage Transmission	549	Retail	+	-	-	-	-	-
359			Pwr Gen Exp-Other - Energy Storage Distribution	549	Retail		-	-	-	-	-
360			& Elec Plant-Energy Storage Transmission	553	Retail	+	-	-	-	-	-
361	Main		& Elec Plant-Energy Storage Distribution	553	Retail	+		-	-	-	-
362		rota	I Production O&M				89,801,728	-	-	-	-

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	Illustrative Cost of Service Study	-	·	1.1	٩				Ü
- Cupulation Extract 1 1 1 1 1 1									
2 Test Period Ending June 30,	2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3		Account	Allocator	4 —		ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
363									
364 Transmission O&M (560-574,	excluding 565):								
365 Oper-Sup & Eng-ETrans		560	Trans Dmd		1,453,414	-	-	-	-
366 Oper-Load Dispatch-ETra	ns	561	Trans Dmd		716,013	-	-	-	-
367 Oper-Station Exp-ETrans		562	Trans Dmd		938,578	-	-	-	-
368 Oper-Overhead Lines-ETr		563	Trans Dmd		34,809	-	-	-	-
369 Oper-Misc Transmission-E		566	Trans Dmd		1,374,607	-	-	-	-
370 Oper-Rents-Transmission	-Е	567	Trans Dmd		8,646,009	-	-	-	-
371 Maint Sup & Eng-ETrans		568	Trans Dmd		1,217	-	-	-	-
372 Maint-Structures-ETrans		569	Trans Dmd		-	-	-	-	-
373 Maint-Sta Equip-ETrans		570	Trans Dmd		2,333,231	-	-	-	-
374 Maint-Overhead Lns-ETra	ns	571	Trans Dmd		731,193	-	-	-	-
375 Maint-Under Ground lines-	-ETrans	572	Trans Dmd		-	-	-	-	-
376 Maint-Misc Trans Plant		573	Trans Dmd		-	-	-	-	-
377 Maint-Trans Plant-NonMaj	i-E	574	Trans Dmd		2,568	-	-	-	-
378 Incremental Rate - Transn	nission O&M	560-564,566-574	FERC		-	-	-	-	-
379 Total Transmission	O&M, excluding FERC 565				16,231,640	-	-	-	-
380									
381 Transmission O&M by Others	<u>(565):</u>								
382 Transmission by Others		565	Gen Dmd		32,013,463	-	-	-	-
383 Total Transmission	by Others, FERC 565				32,013,463	-	-	-	-
384									
385 Total Transmission	O&M				48,245,103	-	-	-	-

A B C D	E	F	P Q	R	S	T	U
1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 Test Period Ending June 30, 2026	FERC		As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3	Account	Allocator		ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
386							
387 Total Dist O&M (580-598)							
388							
389 PNM Street & Private Lighting							
390 Oper-Street Light/Signal-E	585	Retail	38		-	-	-
391 Maint-Streetlight/Signal-E	596	Retail	981,229		-	-	-
392 Total Street and Private Lighting			981,267	-	-	-	-
393							
394 PNM Meters							
395 Oper-Meter Expense-EDist	586	Retail	3,797,705	-	1	-	-
396 Oper-Meter Expense-Grid Mod	597	Grid Mod	-	-	-	-	-
397 Maint-Meters-EDist	597	Retail	428,051	-	-	-	-
398 Maint-Meters-Grid Mod	597	Grid Mod	-	-	•	-	-
399 Total Meters			4,225,755	-	١	-	=
400							
401 All Other Distribution O&M							
402 Oper-Sup & Eng-EDist	580	Retail	2,385,705	-	١	-	=
403 Oper-Station Exp-EDist	582	Retail	1,104,307	-	-	-	=
404 Oper-Overhead Lines-EDist	583	Retail	3,278,998	-	•	-	-
405 Oper-Undergrd Line-EDist	584	Retail	708,285	-	•	-	-
406 Oper-Misc Dist Exp-EDist	588	Retail	12,240,120	-	•	-	-
407 Oper-Rents-Distribution-E	589	Retail	1,148,392	-	-	-	-
408 Maint-Sup & Eng-EDist	590	Retail	3,600,779	-	•	-	-
409 Maint-Structures-EDist	591	Retail	49,552	-	-	-	-
410 Maint-Station Equip-EDist	592	Retail	1,320,092	-	-	-	-
411 Maint-Overhead Lns-EDist	593	Retail	10,814,869	-	-	-	-
412 Maint-Und Lines-EDist	594	Retail	2,412,820	-	-	-	-
413 Maintenance of Line Transformers	595	Retail	437	-		-	-
414 Maint-Misc Dist Plant-E	598	Retail	-	-		-	-
415 Other Distribution O&M - Grid Mod	580-598	Grid Mod	-	-		-	-
416 Total Other Distribution O&M			39,064,355	-	-	-	-
417							
418 Total Distribution O&M			44,271,376	-		-	-

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1			t 1 - PNM's Illustrative Cost of Service Study				-		-		-
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2	Test Perio	od Endin	g June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
			-						•		
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
419											
420	Customer	Related (	<u>0&amp;M</u>								
421											
422	PNM Rela	ted Custo	omer Accounts Exp								
423	Super	rvision-Cu	ustomer Accts	901	Retail		(324,877)	-	-	-	-
424	Meter	r Reading	Expenses	902	Retail		9,952,377	-	-	-	-
425	Custo	mer Rec	ord and Collections	903	Retail		13,150,371	-	-	-	-
426	Uncol	llectible E	ixpenses	904	Retail		3,768,813	-	-	-	-
427	Misc (	Custome	r Accts Exp	905	Retail		-	-	-	-	-
428			nf Expenses	906	Retail		109,690	_	_	_	_
429			istance Exps	908	Retail		1,600,974	-	-	_	-
430			Advert Exps	909	Retail		-	_	_	_	-
431			g Expenses - Non Production	912	Retail		_	_	_	-	_
432	Demo	& Selling	g Expenses - Production	912	Sales		6,300,759	_	_	_	_
433		rtising Ex		913	Sales		608,637	-		-	
434			ner Accounting Expenses - Grid Mod	901-905	Grid Mod		000,001	-		-	
435			stomer Related O&M	901-903	Grid Wod		35,166,744	-		-	
436		TOTAL CU	Storrier Related Odivi				33, 100, 744	-	-	-	-
	A -l ! ! 4	0 C	eneral Expense								
	Administra	alive & Ge	eneral Expense								
438 439	A -li-	1 0	neral Salaries	920	T-t-LWCC		4,588,086				
					Total W&S excluding Riders			-		-	-
440			plies Exp	921	Total W&S excluding Riders		403,530	-	-	-	-
441		Charged		922	Total W&S excluding Riders		(13,626,093)	-	-	-	-
442			lated - Shared Services	9229	Prod W&S		17,877,857	0	-	-	-
443			Related - Shared Services	9229	Trans W&S		6,607,776	0	-	-	-
444			lated - Shared Services	9229	Dist W&S		58,152,533	0	-	-	-
445		de Servic		923	Total W&S excluding Riders		1,456,338	-	-	-	-
446	_	erty Insura		924	Total W&S excluding Riders		2,479,038	-	-	-	-
447	,		nages-Safety	925	Total W&S excluding Riders		13,570,098	-	-	-	-
448	Empl	Pension	and Benefits	926	Total W&S excluding Riders		10,594,922	-	-	-	-
449	Regul	latory Co	mmission Exp	928	Total W&S excluding Riders		2,420,512	-	-	-	-
450	Regul	latory Co	mmission Exp - (Rate Case Expense)	928	Retail		966,274	-	-	-	-
451	Produ	uction - M	isc AG Expenses	930	Total W&S excluding Riders		8,369,664	-	-	-	-
452	Trans	mission -	- Rents-Cust	931	Total W&S excluding Riders		250,177	-	-	-	-
453	Total	Gas A&G	G Maintenance	932	Total W&S excluding Riders		-	-	-	-	-
454	Maint	of Gener	ral Plant	935	Total W&S excluding Riders		2,220,071	-	-	-	-
455			A&G (920-935)	920-935	Renewables		-	=	-	-	-
456			G (920-935)	920-935	Grid Mod		-	-	-	-	-
457			ministrative & General Expense				116,330,783	0	_	-	_
458		. J.La. , tu						ŭ			
459		Ger	neric Adjustment		Retail		_	_	_	-	-
460		Jei	iono / rajaonnoni		- Coun		-	-		-	
461		Total On	perations & Maintenance Expense				367,466,068	0		_	
462		i otai Op	оганото а маниснаное Ехреное			$\vdash$	307,400,000	0	-	-	-
402										1	

	АВ	C D	E	F	Р	Q	R	S	Т	U
1		Exhibit 1 - PNM's Illustrative Cost of Service Study				-				-
		· · · · · · · · · · · · · · · · · · ·								
2	Test Perio	d Ending June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
	Depreciation	on and Amortization Expense								
464										
	Production	Depreciation and Amortization								
466	Steam	Production Plant	403	Gen Dmd		30,442,960	-	-	(20,428,320)	-
467	Nuclea	ar Production Net Plant - Palo Verde	403	Gen Dmd		19,878,271	-	-	-	-
468	Nuclea	r Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd		-	-	-	-	-
469	Nuclea	r Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd		832,053	-	-	-	-
470	Other I	Production Plant - Gas & 40 MW Solar	403	Gen Dmd		20,752,769	-	-	-	-
471	Other I	Production Plant - Renewable	403	Renewables		-	-	-	-	-
472		Total Production Depreciation and Amortization Expense				71,906,053	-	-	(20,428,320)	-
473										
474	Energy Sto	rage Depreciation and Amortization								
475										
476	Transn	nission Sited Batteries	403	Retail		338,998	-	-	-	-
477	Distrib	ution Sited Batteries	403	Retail		868,925	-	-	-	-
478		Total Energy Depreciation and Amortization				1,207,924	-	-	-	-
479										
480	Transmissi	on Depreciation and Amortization								
481	Step-U	Jp Transformers & Generation Interconnections	403	Gen Dmd		330,154	-	-	-	-
482	Transn	nission System Plant - Allocated	403	Trans Dmd		20,372,850	-	-	-	-
483	Transn	nission System Plant - FERC Incremental Rates	403	FERC		-	-	-	-	-
484	Transn	nission System Net Plant - Dedicated Retail	403	Retail		693,169	-	-	-	-
485	Transn	nission System Plant - Acq. Adj. (EIP)	406	Trans Dmd		195,689	-	-	-	-
486	1	Total Transmission Depreciation and Amortization				21,591,863	-	-	-	-
487										

	A B C	D	E	F	Р	Q	R	S	Т	U
1 5	Stipulation Exh	nibit 1 - PNM's Illustrative Cost of Service Study								
2 1	est Period En	ding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
	Distribution Dep	reciation and Amortization								
489	Distribution	Substations Net Plant - PNM	403	Retail		7,734,096	-	-	-	-
490		Substations Net Plant - Renewables	403	Renewables		-	-	-	-	-
491	Distribution	Substations Net Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
492	Primary Dis	tribution System Net Plant - PNM	403	Retail		38,186,812	-	-	-	-
493	Primary Dis	tribution System Net Plant - Renewables	403	Renewables		-	-	-	-	-
494	Primary Dis	tribution System Net Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
495	Secondary	Distribution System Net Plant - PNM	403	Retail		14,086,170	-	-	-	-
496	Secondary	Distribution System Net Plant - Renewables	403	Renewables		-	-	-	-	-
497	Secondary	Distribution System Net Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
498	Services N	et Plant - PNM	403	Retail		7,982,393	-	-	-	-
499	Meters Net	Plant - PNM	403	Retail		2,564,005	-	-	-	-
500	Meters Net	Plant - Grid Mod	403	Grid Mod		-	-	-	-	-
501	Private Ligh	nting - 371	403	Retail		213,286	-	-	-	-
502	Street Light	ing - 373	403	Retail		783,032	-	-	-	-
503	Total	Distribution Depreciation and Amortization				71,549,795	-	-	-	-
504										
505 (	General Deprec	iation and Amortization								
506	General & I	ntangible Net Plant	403	Total W&S excluding Riders		22,482,571	-	-	-	-
507	Renewable	s General & Intangible Net Plant	403	Renewables		-	-	-	-	-
508	Grid Mod G	eneral & Intangible Net Plant	403	Grid Mod		-	-	-	-	-
509	Production	Related (Shared Services)	403	Prod W&S		5,057,223	-	-	-	-
510	Transmissi	on Related (Shared Services)	403	Trans W&S		1,788,687	-	-	-	-
511		/Customer Related (Shared Services)	403	Retail		24,478,747	-	-	-	-
512		General Depreciation and Amortization				53,807,228	-	-	-	-
513		•				,, ==				
514	Total	Depreciation and Amortization Expense				220,062,862	-	-	(20,428,320)	-
515									` , , , , , , , , , , , , , , , , , , ,	

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1	Stip	ulation Ex	hibit 1 - PNM's Illustrative Cost of Service Study				-				
			,								
1											
2	Tes	Period En	ding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
516	Gen	eral Taxes						@			
517											
518	Prop	perty Taxes									
519		Production	Property Taxes								
520	1	Steam Prod	duction Plant	408	Gen Dmd		2,281,749	-	-	49,868	-
521		Nuclear Pro	oduction Plant - Palo Verde	408	Gen Dmd		2,936,159	-	-	-	-
522		Other Prod	uction Plant - Gas & 40 MW Solar	408	Gen Dmd		3,737,044	-	-	-	-
523		Other Prod	uction Plant - Renewable	408	Renewables		-	-	-	-	-
524		Total	Production Property Taxes				8,954,952	-	-	49,868	-
525											
526		Energy Sto	rage Property Taxes								
527		Transmissi	on Sited Batteries	408	Retail		-	-	-	-	-
528		Distribution	Sited Batteries	408	Retail		262,569	-	-	-	-
529		Total	Energy Storage Property Taxes				262,569	-	-	-	-
530											
531			on Property Taxes								
532			ansformers - Excluding 65MW SJGS	408	Gen Dmd		41,525	-	-	-	-
533			on System Plant - Allocated	408	Trans Dmd		5,504,371	-	-	-	-
534			on System Plant - FERC Incremental Rates	408	FERC		-	-	-	-	-
535			on System Plant - Dedicated Retail	408	Retail		62,187	-	-	-	-
536		Total	Transmission Property Taxes				5,608,082	-	-	-	-
537											
538			Property Taxes								
539			Substations Net Plant - PNM	408	Retail		1,982,839	-	-	-	-
540			Substations Net Plant - Renewables	408	Renewables		-	-	-	-	9
541			Substations Net Plant - Grid Mod	408	Grid Mod		-	-	-	-	-
542			stribution System Net Plant - PNM	408	Retail		7,405,025	-	-	-	-
543			stribution System Net Plant - Renewables	408	Renewables		-	-	-	-	-
544			stribution System Net Plant - Grid Mod	408	Grid Mod		-	-	-	-	-
545			Distribution System Net Plant - PNM	408	Retail		3,246,507	-	-	-	-
546			Distribution System Net Plant - Renewables	408	Renewables	$\perp$	-	-	-	-	-
547			Distribution System Net Plant - Grid Mod	408	Grid Mod		-	-	-	-	-
548			et Plant - PNM	408	Retail		1,185,617	-	-	-	-
549			Plant - PNM	408	Retail		473,458	-	-	-	-
550			Plant - Grid Mod	408	Grid Mod		-	-	-	-	-
551		Private Ligi		408	Retail	$\perp \downarrow \downarrow$	10,742	-	-	-	-
552		Street Light		408	Retail		134,991	-	-	-	-
553		Total	Distribution Property Taxes				14,439,179	-	-	-	-
554											

Α	ВС	D	E	F	Р	Q	R	S	Т	U
1 Sti	ipulation Ex	xhibit 1 - PNM's Illustrative Cost of Service Study								
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2 1es	st Period E	Inding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
555	General P	Property Taxes								
556	General &	Intangible Net Plant	408	Total W&S excluding Riders		1,198,037	-	-	-	-
557		les General & Intangible Net Plant	408	Renewables		-	-	-	-	-
558	Grid Mod	General & Intangible Net Plant	408	Grid Mod		-	-	-	-	-
559	Production	n Related (Shared Services)	408	Prod W&S		161,277	-	-	-	-
560	Transmiss	sion Related (Shared Services)	408	Trans W&S		91,441	-	-	-	-
561	Distributio	on/Customer Related (Shared Services)	408	Retail		831,120	-	-	-	-
562	Tota	al General Property Taxes				2,281,874	-	-	=	=
563										
564	Tota	al Property Taxes				31,546,657	-	-	49,868	-
565										
	yroll Taxes									
567	Production	n Related	408	Prod W&S		1,790,288	0	-	-	-
568	Battery St	orage Related	408	Dist W&S		-	-	-	-	-
569	Transmiss	sion Related	408	Trans W&S		631,522	0	-	-	-
570	Distributio	n Related	408	Dist W&S		4,879,005	0	-	-	-
571	Tota	al Payroll Taxes				7,300,814	0	-	-	-
572										
	her Taxes									
574		es - Production Related	408	Gen Dmd		1,077	-	-	-	-
575		es - Transmission Related	408	Trans Dmd		433	-	-	-	-
576	_	es - Distribution Related	408	Retail		12,492	-	-	-	-
577		y Commission Fees (I&S) PNM	408	Retail		-	-	-	-	-
578	,	ects Four Corners	408	Gen Dmd		198,209	-	-	-	-
579		ects PVNGS	408	Gen Dmd		1,361,393	-	-	-	-
580	,	ects Transmission	408	Trans Dmd		27,607	-	-	-	-
581	_	nerican Taxes - Production	408	Gen Dmd		1,554,300	-	-	-	-
582		nerican Taxes - Transmission	408	Trans Plt		579,172	-	-	-	-
583		nerican Taxes - Dedicated FERC Incremental Rates	408	FERC		-	-	-	-	-
584		nerican Taxes - Distribution	408	Dist Plt		69,497	-	-	-	-
585	Tota	al Other Taxes				3,804,180	-	-	-	-
586										
587	Tota	al General Taxes				42,651,651	0	-	49,868	-

	Α	ВС	D	E	F	Р	Q	R	S	Т	U
1	Stip	ulation Ex	hibit 1 - PNM's Illustrative Cost of Service Study				-	1			
			•								
2	Test	t Period Er	nding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
588	3			710000111	7 tiloodtoi			110L @ 0.4070	Equity 0170	1 Of 1 Depresiation	LDI II 7 mort
589		er Allowah	le Expenses								
590	_		Customer Deposits	431	Retail		220.117	_	-	-	-
591			on Loss on Reacquired Debt	407.3	Rate Base		911,945	_	-	792	31
592			e Grant Amortization	407	Renewables		-	_	-	-	-
593			ARO - Production Related	411	Gen Dmd		2,887,511	_	-	-	_
594		Accretion /	ARO - Production Related - (SJGS 65MW)	411	Excluded		-	-	_	-	-
595		Accretion A	ARO - Distribution Related	411	Retail		108,409	-	-	-	-
596		Western S		407.3	FERC		-	-	-	-	-
597		Amortization	on of 50% SJGS 2&3 Undepreciated Balance	407.3	Gen Dmd		6,276,936	-	-	-	-
598		Amortization	on of Eastern Imbalance Market Implementation Regulatory Asset	407.3	Retail		3,758,140	-	-	-	-
599	9	Amortization	on of PVNGS Unit 1 Undepreciated Investment Post - lease renewal	407.3	Retail		2,158,805	-	-	-	-
600		Amortization	on of PVNGS Unit 1 Undepreciated Investment Pre - lease renewal	407.3	Retail		1,877,267	-	-	-	-
601	1	Amortization	on of PVNGS Unit 2 Undepreciated Investment Post - lease renewal	407.3	Retail		146,109	-	-	-	-
602	2	Amortization	on of PVNGS Unit 2 Undepreciated Investment Pre - lease renewal	407.3	Retail		168,146	-	-	-	-
603	3	Amortization	on of PVNGS True-up for SRP Transaction	407.3	Retail		6,974	-	-	-	-
604	1	Amortization	on of PVNGS Costs to Obtain Replacement Resources	407.3	Retail		100,964	-	-	-	-
605		Amortization	on of SJGS Replacement Resources	407.3	Retail		332,751	-	-	-	-
606	5	Amortization	on of SJGS Legal Expenses	407.3	Retail		19,812	-	-	-	-
607		Amortization	on of SJGS Obsolete Inventory	407.3	Retail		251,786	-	-	-	-
608		Amortization	on of Pathnet	407.3	Trans Dmd		(88,867)	-	-	-	-
609		Amortization	on of SO2 Allowance Credit	407.3	Retail		-	-	-	-	-
610			harges on Advanced Payments Under ETA	407.3	Retail		108,102	-	-	-	-
611			on of COVID Regulatory Asset and Liability	407.3	Retail		1,070,775	-	-	-	-
612			on of SJGS Decommissioning Ordinance Costs	407.3	Retail		1,102,169	-	-	-	-
613			on of Additional Coal Mine Decommissioning	407.3	Retail		732,137	-	-	-	-
614			on of 2025 Rate Case Expenses	407.3	Retail		741,677	-	-	-	-
615			on of Energy Transition Cost True - Up	407.3	Retail		(50,706)	-	-	-	-
616		Tota	I Other Allowable Expenses				22,840,959	-	-	792	31
617											
618											
619			l Operating Expenses				921,826,769	0	-	(20,377,660)	31
620		(Exc	I Income & Revenue Related Taxes)								
621											
622			Original Cost Rate Base				2,982,949,247	-	-	10,123,771	1,483,623
623			Cost of Capital				7.50%				
624			Rate Base (excluding Debt Return- Reg Asset Adjustment)				223,777,202	(15,660,483)	(2,323,960)	698,436	102,355
625			Return Adjustment				(730,289)	117,594	17,451	-	-
626	5	Return on	Rate Base				223,046,913	(15,542,889)	(2,306,509)	698,436	102,355

Α	ВС	D	E	F	Р	Q	R	S	T	U
1 Sti	pulation Exhib	bit 1 - PNM's Illustrative Cost of Service Study								
	-									
2 Tes	st Period Endi	ing June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
627										
628 <b>Fe</b> c	deral Income	<u>Tax</u>								
629	Return Adjust	tments								
630	Interest on Lo	ong Term Debt		MDC		(59,790,510)	-	(1,883,516)	(209,314)	(30,675)
631	Debt Return-	Reg Asset Adjustment Interest Adjustment				(501,081)	-	14,143	-	-
632	Interest on Lo	ong Term Debt				(60,291,592)	-	(1,869,373)	(209,314)	(30,675)
633										
634	Tax/Book Ad	<u>justments</u>								
635										
636	Non-deductib	le Meals		Total Net Plt		-	-	-	-	-
637	Non-deductib	ole Parking		Trans Dmd		55,120	-	-	-	-
638	Palo Verde 1	& 2 Gain Amort Flow Through		FERC		-	-	-	-	-
639	Palo Verde 1	& 2 Prudence Audit Flow Through		Retail		-	-	-	-	-
640	AFUDC Equit	ty Flow Through		Gen Dmd		(18,242,549)	-	-	-	-
641	AFUDC Equit	ty Flow Through - Renewables		Renewables		-	-	-	-	-
642	AFUDC Equit	ty Flow Through - Grid Mod		Grid Mod		-	-	-	-	-
643	Federal Gran	t Amortization - Renewables		Renewables		-	-	-	-	-
644	Federal Gran	t Basis Adj - Renewables		Renewables		-	-	-	-	-
645	Gain/Loss Flo	ow Through		Retail		166,269	-	-	-	-
646	ACRS Flow T	Fhrough		Retail		-	-	-	-	-
647	San Juan AC	RS Flow Through		Retail		-	-	-	-	-
648	Four Corners	SO2 Reversal Flow Through		Retail		335,543	-	-	-	-
649	SL/GL Depre			Retail		-	-	-	-	-
650	Amortization	of EIP Prepaid Tax Reversal		Trans Dmd		-	-	-	-	-
651		ax/Book Adjustments				(17,685,617)	-	-	-	-
652						,				
653	Total R	Return Adjustments				(77,977,209)	-	(1,869,373)	(209,314)	(30,675)
654		•				, , , , ,		, , , , , ,		
655	Net Tax	xable Equity Return				145,069,704	(15,542,889)	(4,175,882)	489,122	71,680

Α	ВС	D	E	F	Р	Q	R	S	Т	U
1 Stipul	ation Exhibit 1 - PN	IM's Illustrative Cost of Service Study								
2 Test P	Period Ending June	30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3			Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
656										
	al Tax Adjustments									
658										
	rovision For Deferred	I Income Tax								
	xcess Payroll Tax Re		410	Total W&S		(5,574)	-	-	-	-
		eral Income Tax Amortization		ADIT		(16,157,886)	-	-	(1,664)	(3,977,540)
662 AI	RAM Deferred Tax R	Reversal	410	Total Net Plt		(23,628)	-	-	(17)	-
663	Total Provision F	For Deferred Income Tax				(16,187,088)	-	-	(1,681)	(3,977,540)
664										
	ment Tax Credits									
666 Pa	alo Verde 1&2 Produ	action ITC Amortization	411.4	Gen Dmd		-	-	=	-	-
	eneration ITC Amort		411.4	Gen Dmd		(168,991)	-	-	-	-
	enewables ITC Amor	rtization	411.4	Renewables		-	-	-	-	-
669 P\	V Valley Transmission	on ITC Amortization	411.4	Trans Dmd		-	-	=	-	-
670 R	esearch and Develop	oment & Other Credits	410	PV		(1,300,000)	-	=	-	-
671 O	ther ITC Amortization	n	411.4	Total Net Plt		-	-	-	-	-
672	Total Investmen	t Tax Credit Amortization & Other Credits				(1,468,991)	-	-	-	-
673										
674	Total Federal Ta	ax Adjustments				(17,656,079)	-	-	(1,681)	(3,977,540)
675		·								
676	Adjusted Equity	Return				127,413,625	(15,542,889)	(4,175,882)	487,440	(3,905,860)
677	Federal Tax Fac	etor (0.21/(1-0.21))				26.5823%				
678	Federal Income	Tax				33,869,445	(4,131,654)	(1,110,045)	129,573	(1,038,267)
679	Add:							, , , , , , , , , , , , , , , , , , , ,		
680	Total Provision F	For Deferred Income Tax				(16,187,088)	-	-	(1,681)	(3,977,540)
681	EIP Amortization	n				-	-	-	-	-
682	Total Investmen	t Tax Credit Amortization & Other Credits				(1,468,991)	-	=	-	-
683						` , , , , ,				
684	Net Allowable Fe	ederal Income Tax				16,213,366	(4,131,654)	(1,110,045)	127,892	(5,015,807)

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1 S	tipulatio	on Exhibit 1 - PNM's Illustrative Cost	of Service Study								
2 <b>T</b>	est Peri	od Ending June 30, 2026		FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
685											
686 <b>S</b>	tate Inco	ome Tax									
687											
688	Retur	rn on Rate Base					223,046,913	(15,542,889)	(2,306,509)	698,436	102,355
689	Less:	: Return Adjustments						-	-	-	-
690	Intere	est on Long Term Debt					(60,291,592)	-	(1,869,373)	(209,314)	(30,675)
691	Tax/E	Book Adjustments					(17,685,617)	-	-	-	-
692	Add:	Net Allowable F I T					16,213,366	(4,131,654)	(1,110,045)	127,892	(5,015,807)
693											
694		New Mexico NOL Valuation Allowance	1	410	Total Net Plt		-	-	-	-	-
695		Amortization of Excess Deferred Taxe	s		ADIT		-	-	-	-	-
696	State	e Taxable Income					161,283,070	(19,674,542)	(5,285,927)	617,013	(4,944,127)
697	State	Tax Factor					5.90%				
698		State Income Tax					9,515,701	(1,160,798)	(311,870)	36,404	(291,703)
699	Add:	22 MW, Battery project and PV Farm I	PTC	409	Renewables		-	-	-	-	-
700	Add:	New Mexico NOL Valuation Allowance	1	410	Total Net Plt		-	-	-	-	-
701		Amortization of Excess Deferred Taxe	s		ADIT		-	-	-	-	-
702		Net Allowable State Income Tax					9,515,701	(1,160,798)	(311,870)	36,404	(291,703)
703											
704											
705		Return on Rate Base					223,046,913	(15,542,889)	(2,306,509)	698,436	102,355
706								\		,	·
707		Total Operating Expenses					921,826,769	0	-	(20,377,660)	31
708		(Excluding Income & Rev Related Tax	res)							, , , ,	
709		1	,								
710		Net Allowable Federal Income Tax					16,213,366	(4,131,654)	(1,110,045)	127,892	(5,015,807)
711								, , , , , ,	, , , , , , , , , , , , , , , , , , , ,		, , , , , , , , , , , ,
712		Net Allowable State Income Tax					9,515,701	(1,160,798)	(311,870)	36,404	(291,703)
713								, /	, , ,	-	, , ,

	A B	С	D	Е	F	Р	0	R	S	т	U
1		_	thibit 1 - PNM's Illustrative Cost of Service Study	L .	ı	Г	Q	K	<u> </u>	1	0
-	Stipulation		mibit 1 - Firm 5 indstrative cost of Service Study								
2	Test Peri	iod E	nding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3				Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
	Revenue	Crod	lite:	Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT AMOR
715			D2 Credits	411	FERC		_	-	-	_	_
716			Electric Property Transmission	454	Trans Plt		(186,445)	-		_	_
717			lectric Property - Distribution	454	Retail		(3,313,235)	_	-	-	-
718			nent Charges	451	Retail		(1,120,650)	-	_	-	-
719			ice Charge Revenue	451	Retail		(1,818,977)	-	-	-	-
720			ail Revenue - Transmission	456	Trans Dmd		(420,705)	-	-	-	-
721	Othe	er Reta	ail Revenue - Distribution	456	Retail		(1,238,927)	-	-	-	-
722	Gene	eration	n Ancillary Services Credit Sch 2-5	456100	Gen Dmd		(3,008,078)	-	-	-	-
723	Real	Powe	er Losses (Financial)	456100	Gen Dmd		(30,930,741)	-	=	-	=
724			ion redispatch contract revenues	456100	Gen Dmd		4,982	-	=	-	=
725			Services-Sch 1 and Sch 8 Transmission	456100	Trans Dmd		(3,231,657)	-	-	-	-
726			n Firm Sch 7 Transmission	456100	Trans Dmd wo NITS		(4,736,152)	-	-	-	-
727			Services-Sch 1 ST PTP and Transmission Service	456100	Trans Dmd		(20,579)	-	=	-	=
728			Service Customer Revenue Credits	442&555	Retail		(4,214,090)	-	-	-	-
729			tion Servicing & Administration Fees	421	G&I Plt		(204,418)	-	-	-	-
730	Shar	red Se	ervices Revenue	418	Retail		(1,717,601)	-	-	-	-
731							( · ·)				
732		Lota	al Revenue Credits				(56,157,274)	-	-	-	-
733 734		Tota	l Revenue Requirements Before Revenue Tax				1,114,445,474	(20,835,340)	(3,728,423)	(19,514,929)	(5,205,125)
734		Tota	il Revenue Requirements Before Revenue Tax				1,114,445,474	(20,835,340)	(3,728,423)	(19,514,929)	(5,205,125)
736		Pov	l enue Tax Factor (I&S Fee) '(Revenue Tax Rate/(1-Revenue Tax Rate))				0.508573%				
737			enue Tax			++	5,667,769	(105,963)	(18,962)	(99,248)	(26,472)
738		i tov	ciac rax				3,007,703	(100,500)	(10,302)	(55,240)	(20,472)
	NON-FUE	FI RE	EVENUE REQUIREMENT				851,308,015	(20,941,303)	(3,747,385)	(19,614,177)	(5,231,597)
			JE REQUIREMENT				268,805,228	-	-	-	-
			NUE REQUIREMENT				1,120,113,243	(20,941,303)	(3,747,385)	(19,614,177)	(5,231,597)
742							, , ,	, , , ,		, , , ,	· · · · · ·
743	Weighted	d Cost	of Capital								
744			n Debt								
745		erred									
746		mon (									
747			al Weighted Cost of Capital								
748			- 1								
749		Fede	eral Income Tax Rate								
750		1									
751		Effe	ctive State Income Tax Rate								
752											
753		185	Fee Rate								
, ,,,		140	. 55 . 141.5	1							

	Α	В	С	D	E	F F	Q	R	S	Т	U
1				hibit 1 - PNM's Illustrative Cost of Service Study							
2	Tes	st Peri	od Er	ding June 30, 2026	FERC		As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
3					Account	Allocator		ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
754	1				Account	Allocator		110L @ 3.4370	Equity 5170	TOTT Depreciation	LDI II Amort
		y Alloc	cators								
756											
757	7		Sale	s (MWh)							
758			Alloc	,		Sales					
759	9										
760		ige and	d Sala	ry Ratios		Ratios					
761				uction Other Prod O&M		18.93%					
762	2					Prod W&S					
763	3		Tran	smission Trans O&M		15.88%					
764	1					Trans W&S					
765	5		Distr	ibution Dist O&M		33.28%					
766						Dist W&S					
767	7										
768			Tota	PTD		68.09%					
769			Alloc								
770	)										
771			Cust	omer Accounting CA O&M		21.21%					
772	2			Service & Information CS&I O&M		2.86%					
773	3		Sale	s Sales O&M		7.85%					
774	1		Tota	PTDCAS		100.00%					
775	5		Alloc	ator		PTDCAS					
776											
777			Adm	inistrative and General							
778											
779	9		Tota	Wages and Salaries							
780			Alloc	ator		Total W&S					
781											
782		t Plant	In Se	rvice Ratios		Total W&S excluding Riders					
783	3										
784				Production Plant							
785	5		Alloc	ator		Prod Plt					
786	5										
787	7			Transmission Plant							
788			Alloc	ator		Trans Plt					
789	9	1									
790				Distribution Plant							
791	4	1	Alloc	ator		Dist Plt					
792	_										
793				General & Intangible Plant		001 811					
794	_		Alloc	ator		G&I Plt					
795	)										

	Α	В	С	D	E	F	Р	Q	R	S	Т	U
1	Stip	ulation	Exh	nibit 1 - PNM's Illustrative Cost of Service Study								
2	Toet	Poriod	d En	ding June 30, 2026	FERC			As Filed	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4
	1621	renou	J E11	unig June 30, 2026	FERG			AS FIIEU	Aujustinent i	Aujustinient 2	Aujustinent 3	Aujustment 4
3					Account	Allocator			ROE @ 9.45%	Equity 51%	FCPP Depreciation	EDFIT Amort
796				Net Plant								
797		Α	Alloca	ator		Total Net Plt						
798												
799				ADIT								
800		Α	Alloca	ator		ADIT						
801		_	_									
802				Rate Base		D . D						
803		Α	Alloca	TOTE		Rate Base						
804 805			<b>.</b>	ration Demand allocator								
806		e.	эепе	ration Demand anocator		Gen Dmd						
807						Gen Dina						
808		-	ner	gy allocator								
809			THEI	gy allocator		Energy						
810						2.10.97						
811		G	Gene	ration and Transmission Demand		Gen/Trans Dmd						
812												
813												
814		Т	rans	smission Demand		Trans Dmd						
815												
816												
817		Т	rans	smission Demand without Network		Trans Dmd wo NITS						
818												
819												
820	Othe	er Alloca	ators				$\perp$					
821												
822		E	xclu	ded Costs		Excluded						
823	$\vdash$			LA : U NEO		NEO	$\perp$					
824		D	Jirec	t Assignment to NEC		NEC						
825 826	$\parallel$	Λ	\lloc:	ation to FERC Customers		FERC	+					
826	$\vdash$	A	AHOC	AUDIT TO FENC CUSTOMERS		FEKU	+					
828	1	_	)iroo	t Assignment to Retail		Retail						
829	$\vdash$	L	טשווכ	t Assignment to Netall		Netali						
830		Δ	Alloca	ation to Palo Verde		PV						
831	1			anon to t dio voido		i v						
832		Δ	Alloca	ation to Grid Mod		Grid Mod	+					
833			550			S.I.d MIOU	+					
834		П	Direc	t Assignment to Renewables		Renewables						
JJ+	1		-1100	. , songo to i tonomusioo		TOTOWADIOS						

	A B C D	E	F	V	W	Х	Υ	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2	Test Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
_	Total triod Eliding build 50; 2020	1 2110		Debt Only	/ tajaotinoni o	Treatment of	7 tajaotinoni o	\$11.8M
3		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
4	Rate Base							
5								
6	Net Plant							
7								
8	Net Production Plant							
9								
10	Steam Production Net Plant	101/106	Gen Dmd	-	-	-	-	-
11	Total Steam Production Net Plant			-	-	-	-	-
12								
13	Nuclear Production Net Plant - Palo Verde	101/106	Gen Dmd	-	-	-	-	-
14	Nuclear Production Net Plant - Acq Adj (Drexel)	114	Gen Dmd	-	-		-	-
15	Nuclear Production Net Plant - Acq Adj (First Chicago)	114	Gen Dmd	-	-	-	-	-
16	Total Nuclear Production Net Plant			-	ı	ı	-	-
17								
18	Other Production Plant - Gas & 40 MW Solar	101/106	Gen Dmd	-	1	1	-	-
19	Other Production Plant - Renewable	101/106	Renewables	-	-	-	-	-
20	Total Other Production Net Plant			-	-	-	-	-
21								
22	Total Net Production Plant			-	-	-	-	-
23								
	Net Plant Battery Storage							
25								
26	Transmission Sited Batteries	101/106	Retail	-	-	-	-	-
27	Distribution Sited Batteries	101/106	Retail	-	-	-	-	-
28	Total Battery Storage Net Plant			-	٠	•	-	-
29								
	Net Transmission Plant							
31				1				
32	Step-Up Transformers & Generation Interconnections	101/106	Gen Dmd	-	-	-	-	-
33	Total Transmission Station Equipment - Step-up Xfmr and Aux							
34								
35	Transmission System Net Plant - Allocated	101/106	Trans Dmd	-	-	-	-	-
36	Transmission System Net Plant - FERC Incremental Rates	101/106	FERC	-	-	-	-	-
37	Transmission System Net Plant - Dedicated Retail	101/106	Retail	-	-	-	-	-
38	Transmission System Net Plant - Acq Adj (EIP)	114	Trans Dmd	-	-	-	-	-
39	Total Transmission System Net Plant			-	-	-	-	-
40								
41	Total Net Transmission Plant							

	Α	В	С	D	Е	F	V	W	Х	Υ	Z
1	Stipu	ulatio	on Ex	nibit 1 - PNM's Illustrative Cost of Service Study							
2	Test	Peri	od En	ding June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
_						A.II.	Debt Only	ECA T- D	Treatment of	NOL Adiostas and	\$11.8M
3 42					Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
43	NI-4 F	D:-4-:1	bution	Dit							
44	ivet L	JISTI	bution	<u>Plant</u>							
45	-	Dietri	bution	Substations Net Plant - PNM	101/106	Retail		-		_	
46				Substations Net Plant - Renewables	101/106	Renewables	-	_	-	_	
47				Substations Net Plant - Grid Mod	101/106	Grid Mod	-	-	-	_	-
48	l '	Distri	_	Distribution Substations Net Plant	101/100	Grid Widd		_	-	_	
49			Total	Distribution Substations Not Flant						_	
50		Prima	ary Di	stribution System Net Plant - PNM	101/106	Retail	-	_	_	_	_
51				stribution System Net Plant - Renewables	101/106	Renewables	-	-	-	_	_
52				stribution System Net Plant - Grid Mod	101/106	Grid Mod	-	_	_	_	_
53	H			Primary Distribution Net Plant	101/100	5.14 1.154	-	-	-	-	-
54				,							
55		Seco	ndarv	Distribution System Net Plant - PNM	101/106	Retail	-	-	-	_	_
56				Distribution System Net Plant - Renewables	101/106	Renewables	-	-	-	-	-
57				Distribution System Net Plant - Grid Mod	101/106	Grid Mod	-	-	-	-	=
58				Secondary Distribution Net Plant			Ī	-		-	-
59				•							
60		Servi	ices N	et Plant - PNM	101/106	Retail	-	-	-	-	-
61											
62	1	Mete	rs Net	Plant - PNM	101/106	Retail	-	-	-	-	-
63	1	Mete	rs Net	Plant - Grid Mod	101/106	Grid Mod	Ī	-	ı	-	=
64			Total	Meters Net Plant			Ī	-	ı	-	-
65											
66				nting - 371	101/106	Retail	-	-	-	-	-
67		Stree		ting - 373	101/106	Retail	-	-	-	-	-
68			Tota	Lighting Net Plant			-	-	-	-	-
69											
70		Total	Net F	lant Distribution Plant							
71											
	Net F	Plant	Gene	al & Intangible Plant							
73			Щ								
74				ntangible Net Plant	101/106	Total W&S excluding Riders	-	-	-	-	-
75				s General & Intangible Net Plant	101/106	Renewables	-	-	-	-	-
76				General & Intangible Net Plant	101/106	Grid Mod	=	-	-	-	-
77				Related (Shared Services) on Related (Shared Services)	101/106	Prod W&S	-	-	-	-	-
78					101/106	Trans W&S	=	-	-	-	-
79		DISTI		/Customer Related (Shared Services)	101/106	Retail	-	-	-	-	-
80	┢		ıota	Net Plant General & Intangible Plant - PNM			-	-	-	-	-
81 82	$\vdash$		T-4	N-4 DI4							
82			lota	Net Plant			-	-		-	-

	A B C D	E	F	V	W	Х	Y	Z
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
	· · · · · · · · · · · · · · · · · · ·							
	Total Built of Fuelling Inc. on 1999	FEDO		A 11	A II	A 12	A !!	A II
2	Test Period Ending June 30, 2026	FERC		Adjustment 5 Debt Only	Adjustment 6	Adjustment 7 Treatment of	Adjustment 8	Adjustment 9 \$11.8M
3		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
83		Account	Allocator	TO Expenses	LOA TO Dase	incentive Comp	NOL Adjustinent	reduction
84	Accumulated Deferred Income Taxes							
85	Federal Tax Credit Carryforward	190	Retail			_	_	
86	Federal Tax Credit Carryforward Federal Tax Credit Carryforward - Renewables	190	Renewables		<u>-</u>	-	-	-
87	Net Operating Loss (NOL)	190	Total Net Plt		-	-	4,172,484	-
88		190	Total W&S			-	4,172,404	-
89	Incentive Pay Plans  Regulatory Assets - Coal Mine Decommissioning	190	Retail			-	-	-
90	Regulatory Assets - Coal Mille Decommissioning  Regulatory Liabilities - Renewable Rider	190	Renewables	<u>-</u>		_	-	-
91		190	ADIT			-	13,311	-
92	Income Tax Regulatory Liability	283	ADIT			-	(15,407)	-
93	Income Tax Regulatory Asset  Lease Liability	190	Excluded			-	(15,407)	-
94	Deferred Credits - Coal Mine Decommissioning	190	Retail		<u>-</u>	-	-	-
95		283	Retail			-	-	-
96	Regulatory Assets - ETA Carrying Charges	283	Retail	<del>-</del>		-	-	-
97	Regulatory Assets - ETA Job Training & Severance	283	Retail		<u>-</u>	-	-	-
98	Regulatory Assets - ETA Payments to State Agencies	283	Retail			_	-	-
99	Regulatory Assets - ETA SIGS Plant Decommissioning	283	Retail		<u>-</u>	-	-	-
100	Regulatory Assets - ETA SJGS upfront Financing Cost	283	Retail		<u>-</u>	-	-	-
100	Regulatory Assets - ETA Westmoreland Coal Mine Sev	190	Retail			_	-	
101	Deferred Credits - Joint Use	190	Retail	<u> </u>	-	-	-	-
102	Deferred Credits - Pathnet	190	Retail	<del>_</del>	<u> </u>	-	-	-
103	Deferred Credits - PVNGS Dry Casks	190	Retail			_	-	
_	Other Deferred Credits	190	Retail	<u> </u>	-	-	-	-
105 106	Other Liabilities - ETA Job Training and Severance	190	Retail		<u> </u>	-	-	-
107	Other Liabilities - Navajo Workforce Training	190	Total W&S	<del></del>		_	-	-
107	Other Liabilities	283	Total W&S	-	<u>-</u>	-	-	-
109	Injury and Damages	283				_	-	
110	Plant - AFUDC	283	Total Net Pit Total Net Pit	<del>-</del>	-	-	-	-
111	Plant - Capitalized Interest	283	Retail			-	-	
112	Decommissioning and Reclamation Trusts	283	Total Net Plt	<u>-</u>		-	-	-
113	ASC 740-10 (FIN 48) Reclassifications PVNGS Licensing	283	Retail	<del>_</del>	<u> </u>	-	-	-
114	Plant - 263A Adjustment	283	Total Net Plt			-	-	-
115	Deferred State Taxes	283	Total Net Plt	<u>-</u>		-	-	-
116	Plant - CIAC	283	Total Net Pit		<u>-</u>	-	-	-
117	Plant - Depreciation Nuclear Fuel	282	Gen Dmd			-	-	-
118	Plant - Removal Cost	282	Total Net Plt	<u>-</u>		_	-	-
119	Plant - Removal Cost  Plant - Repairs	282	Total Net Pit	<del>-</del>	-	-	-	-
120	Plant - Repairs  Plant - Section 174 Deduction	282	Total Net Pit		<u> </u>	-	-	-
121	Plant - Section 174 Deduction  Plant - Asset Retirement Obligation	282	Retail			_	-	-
122	Plant - Asset Retirement Obligation  Plant - Pollution Control Property	282	Gen Dmd	<del>_</del>	<u> </u>	-	-	-
123	Plant - Pollution Control Property  Plant - Liberalized Depreciation: Production	282	Gen Dind Gen Dmd	<del>-</del>		-	-	-
123	Plant - Liberalized Depreciation: Production  Plant - Liberalized Depreciation: Transmission	282	Trans Dmd	<u> </u>	-	-	-	-
125	Plant - Liberalized Depreciation: Transmission  Plant - Liberalized Depreciation: Distribution	282	Retail		<u> </u>	-	-	-
126		282	Total W&S	<del>-</del>		-	-	-
126	Plant - Liberalized Depreciation: General and Intangible Plant - Liberalized Depreciation: Renewables	282	Renewables	<u> </u>	-	-	-	-
12/	Fiant - Liberalized Depredation, Renewables	202	NetteWables		-	-		-

	Α	ВС	D	E	F	V	W	Х	Υ	Z
1			Exhibit 1 - PNM's Illustrative Cost of Service Study	_	·					
			,							
2	Test	Period	Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
_					A.II	Debt Only	ECA T- D	Treatment of	NOL Adiostrossis	\$11.8M
3	<del></del>	District.		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
128	_		our Corners Imprudence	282 282	Gen Dmd Retail	-	-	-	-	-
129 130			ry Assets - SJGS Stranded Costs Units 2&3	282		<u>-</u>	-	-	-	-
131	_	Pension Retiree M	AJiI	283	Total W&S Total W&S	<del>-</del>	-	-	-	-
132	-			283	Excluded		-	-	-	
133	_	Lease Ass	leacquired Debt	283	Total Net Plt		-	-	-	
134	-		mprehensive Income (OCI)	283	Excluded		-	-	-	<u> </u>
135			Credits - SO2 Allowance	283	Retail		_	_	_	-
136			Debits - Rate Case Expense	283	Retail		-	-	-	
137			Debits - Nate Case Expense  Debits - Decoupling	283	Excluded		-	_	-	-
138	_		Debits - Grid Modernization	283	grid mod	-	_	-		
139	_		Debits - RR Underground Rider	283	Retail		-	-	-	
140		Prepaid E	-	283	Total Net Plt	-	-	-	-	
141	_	•	ry Assets - COVID-19 Costs	283	Retail		-	-	_	-
142	-		ry assets - COVID-13 Costs	283	Retail		-	-	-	
143			ry Assets - FIM Costs	283	Retail	-	_	-	_	-
144			ry Assets - Energy Efficiency	283	Excluded		-	-	-	-
145			ry Assets - ETA	283	Retail	<u>-</u>	_	_	_	
146		-	ry Assets - Sky Blue Under Recovery	283	Renewables	<del>-</del>	_	_	_	_
147	-		ry Assets - Sky Bide Orider Recovery	283	Renewables	<u>-</u>	_	_	_	
148			ry Assets - Renewable Energy Credits	283	Renewables		_	_	-	_
149			ry Assets - SJGS External Legal Fees	283	Retail		_	_	_	_
150			ry Assets - SJGS Replacement Resources	283	Retail	· -	_	_	_	_
151	_		ry Assets - SJGS Undepreciated Investment	283	Retail		_	_	_	
152	_		ry Assets - SJGS Underground Coal Mine	283	Retail	· -	_	_	_	_
153			ry Assets - Solar Direct Regulatory Assets	283	Retail		-	_	_	-
154	_		ry Assets - Transportation Electrification	283	Retail		_	_	_	_
155			ry Assets - WCC Transaction Costs	283	Retail		-	_	_	-
156			ry Liabilities - Energy Efficiency	283	Excluded	_	-	_	-	_
157			ry Liabilities - FAC	283	Retail	_	-	_	-	_
158			ry Assets - PCB Refinancing Hedge	283	Total Net Plt	-	-	-	-	-
159			expenses: Production	283	Gen Dmd	-	-	-	-	-
160			expenses: Transmission	283	Trans Plt	-	-	-	-	-
161	-		expenses: Transmission (incremental FERC Rates)	283	FERC	-	-	-	-	-
162	_		expenses: Distribution	283	Retail	-	-	-	-	-
163		-	expenses: Renewables	283	Renewables	-	-	-	-	-
164	-		ry Assets - 2024 Rate Change	283	Retail	-	-	-	-	-
165	_		ry Assets - SJGS Obsolete Inventory	283	Retail	-	-	-	-	-
166		-	ry Liabilities - Earnings Test	283	Retail	-	-	-	-	-
167	-		ry Assets - PVNGS Undepreciated Investment	283	Retail	-	-	-	-	=
16/		кеgulatoi	ry Assets - PVNGS Undepreciated Investment	283	Retall	-	-	-	-	

	A B C D	E	F	V	W	X	Υ	Z
1 5	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2	est Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
				Debt Only		Treatment of		\$11.8M
3		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
168	Regulatory Assets - ETC Over/Under SPE	283	Retail		-	-	-	-
169	Regulatory Assets - PVNGS Replacement Resources	283	Retail		-	-	-	-
170	Regulatory Assets - Rate Rider 12 UG Rate	283	Retail		-	-	-	-
171	Regulatory Assets - Renewable Rider Curr Reg	283	Renewables	-	1	-	-	-
172	Regulatory Assets - SJ Energy Transition Property (SPE)	283	Retail	-	-	-	-	-
173	Regulatory Liabilities - Curr Reg Liab-UG Rate Rider 12	283	Retail	-	-	-	-	-
174	Regulatory Liabilities - Energy Transition Cost True Up	283	Retail	-	-	-	-	-
175	Regulatory Liabilities - SJGS Retirements Rate Credit	283	Retail	-	-	-	-	-
176	Deferred Debits - WS-Transmission Revenue	283	FERC	-	-	-	-	-
177	Customer Advance	190	Retail	-	-	-	-	-
178	Deferred Credits - ETA	283	Retail	-	-	-	-	-
179	Other Liabilities - ETA Coal Mine Severance	283	Retail	-	-	-	-	-
180	Other Liabilities - ETA State Agency Payments	283	Retail	=	=	-	-	-
181								
182								
183								
184								
185								
186								
187								
188								
189	Total Accumulated Deferred Income Taxes			-	-	-	4,170,388	-

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1 <b>St</b>	ipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
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2 <b>Te</b>	est Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
			A.II	Debt Only	ECA T- D	Treatment of	NOL Adiostas and	\$11.8M
3		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
190								
	egulatory Assets & Liabilities							
192		100	D 4 3					
193	Coal Mine Decommissioning	182	Retail	-	-	-	-	-
194	PCB Refinancing Hedge	182	Total Net Plt	-	-	-	-	-
195	Reg Liab Renewables Fed Grant	254	Renewables	-	-	-	-	-
196	Reg Liab Renewables St Credit	254	Renewables	-	-	-	-	-
197	SJGS Coal Agreement Transaction Costs	182	Gen Dmd	-	-	-	-	-
198	SJGS 2&3 50% Undepreciated Investment	182	Gen Dmd	-	-	-	-	-
199	SJGS County Ordinance Decommission	182	Gen Dmd	-	-	-	-	-
200	Energy Imbalance Market (EIM) One Time Implementation Costs	182	Retail	-	-	-	-	-
201	SJGS Replacement Resources	182	Gen Dmd	-	-	-	-	-
202	SJGS External Legal Expenses	182	Gen Dmd	-	-	-	-	-
203	SJGS Obsolete Inventory	182	Gen Dmd	-	-	-	-	-
204	COVID Regulatory Asset and Liability	182	Retail	-	-	-	-	-
205	Sky Blue Under Recovery	182	Retail	-	-	-	-	-
206	Solar Direct	182	Retail	-	-	-	-	-
207	Transportation Electrification Program (TEP)	182	Retail	-	-	-	-	-
208	SO2 Allowance Credit	182	Retail	-	-	-	-	-
209	PVNGS Unit 1 - 104MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	-	-	-
210	PVNGS Unit 1 - 104MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
211	PVNGS Unit 2 - 10MW Undepreciated Investment Pre - lease renewal	182	Gen Dmd	-	-	-	-	-
212	PVNGS Unit 2 - 10MW Undepreciated Investment Post - lease renewal	182	Gen Dmd	-	-	-	-	-
213	PVNGS Costs to Obtain Replacement Resources	182	Gen Dmd	-	-	-	-	-
214	PVNGS True-up for SRP Transaction Proceeds	182	Gen Dmd	-	-	-	-	-
215	2024 Rate Change Expenses	182	Retail	-	-	-	-	-
216	Energy Transition Cost True-up	182	Gen Dmd	-	=	=	-	-
217	Excess Deferred Income Tax Regulatory Liability	254	ADIT	-	=	=	(53,362)	-
218	Ť Ť						(**,***)	
219	Total Regulatory Assets & Liabilities			-	-	-	(53,362)	-

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1 S	tipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
-	and Product Fredham Lance on anno	FFDO		A !!	A.II	A 12	A !!	A II
2 1	est Period Ending June 30, 2026	FERC		Adjustment 5 Debt Only	Adjustment 6	Adjustment 7 Treatment of	Adjustment 8	Adjustment 9 \$11.8M
3		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
220	+ + +	Account	Allocator	гто Ехропосо	EG/ ( TO Edico	moonave comp	1102 / Idjubilioni	rtoddollori
	ther Rate Base Items							
222	1.134 1.134 2.434 1.134							
223	Customer Deposits	235	Retail	-	-	-	-	-
224	RWIP-Production	108	Gen Dmd	-			-	_
225	RWIP-Transmission	108	Trans Dmd	-	•		-	-
226	RWIP-Distribution	108	Retail	-	-	-	-	-
227	CWIP - Production	107	Gen Dmd	-	-	-	-	-
228	CWIP - Transmission	107	Trans Dmd	-	-	-	-	-
229	CWIP - Distribution	107	Retail	-	•	-	-	-
230	CWIP - Renewables	107	Renewables	-	-	-	-	-
231	CWIP - Production Related	107	Gen Dmd	-	-	-	-	-
232	ARO Liability - Production	230	Gen Dmd	-	-	-	-	-
233	ARO Liability - Transmission	230	Trans Dmd	-	-		-	-
234	ARO Liability - Distribution	230	Retail	-	-	-	-	-
235	ARO Liability - 65MW SJGS	230	Excluded	-	-		-	-
236	Injuries and Damages PNM	228	Total W&S	-	-	-	-	-
237	NQRP - Expense in Excess of Funding		Total W&S	-	1	1	-	-
238	Palo Verde Dry Cask Storage	253	Gen Dmd	-	-	-	-	-
239	FERC Incremental Rates	253	FERC	-	-	-	-	-
240	Pueblos Transmission Rights-of-Way	186	Trans Dmd	-	-	-	-	-
241	Pueblos Distribution Rights-of-Way	186	Retail	-	-	-	-	-
242	Prepaid Pension Asset	182/228	Total W&S	-	-	-	-	-
243	Unamortized Loss on Reacquired Debt	189	Total Net Plt	-	-	-	-	-
244	Tucson Electric Power ROW Payment	253	Trans Dmd	-	-	-	-	-
245	PV 1&2 Excess Gain Amortization	253	Retail	-	-	-	-	-
246	Possessory Interest Tax	186	Total W&S	-	-	-	-	-
247	Pathnet	253	Retail	-	-	-	-	-
248	2025 Rate Change Expenses	186	Retail	-	-	-	-	-
249								
250	Total Other Rate Base Items			-	ı	ı	-	-

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1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study	L	<u>'</u>		***	Λ	'	
Outputation Exhibit 1-1 Nin 3 mustrative dost of dervice drady							
2 Test Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
			Debt Only	-	Treatment of		\$11.8M
3	Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
251							
252 Working Capital							
253							
254 Fuel Stock							
255 Production Fuel Stock	151	Energy	-		-	-	=
256 PV Nuclear Fuel (120.15)	120	Energy	-		-	-	=
257 Total Fuel Stock			-	-	-	-	-
258							
259 Materials & Supplies							
260 Production	154	Gen Dmd	-	-	-	-	-
261 Transmission	154	Trans Plt	-	-	-	-	-
262 Distribution	154	Retail	-	-	-	-	-
263 Total Materials & Supplies			-	-	-	-	-
264							
265 Prepayments							
266 Production	165	Gen Dmd	-	-	-	-	-
267 Transmission	165	Trans Plt	-	-	-	-	-
268 Transmission (Incremental FERC Rates)	165	FERC	-	-	-	-	-
269 Distribution	165	Retail	-	-	-	-	-
270 Renewables	165	Renewables	-	-	-	-	-
271 Total Prepayments			-	-	-	-	-
272							
273 Total Cash Working Capital (see Rule 530 schedule E-1)		Retail	-	1	-	-	-
274							
275 Total Working Capital			-	-	=	-	-
276							
277 Total Rate Base Adjustments & Working Capital			-	-	-	4,117,026	-
278						, , , , ,	
279 Total Net Original Cost Rate Base			-	-	-	4,117,026	-

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1	Stipu	lation E	xhibit 1 - PNM's Illustrative Cost of Service Study							
			•							
2	Test	Period E	Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7 Treatment of	Adjustment 8	Adjustment 9
3				Account	Allocator	Debt Only RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	\$11.8M Reduction
280				Account	Allocatol	TO Expenses	LOA TO Base	meenave comp	NOE Adjustificht	reduction
		ations a	nd Maintenance Expense							
282		ations a	III Waliteriance Expense							
283		uction Fu	lel related expenses							
284		uotioii i u	on rotated expenses							
285		uction - F	PPCAC Fuel Related							
286			eneration	501	Direct Assignment	_	_	_	_	_
287			uel Handling and Disposal	501	Direct Assignment	_	-	_	_	_
288		Nuclear		518	Direct Assignment	-	-	=	-	-
289	1 6	Nuclear D	Disposal	518	Direct Assignment	-	-	=	-	-
290	) (	Gas Gene		547	Direct Assignment	-	-	-	-	-
291		Nind PP	A	555	Direct Assignment	-	-	-	-	-
292	2 (	Geothern	nal PPA	555	Direct Assignment	-	-	-	-	-
293	B F	Purchase	ed Power Energy	555	Direct Assignment	-	-	-	-	-
294	1 5	Spinning	reserves	555	Direct Assignment	-	-	=	-	=
295			torage Agreement - Demand	555	Direct Assignment	-	(82,142,228)	=	-	=
296	5	Tot	tal Fuel Costs (before OSS)			-	(82,142,228)	=	-	-
297	7									
298		Off-syste		447	Direct Assignment	-	-	-	-	-
299			Hazard Sharing	447	Direct Assignment	-	-	-	-	-
300		EIM Fuel		447.3	Direct Assignment	-	-	-	-	-
301			Sales of Gas (under FAC hedge plan)	447.7	Direct Assignment	-	-	-	-	-
302		Tot	al Other Fuel			-	-	-	-	-
303	3									
304		Tot	tal Fuel (net OSS)			-	(82,142,228)	=	-	=
305										
306			on - Non Fuel Items							
307			ts Fuel Transportation	547	Energy	-	-	-	-	-
308			- Valencia - Demand	555	Energy	-	-	-	-	-
309			torage Agreement - Demand	555	Energy	-	82,142,228	-	-	-
310			Power for Economy Service Customer	555	Energy	-	-	-	-	-
311			ed power for Rate 36B		Energy	-	-	-	-	-
312		PPCAC			Energy	-	-	-	-	-
313			chases and Renewable Energy Amortization	555	Renewables	-	-	-	-	-
314			allup - Mandoza Station Charges		Energy	-	-	-	-	-
315			e Decommissioning	501.15	Retail	-	-	-	-	-
316		Broker Fe			Gen Dmd	-	-	-	-	-
317		Tot	al Non Fuel Items			-	82,142,228	-	-	-
318										
319	)		Total Fuel Related Expense			-	-	-	-	-

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
	· · · · · · · · · · · · · · · · · · ·							
2	Test Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
				Debt Only		Treatment of		\$11.8M
3		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
320								
	O&M							
322	Steam Production							
323	Oper-Sup & Eng-Prod	500	Gen Dmd	-	-	-	-	-
324	Oper-Steam Expense-Major	502	Gen Dmd	-	-	-	-	-
325	Steam from Other Sources	503	Gen Dmd	-	-	-	-	-
326	Oper-Electric Exp-Major	505	Gen Dmd	-	-	-	-	-
327	Oper-Misc Steam Power Exp	506	Gen Dmd	-	-	-	-	-
328	Oper-Rents-Steam Power	507	Gen Dmd	-	-	-	-	-
329	Maint-Sup & Eng-Steam	510	Energy	-	-	-	-	-
330	Maint-Structures-Steam	511	Gen Dmd	-	-	-	-	-
331	Maint-Boiler Plant	512	Energy	-	-	-	-	-
332	Maint-Electric Plant	513	Energy	-	-	-	-	-
333	Maint-Gen & Elec Plant	514	Gen Dmd	-	-	-	-	-
334								
335	Nuclear Production							
336	Oper-Sup & Eng-Nuclear	517	Gen Dmd	-	-	-	-	-
337	Oper-Coolants and Water	519	Gen Dmd	-	-	-	-	-
338	Oper-Steam Expenses-Nuclear	520	Gen Dmd	-	-	-	-	-
339	Oper-Electric Exp	523	Gen Dmd	-	-	-	-	-
340	Oper-Misc Nuclear Power, excluding PV 1&2 Decommissioning and CE Credit	524	Gen Dmd	-	-	-	-	-
341	Oper-Misc Nuclear Power - PV 1&2 Decommissioning and CE Credit	524	Retail	-	-	-	-	-
342	Total Rents - Nuclear, excluding PV 1&2 Prudency Audit and Excess Gain Amortization	525	Gen Dmd	-	-	-	-	-
343	Oper-Rents-Nuclear - PV 1&2 Excess Gain Amortization	525	Retail	-	-	-	-	-
344	Maint-Sup & Eng-Nuclear	528	Energy	-	-	-	-	-
345	Maint-Structures-Major	529	Gen Dmd	-	-	-	-	-
346	Maint-Reactor Plant	530	Energy	_	-	-	_	-
347	Maint-Elec Plant	531	Energy	_	-	-	_	_
348	Maint-Misc Nuclear Plant	532	Gen Dmd	_	-	-	_	_
_	Other Production		-					
350	Oper-Sup & Eng-Other	546	Energy	_	_	_	_	-
351	Oper-Oth Pwr Gen Exp-Other	549	Energy	_	-	_	_	-
352	Oper-Oth Pwr Gen Exp-Other - Renewables	549	Renewables	-	_	_	-	_
353	Maint - Structures	552	Gen Dmd	_	-	_	_	-
354	Maint-Gen & Elec Plant	553	Energy	-	_	_	_	_
355	Maint-Gen & Elec Plant - Renewables	553	Renewables	_		_	_	_
356	Maint-Gen & Elec Plant	556	Gen Dmd	-		-	-	-
357	Energy Storage Related O&M	000	Con Dilia			_		
358	Oper-Oth Pwr Gen Exp-Other - Energy Storage Transmission	549	Retail	_		-	-	
359	Oper-Oth Pwr Gen Exp-Other - Energy Storage Distribution	549	Retail	-		-	-	
360	Maint-Gen & Elec Plant-Energy Storage Transmission	553	Retail				-	
361	Maint-Gen & Elec Plant-Energy Storage Distribution	553	Retail	-	<u>-</u>	-	-	<u> </u>
362	Total Production O&M	555	Netali	-	-	-	-	<u> </u>
302	Total Floudction Oaivi			-	-	-		-

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1				thibit 1 - PNM's Illustrative Cost of Service Study	-	·				-	_
				······································							
2	Test	t Perio	od E	nding June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
							Debt Only		Treatment of		\$11.8M
3					Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
363											
364				<u>0&amp;M (560-574, excluding 565):</u>							
365				& Eng-ETrans	560	Trans Dmd	-	-	-	-	-
366				d Dispatch-ETrans	561	Trans Dmd	-	-	-	-	-
367				ion Exp-ETrans	562	Trans Dmd	-	-	-	-	-
368			-	rhead Lines-ETrans	563	Trans Dmd	-	-	-	-	-
369		Oper-	Misc	Transmission-E	566	Trans Dmd	-	-	-	-	-
370		Oper-	Rent	ts-Transmission-E	567	Trans Dmd	-	-	-	-	-
371		Maint	Sup	& Eng-ETrans	568	Trans Dmd	-	-	-	-	-
372		Maint-	-Stru	ictures-ETrans	569	Trans Dmd	-	-	-	-	-
373		Maint-	-Sta	Equip-ETrans	570	Trans Dmd	-	-	-	-	-
374		Maint-	-Ove	rhead Lns-ETrans	571	Trans Dmd	-	-	-	-	-
375		Maint-	-Und	er Ground lines-ETrans	572	Trans Dmd	-	-	-	-	-
376		Maint-	-Misc	c Trans Plant	573	Trans Dmd	-	-	-	-	-
377		Maint-	-Trar	ns Plant-NonMaj-E	574	Trans Dmd	-	-	-	-	-
378		Increr	ment	al Rate - Transmission O&M	560-564,566-574	FERC	-	-	-	-	-
379			Tota	al Transmission O&M, excluding FERC 565			-	-	-	-	-
380											
381	Trar	smiss	ion (	O&M by Others (565):							
382				sion by Others	565	Gen Dmd	-	-	-	-	-
383			Tota	al Transmission by Others, FERC 565			-	-	-	-	-
384				•							
385			Tota	al Transmission O&M			-	-	-	-	-

Test Period Ending June 30, 2026   FERC	A	A B C D	E	F	V	W	X	Υ	Z
Account   Allocator   RC Expenses   ESA To Base   Incentive Comp   NOL Adjustment   Reduction   Reduction   RC Expenses   RC E	1 St	ipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
Account   Allocator   RC Expenses   ESA To Base   Incentive Comp   NOL Adjustment   Reduction   Reduction   RC Expenses   RC E									
Account   Allocator   RC Expenses   ESA To Base   Incentive Comp   NOL Adjustment   Reduction   Reduction   RC Expenses   RC E									
38	2 Te	est Period Ending June 30, 2026	FERC			Adjustment 6		Adjustment 8	
387   Total Dire CMM   589-588	2		Account	Allocator		ESA To Base		NOL Adjustment	
1887   Total Diet D&M (1800-588)			Account	Allocator	TO Expenses	LOA TO Dase	incentive Comp	NOL Adjustillerit	reduction
S88		otal Diet ORM (E90 E00)							
1899 PM Street & Private Lighting		<u>                                      </u>							
Spot   Oper-Street Light/Signal-E   S85   Retail		NM Street & Private Lighting							
			EOE	Potoil					
Total Street and Private Lighting									-
393   Namin-Meters   S86   Retail			390	Netali					
SMM Meters		Total Street and Frivate Lighting			-	-	-	-	-
Section   Sect		NM Motors							
396   Oper-Meter Expense-Grid Mod			586	Retail	_	_	_	_	_
Maint-Meters-EDist		'							
398   Maint-Meters-Grid Mod   597   Grid Mod									
Total Meters									
A01   AII Other Distribution O&M			391	Grid Wood					
All Other Distribution O&M		1 Otal Mcters			-	-	-	-	
402   Oper-Sup & Eng-EDist   580   Retail		LOther Distribution O&M							
403   Oper-Station Exp-EDist   582   Retail   -   -   -   -   -   -   -   -   -			580	Retail	_	_	_	_	_
404   Oper-Overhead Lines-EDist   583   Retail   -   -   -   -   -   -   -   -   -									_
A05   Oper-Undergrd Line-EDist   584   Retail   -   -   -   -   -   -   -   -   -		· ·							
406   Oper-Misc Dist Exp-EDist   588   Retail   -   -   -   -   -   -   -   -   -									
407         Oper-Rents-Distribution-E         589         Retail         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -									
Maint-Sup & Eng-EDist   590   Retail   -   -   -   -   -   -   -   -   -					_	_		_	_
Maint-Structures-EDist   S91   Retail   -   -   -   -   -   -   -   -   -						-		_	
Maint-Station Equip-EDist   592   Retail   -   -   -   -   -   -   -   -   -					_	-	-	-	_
411     Maint-Overhead Lns-EDist     593     Retail     -     -     -     -     -     -       412     Maint-Und Lines-EDist     594     Retail     -     -     -     -     -     -       413     Maintenance of Line Transformers     595     Retail     -     -     -     -     -     -       414     Maint-Misc Dist Plant-E     598     Retail     -     -     -     -     -     -       415     Other Distribution O&M - Grid Mod     580-598     Grid Mod     -     -     -     -     -       416     Total Other Distribution O&M     -     -     -     -     -     -       417     Image: All Control of the Control					_	-	-	_	
412       Maint-Und Lines-EDist       594       Retail       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -					_	-	-	_	_
413     Maintenace of Line Transformers     595     Retail     -     -     -     -     -     -       414     Maint-Misc Dist Plant-E     598     Retail     -     -     -     -     -     -       415     Other Distribution O&M - Grid Mod     -     -     -     -     -     -       416     Total Other Distribution O&M     -     -     -     -     -     -       417     -     -     -     -     -     -     -     -					_	-		_	_
414     Maint-Misc Dist Plant-E     598     Retail     -     -     -     -     -     -       415     Other Distribution O&M - Grid Mod     -     -     -     -     -     -     -       416     Total Other Distribution O&M     -     -     -     -     -     -       417     -     -     -     -     -     -     -							-		
415         Other Distribution O&M - Grid Mod         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -					-	-	-	-	-
416 Total Other Distribution O&M					_	-	_	_	
417			000 000	C.1464					
		Total Distribution O&M			_	-	_	_	_

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1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
- Jupananon Extraor I Timo macanano esserente en agrico esta de la composición dela composición de la composición de la composición dela composición de la composición de la composición de la composición dela composición dela composición de la composición dela composición de la composición de la composición de la comp							
2 Test Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
			Debt Only	-	Treatment of	-	\$11.8M
3	Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
419							
420 <u>Customer Related O&amp;M</u>							
421							
422 PNM Related Customer Accounts Exp							
423 Supervision-Customer Accts	901	Retail	-	-	-	-	-
424 Meter Reading Expenses	902	Retail	-	-		-	-
425 Customer Record and Collections	903	Retail	-	-		-	_
426 Uncollectible Expenses	904	Retail	_	_	-	_	_
427 Misc Customer Accts Exp	905	Retail	_	-	-	_	_
428 Cust Service/Inf Expenses	906	Retail	-	_	-	-	-
429 Customer Assistance Exps	908	Retail	-	-	-	-	
430 Inform/Instruc Advert Exps	909	Retail	-		-	_	
431 Demo & Selling Expenses - Non Production	912	Retail	-	<u>-</u>	-	-	
432 Demo & Selling Expenses - Production	912	Sales				-	
433 Advertising Expense	913	Sales	-		-	-	
							-
434 Total Customer Accounting Expenses - Grid Mod  435 Total Customer Related O&M	901-905	Grid Mod	-	-	-	-	-
435 Total Customer Related O&M 436			-	-	-	-	-
437 Administrative & General Expense		_					
438							
Admin and General Salaries	920	Total W&S excluding Riders	-	-	-	-	-
440 AG Office Supplies Exp	921	Total W&S excluding Riders	-	-	•	-	-
A&G Charged to CWIP	922	Total W&S excluding Riders	-	-	-	-	-
442 Production Related - Shared Services	9229	Prod W&S	-	-	(1,917,973)	-	-
443 Transmission Related - Shared Services	9229	Trans W&S	-	-	(384,832)	-	-
Distribution Related - Shared Services	9229	Dist W&S	-	-	(3,486,242)	-	-
445 Outside Services	923	Total W&S excluding Riders	-	-	-	-	-
446 Property Insurance	924	Total W&S excluding Riders	-	-	-	-	-
447 Injuries or Damages-Safety	925	Total W&S excluding Riders	-	-	-	-	-
448 Empl Pension and Benefits	926	Total W&S excluding Riders	-	-	-	-	-
449 Regulatory Commission Exp	928	Total W&S excluding Riders	-	-	-	-	-
450 Regulatory Commission Exp - (Rate Case Expense)	928	Retail	-	-	-	-	-
451 Production - Misc AG Expenses	930	Total W&S excluding Riders	-	-	=	-	-
452 Transmission - Rents-Cust	931	Total W&S excluding Riders	-	-	-	-	-
453 Total Gas A&G Maintenance	932	Total W&S excluding Riders	-	-	-	-	-
454 Maint of General Plant	935	Total W&S excluding Riders	_	_	-	-	-
455 Renewables - A&G (920-935)	920-935	Renewables	_			_	-
456 Grid Mod - A&G (920-935)	920-935	Grid Mod	-		-	-	-
457 Total Administrative & General Expense	320-333	Grid Widd			(5,789,046)	-	
458 Total Administrative & General Expense			-		(3,703,040)	-	-
	1	Retail			-	_	(11 771 040)
459 Generic Adjustment		Retail	-	-	-	-	(11,771,040)
				00.440.000	/F 700 0 10\		(44.774.040)
461 Total Operations & Maintenance Expense	1	+	-	82,142,228	(5,789,046)	-	(11,771,040)
462	1	1					

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1 Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study	L	1	V	VV	Λ	'	
Supulation Exhibit 1 - Fixing simustrative cost of Service Study							
2 Test Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
			Debt Only	•	Treatment of		\$11.8M
3	Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
463 Depreciation and Amortization Expense							
464							
465 Production Depreciation and Amortization							
466 Steam Production Plant	403	Gen Dmd	-	-	-	-	-
Nuclear Production Net Plant - Palo Verde	403	Gen Dmd	-	-	-	-	-
Nuclear Production Plant - Acq. Adj. (Drexel)	406	Gen Dmd	-	-	-	-	-
Nuclear Production Plant - Acq. Adj. (First Chicago)	406	Gen Dmd	-	-	-	-	-
470 Other Production Plant - Gas & 40 MW Solar	403	Gen Dmd	-	-	-	-	-
471 Other Production Plant - Renewable	403	Renewables	-	-	-	-	-
472 Total Production Depreciation and Amortization Expense			-	-	-	-	-
473							
474 Energy Storage Depreciation and Amortization							
475							
476 Transmission Sited Batteries	403	Retail	-	-	-	-	-
477 Distribution Sited Batteries	403	Retail	-	-	-	-	-
478 Total Energy Depreciation and Amortization			-	-	-	-	-
479							
480 Transmission Depreciation and Amortization							
481 Step-Up Transformers & Generation Interconnections	403	Gen Dmd	-	=	-	-	-
482 Transmission System Plant - Allocated	403	Trans Dmd	-	=	-	-	-
483 Transmission System Plant - FERC Incremental Rates	403	FERC	-	=	-	=	-
484 Transmission System Net Plant - Dedicated Retail	403	Retail	-	=	-	-	-
485 Transmission System Plant - Acq. Adj. (EIP)	406	Trans Dmd	-	=	-	-	-
486 Total Transmission Depreciation and Amortization			-	=	-	-	-
487							

Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study	Adjustment 9 \$11.8M Reduction
Account   Allocator   RC Expenses   ESA To Base   Tréatment of Incentive Comp   NOL Adjustment	\$11.8M
Account   Allocator   RC Expenses   ESA To Base   Tréatment of Incentive Comp   NOL Adjustment	\$11.8M
Account   Allocator   RC Expenses   ESA To Base   Tréatment of Incentive Comp   NOL Adjustment	\$11.8M
Account   Allocator   RC Expenses   ESA To Base   Incentive Comp   NOL Adjustment	
A88   Distribution Depreciation and Amortization   A89   Distribution Substations Net Plant - PNM   A03   Retail	Reduction
Distribution Substations Net Plant - PNM	- - - -
Distribution Substations Net Plant - Renewables	-
491         Distribution Substations Net Plant - Grid Mod         403         Grid Mod         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	-
492         Primary Distribution System Net Plant - PNM         403         Retail         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	-
493         Primary Distribution System Net Plant - Renewables         403         Renewables         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td>-</td>	-
494         Primary Distribution System Net Plant - Grid Mod         403         Grid Mod         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	-
495         Secondary Distribution System Net Plant - PNM         403         Retail         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	
496         Secondary Distribution System Net Plant - Renewables         403         Renewables         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -<	
497         Secondary Distribution System Net Plant - Grid Mod         403         Grid Mod         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	-
498         Services Net Plant - PNM         403         Retail         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	-
499         Meters Net Plant - PNM         403         Retail         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <t< td=""><td>-</td></t<>	-
500         Meters Net Plant - Grid Mod         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	-
501         Private Lighting - 371         403         Retail         -         -         -         -         -           502         Street Lighting - 373         403         Retail         -         -         -         -         -	-
502         Street Lighting - 373         403         Retail         -         -         -         -         -	-
	-
503 Total Distribution Depreciation and Amortization	-
	-
504	
505 General Depreciation and Amortization	
506 General & Intangible Net Plant 403 Total W&S excluding Riders	-
507 Renewables General & Intangible Net Plant 403 Renewables	-
508 Grid Mod General & Intangible Net Plant 403 Grid Mod	_
509 Production Related (Shared Services) 403 Prod W&S	_
100	_
511 Distribution/Customer Related (Shared Services) 403 Retail	
512 Total General Depreciation and Amortization	
512 Total General Depreciation and Amortization	<del>-</del>
513 Total Depreciation and Amortization Expense	<del>                                     </del>
514 Total Depreciation and Amortization Expense	<del>-</del>

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1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
	,							
2	Test Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
,		A	All t	Debt Only RC Expenses	ESA To Base	Treatment of Incentive Comp	NOL Adjustment	\$11.8M Reduction
5	General Taxes	Account	Allocator	RC Expenses	ESA 10 base	incentive Comp	NOL Adjustment	Reduction
516								
517								
518								
		400	Gen Dmd					
520		408		-	-	-	-	-
521		408 408	Gen Dmd Gen Dmd	-	-	-	-	-
522				-	-	-	-	-
523		408	Renewables	-	-	-	-	-
524				-	-	-	-	-
525								
526								
527		408	Retail	-	-	-	-	-
528		408	Retail	-	-	-	-	-
529				-	-	-	-	-
530								
531	Transmission Property Taxes							
532	Step-Up Transformers - Excluding 65MW SJGS	408	Gen Dmd	-	-	-	-	-
533		408	Trans Dmd	-	-	•	-	-
534	Transmission System Plant - FERC Incremental Rates	408	FERC	-	-	-	-	-
535	Transmission System Plant - Dedicated Retail	408	Retail	-	-	-	-	-
536				-	-	-	-	-
537								
538								
539		408	Retail	-	-	-	-	-
540		408	Renewables	-	-	-	-	-
541	Distribution Substations Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
542		408	Retail	-	-		-	-
543	Primary Distribution System Net Plant - Renewables	408	Renewables	-	-		-	-
544		408	Grid Mod	-	-	ı	-	=
545	Secondary Distribution System Net Plant - PNM	408	Retail	-	-	-	-	-
546	Secondary Distribution System Net Plant - Renewables	408	Renewables	-	-	-	-	-
547	Secondary Distribution System Net Plant - Grid Mod	408	Grid Mod	-	-	-	-	-
548		408	Retail	-	-	-	-	-
549		408	Retail	-	-	-	-	-
550		408	Grid Mod	-	-	-	-	-
551		408	Retail	-	-	-	-	-
552		408	Retail	-	-	-	-	-
553				_	-	-	-	-
554								
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1 S	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
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2 1	Test Period Ending June 30, 2026	FERC		Adjustment 5 Debt Only	Adjustment 6	Adjustment 7 Treatment of	Adjustment 8	Adjustment 9 \$11.8M
3		Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
555	General Property Taxes	710004111	7 0 0 0 1 0 1					
556	General & Intangible Net Plant	408	Total W&S excluding Riders	-	-	_	_	_
557	Renewables General & Intangible Net Plant	408	Renewables	-	-	_	_	_
558	Grid Mod General & Intangible Net Plant	408	Grid Mod	-	_	_	_	_
559	Production Related (Shared Services)	408	Prod W&S	_	_	_	_	_
560	Transmission Related (Shared Services)	408	Trans W&S	-	_	_	_	_
561	Distribution/Customer Related (Shared Services)	408	Retail	-	-	-	-	-
562	Total General Property Taxes			-	-	-	-	_
563								
564	Total Property Taxes			-	-	-	-	-
565								
566 F	Payroll Taxes							
567	Production Related	408	Prod W&S	-	-	(276,603)	-	-
568	Battery Storage Related	408	Dist W&S	-	-	-	-	-
569	Transmission Related	408	Trans W&S	-	-	(71,497)	-	-
570	Distribution Related	408	Dist W&S	-	-	(70,437)	-	-
571	Total Payroll Taxes			-	-	(418,537)	-	-
572								
573 C	Other Taxes							
574	Misc Taxes - Production Related	408	Gen Dmd	-	-	-	-	-
575	Misc Taxes - Transmission Related	408	Trans Dmd	-	-	-	-	-
576	Misc Taxes - Distribution Related	408	Retail	-	-	-	-	-
577	Regulatory Commission Fees (I&S) PNM	408	Retail	-	-	-	-	-
578	Joint Projects Four Corners	408	Gen Dmd	-	-	-	-	-
579	Joint Projects PVNGS	408	Gen Dmd	-	-	-	-	-
580	Joint Projects Transmission	408	Trans Dmd	-	-	-	-	-
581	Native American Taxes - Production	408	Gen Dmd	-	-	-	-	-
582	Native American Taxes - Transmission	408	Trans Plt	-	-	-	-	-
583	Native American Taxes - Dedicated FERC Incremental Rates	408	FERC	-	-	-	-	-
584	Native American Taxes - Distribution	408	Dist Plt		-		-	=
585	Total Other Taxes			-	-	-	-	-
586								
587	Total General Taxes			-	-	(418,537)	-	-

Debt Only Ti	Adjustment 7 Treatment of centive Comp	Adjustment 8  NOL Adjustment  - 19 -	Adjustment 9 \$11.8M Reduction - -
Account   Allocator   Company   Co	Treatment of centive Comp	NOL Adjustment  - 19	\$11.8M Reduction
Account   Allocator   RC Expenses   ESA To Base   Incomplete	centive Comp	- 19 -	Reduction -
589 Other Allowable Expenses         431         Retail         -         -           590 Interest on Customer Deposits         431         Retail         -         -           591 Amortization Loss on Reacquired Debt         407.3         Rate Base         -         -           592 Renewable Grant Amortization         407         Renewables         -         -           593 Accretion ARO - Production Related         411         Gen Dmd         -         -		19	
590         Interest on Customer Deposits         431         Retail         -         -           591         Amortization Loss on Reacquired Debt         407.3         Rate Base         -         -           592         Renewable Grant Amortization         407         Renewables         -         -           593         Accretion ARO - Production Related         411         Gen Dmd         -         -		19	
591         Amortization Loss on Reacquired Debt         407.3         Rate Base         -         -           592         Renewable Grant Amortization         407         Renewables         -         -           593         Accretion ARO - Production Related         411         Gen Dmd         -         -		19	
592         Renewable Grant Amortization         407         Renewables         -         -           593         Accretion ARO - Production Related         411         Gen Dmd         -         -	- - -	-	-
593         Accretion ARO - Production Related         411         Gen Dmd         -         -	-		_
	-	_	
594 Accretion ARO - Production Related - (SJGS 65MW) 411 Excluded		_	-
27	_	-	-
595         Accretion ARO - Distribution Related         411         Retail         -         -		-	-
596         Western Spirit         407.3         FERC         -         -	-	-	-
597         Amortization of 50% SJGS 2&3 Undepreciated Balance         407.3         Gen Dmd         -         -	-	-	-
598 Amortization of Eastern Imbalance Market Implementation Regulatory Asset 407.3 Retail	-	-	-
599 Amortization of PVNGS Unit 1 Undepreciated Investment Post - lease renewal 407.3 Retail	-	-	-
600 Amortization of PVNGS Unit 1 Undepreciated Investment Pre - lease renewal 407.3 Retail	-	-	-
601 Amortization of PVNGS Unit 2 Undepreciated Investment Post - lease renewal 407.3 Retail	-	-	-
602 Amortization of PVNGS Unit 2 Undepreciated Investment Pre - lease renewal 407.3 Retail	-	-	-
603 Amortization of PVNGS True-up for SRP Transaction 407.3 Retail	-	-	-
604 Amortization of PVNGS Costs to Obtain Replacement Resources 407.3 Retail	-	-	-
605 Amortization of SJGS Replacement Resources 407.3 Retail	-	-	-
606 Amortization of SJGS Legal Expenses 407.3 Retail	-	-	-
607 Amortization of SJGS Obsolete Inventory 407.3 Retail	-	-	-
608         Amortization of Pathnet         407.3         Trans Dmd         -         -	-	-	-
609 Amortization of SO2 Allowance Credit 407.3 Retail	-	-	-
610 Carrying Charges on Advanced Payments Under ETA 407.3 Retail	-	-	-
611 Amortization of COVID Regulatory Asset and Liability 407.3 Retail	-	-	-
612 Amortization of SJGS Decommissioning Ordinance Costs 407.3 Retail	-	-	-
613 Amortization of Additional Coal Mine Decommissioning 407.3 Retail	-	-	-
614 Amortization of 2025 Rate Case Expenses 407.3 Retail	-	-	-
615 Amortization of Energy Transition Cost True - Up 407.3 Retail	-	-	-
616 Total Other Allowable Expenses	-	19	-
617			
618			
619 Total Operating Expenses	(6,207,583)	19	(11,771,040)
620 (Excl Income & Revenue Related Taxes)			
621			
622 Total Net Original Cost Rate Base	-	4,117,026	-
623 Weighted Cost of Capital		, ,,==	
624 Return on Rate Base (excluding Debt Return- Reg Asset Adjustment)	-	284.032	-
625 Debt-Only Return Adjustment (66,166) -	-		-
626 Return on Rate Base (66,166) -	-	284,032	_

	Α	В	С	D	Е	F	V	W	Х	Υ	Z
1	Stip	ulatio	n Ex	hibit 1 - PNM's Illustrative Cost of Service Study							
2	Tes	t Peri	od Er	nding June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
3					Account	Allocator	Debt Only RC Expenses	ESA To Base	Treatment of Incentive Comp	NOL Adjustment	\$11.8M Reduction
627	,				71000unt	7 thoodtor	TTO Expenses	20,110 2000	moonare comp	1102 / tajaotinoni	T to data tion
_		eral Ir	ncom	e Tax							
629				ustments							
630	)			Long Term Debt		MDC	-	-	-	(85,122)	-
631				rn- Reg Asset Adjustment Interest Adjustment			(54,127)	-	-	-	-
632				Long Term Debt			(54,127)	-	-	(85,122)	-
633	3			•			,			, ,	
634	ı	Tax/E	Book A	Adjustments Adjustments							
635				•							
636						Total Net Plt	-	-	-	-	-
637		Non-	deduc	ctible Parking		Trans Dmd	-	-	-	-	-
638		Palo '	Verde	e 1 & 2 Gain Amort Flow Through		FERC	-	-	-	-	-
639	)	Palo '	Verde	e 1 & 2 Prudence Audit Flow Through		Retail	-	-	-	-	-
640	)	AFUE	DC Ed	quity Flow Through		Gen Dmd	-	=	-	-	=
641		AFUE	DC Ed	quity Flow Through - Renewables		Renewables	-	-	-	-	-
642	2	AFU	DC Ed	quity Flow Through - Grid Mod		Grid Mod	-	-	-	-	-
643	3	Fede	ral Gr	ant Amortization - Renewables		Renewables	-	-	-	-	-
644	ļ	Fede	ral Gr	rant Basis Adj - Renewables		Renewables	-	-	-	-	-
645	5			Flow Through		Retail	-	-	-	-	-
646				w Through		Retail	-	-	-	-	-
647				ACRS Flow Through		Retail	-	-	-	-	-
648	3			ers SO2 Reversal Flow Through		Retail	-	-	-	-	-
649	49 SL/GL Depreciation					Retail	-	-	-	-	-
650		Amor	_	on of EIP Prepaid Tax Reversal		Trans Dmd	-	-	-	-	-
651			Tota	l Tax/Book Adjustments			-	-	-	-	-
652	2										
653	3		Tota	l Return Adjustments			(54,127)	-	-	(85,122)	-
654	l .										
655	5		Net 7	Taxable Equity Return			(120,293)	-	-	198,911	-

	A В	С	D	E	F	V	W	Х	Y	Z
1 St	tipulatio	on Ex	hibit 1 - PNM's Illustrative Cost of Service Study							
2 <b>T</b> e	est Peri	od Er	nding June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
						Debt Only		Treatment of		\$11.8M
3				Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
656										
	ederal T	ax Ad	<u>ljustments</u>							
658										
659 N	et Provi	sion F	or Deferred Income Tax							
660	Exce	ss Pa	yroll Tax Reversal	410	Total W&S	-	-	-	-	-
661	Exce	ss De	eferred Federal Income Tax Amortization	ADIT	-	-	-	(5,917)	-	
662	ARA	M Def	erred Tax Reversal	Total Net Plt	-	-	-	-	-	
663		Tota	I Provision For Deferred Income Tax			-	-	-	(5,917)	-
664										
665 In	vestme	nt Tax	Credits							
666	Palo	Verde	e 1&2 Production ITC Amortization	411.4	Gen Dmd	-	-	-	-	-
667					Gen Dmd	-	-	-	-	-
668	Rene	wable	es ITC Amortization	411.4	Renewables	-	-	-	-	-
669	PV V	'alley	Transmission ITC Amortization	411.4	Trans Dmd	-	-	-	-	-
670	Rese	arch a	and Development & Other Credits	410	PV	-	-	-	-	-
671	Othe	r ITC	Amortization	411.4	Total Net Plt	-	-	-	-	-
672		Tota	I Investment Tax Credit Amortization & Other Credits			-	-	-	-	-
673										
674		Tota	l Federal Tax Adjustments			-	-	-	(5,917)	-
675			•							
676		Adju	sted Equity Return			(120,293)	-	-	192,994	-
677			eral Tax Factor (0.21/(1-0.21))			, , ,			,	
678			eral Income Tax			(31,977)	-	-	51,302	-
679		Add:				(2 ,211)			. ,,,,,	
680		Tota	l Provision For Deferred Income Tax			_	_	-	(5,917)	-
681			Amortization			_	_	-	-	-
682			I Investment Tax Credit Amortization & Other Credits			_	_	-	_	-
683		1								
684		Net A	Allowable Federal Income Tax			(31,977)	-	-	45,385	-

	A B C D	E	F	V	W	Х	Υ	Z
1 5	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study							
2 1	Test Period Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
2		Account	Allocator	Debt Only RC Expenses	ESA To Base	Treatment of Incentive Comp	NOL Adjustment	\$11.8M Reduction
3 685		Account	Allocator	NO Expenses	ESA 10 base	incentive Comp	NOL Adjustillelit	Reduction
	State Income Tax							
687	State income Tax							
688	Return on Rate Base			(00.400)			204 022	
689	Less: Return Adjustments			(66,166)	-	-	284,032	-
690	Interest on Long Term Debt			(54,127)	-	-	(85,122)	-
				(54,127)	-	-	, , ,	-
691 692	Tax/Book Adjustments Add: Net Allowable F I T			(24.077)	-	-	- 45,385	-
693	Add: Net Allowable F T T			(31,977)	-	-	45,385	-
	New Mexico NOL Valuation Allowance	410	Total Net Pit					
694 695	Amortization of Excess Deferred Taxes	410	ADIT	-	-	-	-	-
696	State Taxable Income		ADII	(152,270)	-	-	244,296	-
697	State Tax Factor			(152,270)	-	-	244,290	-
698	State Income Tax			(8,984)			14,413	
699	Add: 22 MW, Battery project and PV Farm PTC	409	Renewables	(0,904)	-	-	14,413	-
	Add: New Mexico NOL Valuation Allowance	410	Total Net Pit		-	-		-
700 701	Amortization of Excess Deferred Taxes	410	I otal Net Pit ADIT	-	-	-	-	-
701	Net Allowable State Income Tax		ADII	(8.984)	-	-	14.413	-
	Net Allowable State Income Tax			(8,984)	-	-	14,413	
703								
704								
705	Return on Rate Base			(66,166)	-	-	284,032	-
706								
707	Total Operating Expenses			-	-	(6,207,583)	19	(11,771,040)
708	(Excluding Income & Rev Related Taxes)							
709								
710	Net Allowable Federal Income Tax			(31,977)	-	-	45,385	-
711								
712	Net Allowable State Income Tax			(8,984)	-	-	14,413	-
713								

	Α	В	C D	E	F	V	W	Х	γ	Z
1			on Exhibit 1 - PNM's Illustrative Cost of Service Study	L	ı	V	VV	^	'	
	Stipui	atioi	on Exhibit 1 - Phin s inustrative cost of Service Study							
2	Test F	erio	iod Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
						Debt Only	•	Treatment of	•	\$11.8M
3				Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
714	Rever	nue C	Credits:							
715			of SO2 Credits	411	FERC	-	-	-	-	-
716			t For Electric Property Transmission	454	Trans Plt	-	-	-	-	-
717			for Electric Property - Distribution	454	Retail	-	-	-	-	-
718	La	ate P	Payment Charges	451	Retail	-	-		-	-
719			Service Charge Revenue	451	Retail	-	-	-	-	-
720	0	ther I	er Retail Revenue - Transmission	456	Trans Dmd	-	ı	ı	-	-
721			er Retail Revenue - Distribution	456	Retail	-	-	-	-	-
722	G	enera	eration Ancillary Services Credit Sch 2-5	456100	Gen Dmd	-	-	-	-	-
723			Power Losses (Financial)	456100	Gen Dmd	-		•	-	-
724	Ti	ransn	smission redispatch contract revenues	456100	Gen Dmd	-	-		-	-
725			llary Services-Sch 1 and Sch 8 Transmission	456100	Trans Dmd	-	-	-	-	-
726			t Term Firm Sch 7 Transmission	456100	Trans Dmd wo NITS	-	ı	٠	-	-
727			llary Services-Sch 1 ST PTP and Transmission Service	456100	-	-				
728			nomy Service Customer Revenue Credits	442&555	Retail	-	1	•	-	-
729	S	ecurit	uritization Servicing & Administration Fees	421	G&I PIt	-	1	•	-	-
730	S	hared	red Services Revenue	418	Retail	-	-		-	-
731										
732		1	Total Revenue Credits			-	-		-	-
733										
734		1	Total Revenue Requirements Before Revenue Tax			(107,127)	ı	(6,207,583)	343,851	(11,771,040)
735										
736		F	Revenue Tax Factor (I&S Fee) '(Revenue Tax Rate/(1-Revenue Tax Rate))							
737		F	Revenue Tax			(545)	ı	(31,570)	1,749	(59,864)
738										
739	NON-I	FUEL	EL REVENUE REQUIREMENT			(107,672)	82,142,228	(6,239,153)	345,599	(11,830,904)
740	FUEL	REV	EVENUE REQUIREMENT			-	(82,142,228)	-	-	-
	TOTA	L RE	REVENUE REQUIREMENT			(107,672)		(6,239,153)	345,599	(11,830,904)
742										
743	Weigh	ted C	Cost of Capital							
744	Lo	ong T	Term Debt							
745			erred Stock							
746	С	omm	imon Stock							
747	- 1		Total Weighted Cost of Capital							
748										
749		F	Federal Income Tax Rate							
750		-	. Sasar mostro rax ratio							
751			Effective State Income Tax Rate							
752			Encoure state mounte raxivate							
			190 F D-t-							
753		I	I&S Fee Rate							

A	В	C D	E	F	V	W	Х	Υ	Z
1 St	ipulatio	on Exhibit 1 - PNM's Illustrative Cost of Service Study							
		riod Ending June 30, 2026	FERC		Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9
3		Living data so, 2020	Account Allocator		Adjustment 5 Debt Only RC Expenses	ESA To Base	Adjustment 7 Treatment of Incentive Comp	NOL Adjustment	Adjustment 9 \$11.8M Reduction
754									
	ey Alloc	cators							
756									
757		Sales (MWh)							
758		Allocator		Sales					
759									
	age and	nd Salary Ratios		Ratios					
761		Production Other Prod O&M		18.93%					
762				Prod W&S					
763		Transmission Trans O&M		15.88%					
764				Trans W&S					
765		Distribution Dist O&M		33.28%					
766				Dist W&S					
767				Dist Was					
768		Total PTD		68.09%					
769		Allocator		00.0370					
770		Allocator							
771		Customer Accounting CA O&M		21.21%					
772		Cust Service & Information CS&I O&M		2.86%					
773		Sales Sales O&M		7.85%					
774		Total PTDCAS		100.00%					
775		Allocator		PTDCAS					
776									
777		Administrative and General							
778									
779		Total Wages and Salaries							
780		Allocator		Total W&S					
781				T					
782 Ne	et Plant	t In Service Ratios		Total W&S excluding Riders					
783									
784		Total Production Plant		5 15"					
785		Allocator		Prod Plt					
786									
787		Total Transmission Plant							
788		Allocator		Trans Plt					
789									
790		Total Distribution Plant		·					
791		Allocator		Dist Plt					
792									
793		Total General & Intangible Plant							
794		Allocator		G&I Plt					
795									

	Α	В	CDD	F	V	W	Х	Y	Z	
1			on Exhibit 1 - PNM's Illustrative Cost of Service Study							
			·							
				5500						
2	Test P	erio	iod Ending June 30, 2026	FERC		Adjustment 5 Debt Only	Adjustment 6	Adjustment 7 Treatment of	Adjustment 8	Adjustment 9 \$11.8M
3				Account	Allocator	RC Expenses	ESA To Base	Incentive Comp	NOL Adjustment	Reduction
796		Т	Total Net Plant	710000111	7 tilodatoi	TTO EXPONESS	20,110 2000	moonare comp	1102 / tajaotinion	, toddolloll
797			Allocator		Total Net Plt					
798										
799		Т	Total ADIT							
800		P	Allocator		ADIT					
801										
802		Т	Total Rate Base							
803		P	Allocator		Rate Base					
804										
805		C	Generation Demand allocator							
806					Gen Dmd					
807										
808		E	Energy allocator							
809					Energy					
810										
811		C	Generation and Transmission Demand		Gen/Trans Dmd					
812										
813										
814		1	Transmission Demand		Trans Dmd					
815 816										
816		-	Tours and so the set Network		Trans Dmd wo NITS					
818		-	Transmission Demand without Network		Trans Dmd wo NTS					
819										
	Other /	Alloc	ocators							
821	Otrici 7	Alloce	Social Section							
822		F	Excluded Costs		Excluded					
823			ZASIAGU GOSTO		ZXXXXX					
824		Г	Direct Assignment to NEC		NEC					
825										
826		P	Allocation to FERC Customers		FERC					
827										
828		[	Direct Assignment to Retail		Retail					
829										
830		P	Allocation to Palo Verde		PV					
831										
832		P	Allocation to Grid Mod		Grid Mod					
833				·						
834			Direct Assignment to Renewables		Renewables			_		

	Α	В	С	D	Е	F	G	Н
1	Stipulation Exhibit 1 - PNM's Illustr	ative Cost of Service	Study					
2	Base Period Ending December 31,	2023						
3	Debt Only Return On Reg Asset Ad	ljustments						
4								
5			Adjusted Base Period				Test Period	
6		Full Return On	Debt Only Return On	COS Adj		Full Return On	Debt Only Return On	COS Adj
7	2024 Rate Case Expenses	4,831,371	4,831,371			6,236,369	6,236,369	
8	PVNGS Replacement Resources	2,019,284	2,019,284			1,821,562	1,821,562	
9	SJGS Replacement Resources	8,318,775	8,318,775			7,667,139	7,667,139	
	SJGS Obsolete Inventory	6,294,642	6,294,642			5,801,562	5,801,562	
11	SJGS External Legal expenses	495,308	495,308			456,510	456,510	
12	EIM Implementation	18,731,021	18,731,021			11,431,010	11,431,010	
13	COVID-19 Regulatory Asset	896,317	896,317			1,561,547	1,561,547	
14	Energy Transition Cost True-up	(1,166,409)	(1,166,409)			(1,203,193)	(1,203,193)	
15	Total Reg Assets Rate Base	40,420,310	40,420,310			33,772,504	33,772,504	
16								
17								
18								
19	Rate Case Expenses	(1,227,168)	(1,227,168)			(1,584,038)	(1,584,038)	
20	PVNGS Replacement Resources	(512,898)	(512,898)			(462,677)	(462,677)	
21	SJGS Replacement Resources	(2,112,969)	(2,112,969)			(1,947,453)	(1,947,453)	
22	SJGS Obsolete Inventory	(1,598,839)	(1,598,839)			(1,473,597)	(1,473,597)	
23	SJGS External Legal expenses	(125,808)	(125,808)			(115,954)	(115,954)	
24	EIM Implementation	(4,757,679)	(4,757,679)			(2,903,476)	(2,903,476)	
25	COVID-19	(227,665)	(227,665)			(396,633)	(396,633)	
26	Energy Transition Cost True-up	296,268	296,268			305,611	305,611	
27	Total Reg Asset ADIT	(10,563,027)	(10,563,027)			(8,883,827)	(8,883,827)	
28								
29	Rate Base (Retail)	29,857,283	29,857,283			24,888,677	24,888,677	
30								
31	WACC	6.38%	3.47%			6.90%	4.24%	
32								
33	Return On Rate Base (Retail)	1,903,642	1,036,048	(867,594)		1,717,062	1,055,651	(661,411)
34								
35	Interest Adjustment (Retail)	513,631	1,036,048	(522,417)		514,586	1,055,651	(541,065)

	A	В	С	D	E
1	Stipulation Exhibit 1 - PNM's Illustrative Cost of Service Study				
2	Test Change Log				
3					
4					
5	Test Period		Non-Fuel	Fuel	Total Retail
			Revenue	Revenue	Revenue
6	Description		Requirement	Requirement	Requirement
7	Preliminary Test Period - PNM Retail		851,308,015	268,805,228	1,120,113,243
8					
9	Adjustments:				
10					
11	Adjustment to Billing Determinants (not in COS)				
12					
13	Adjustment 1: Set ROE to 9.45%		(20,941,303)	-	(20,941,303)
14	Adjustment 2: Set Cap Structure to 51% Equity		(3,747,385)	-	(3,747,385)
15	Adjustment 3: Remove Accelerated FCPP Depreciation		(19,614,177)	-	(19,614,177)
16	Adjustment 4: Unprotected EDFIT amort to 4-years (2.5 year remaining)		(5,231,597)	-	(5,231,597)
17	Adjustment 5: Debt Only adjustment on Rate Case Expenses		(107,672)	-	(107,672)
18	Adjustment 6: ESA to Base Rates		82,142,228	(82,142,228)	-
19	Adjustment 7: Treatment of Incentive Comp		(6,239,153)	-	(6,239,153)
20	Adjustment 8: NOL Adjustment		345,599	-	345,599
21	Adjustment 9: Generic \$11.8M Reduction		(11,830,904)	-	(11,830,904)
22					
23					
24					
25					
26					
27					
28					
29			866,083,651	186,663,000	1,052,746,651
30			-	-	-

	Α	В	С	D	E	F
1	Stipula	ation Exhibit 1 - PNM's	Illustrative Cost of Serv	vice Study		
2	Sched	ule A-5 - Stipulation				
3	Summ	ary of Total Capitalizat	ion and the Weighted	Average Cost of Capital		
4	Test P	eriod Ending June 30, 2	026			
5						
6	Line No.	Capital Component	Total Capitalization Test Period	Percentage of Total Capitalization	Capital Component Cost	Weighted Average Cost
7						
8						
9	1	Long Term Debt	2,243,720	48.75%	4.24%	2.07%
10						
11	2	Preferred Stock	11,529	0.25%	4.62%	0.01%
12						
13	3	Common Equity	2,347,644	51.00%	9.45%	4.82%
14						
15	4	Total	4,602,893	100.00%		6.90%
16						
17			145000		Tax Rate	25.40%
18						
19						Tax gross up
20					Debt	2.07%
21					Preferred	0.02%
22					Common	6.46%
23					Total	8.54%
24						
25						

# STIPULATION EXHIBIT 2

Stipulated Revenue Requirement Increases by Customer Class Consisting of 1 page

### Summary Table - Stipulated Phase I and Phase II Increases

	Col A	Col B	<u>Col C</u>	<u>Col D</u> Col B/Col A	<u>Col E</u>	Col F	<u>Col G</u> Col E/Col A	<u>Col H</u> 50% x Col E	Col I Col H/Col A	<u>Col J</u> 50% x Col E	Col K Col J/(Col A+Col H)
_					To	tal Phase I + Phase II		Phase	e I	Pł	hase II
Customer Class	Test Period Revenue at Current Rates	Cost-Based Increase/(Decrease)	Cost-Based Allocated Revenue Requirement	Cost-Based % Change	Total Banded Increase	Banded Revenue Requirement	Banded % Change	Effective July 1, 2025	% Change	Effective April 1, 2026	% Change from Phase I
1A/B - Residential	, , ,	\$ 113,858,235	\$ 481,814,049	30.94%	. , ,	\$ 440,977,278	19.85%		9.92%		9.03%
2A/B - Small Power	105,207,301	(5,331,415)	99,875,886	-5.07%	7,311,907	112,519,208	6.95%	3,655,954	3.48%	3,655,953.7	
3B - General Power	106,791,647	10,413,212	117,204,859	9.75%	10,413,212	117,204,859	9.75%	5,206,606	4.88%	5,206,605.9	4.65%
3C - General Power (Low Load Factor)	28,215,676	(5,522,010)	22,693,666	-19.57%	1,960,989	30,176,666	6.95%	980,495	3.48%	980,494.7	3.36%
3D - General Power Government	8,359,051	(150,976)	8,208,074	-1.81%	580,954	8,940,005	6.95%	290,477	3.48%	290,477.0	3.36%
3E - General Power (LLF) Government	1,622,980	(496,828)	1,126,152	-30.61%	112,797	1,735,777	6.95%	56,399	3.48%	56,398.6	3.36%
3F - Non-Residential Charging Stations Pilot	492,613	(277,427)	215,185	-56.32%	34,237	526,849	6.95%	17,118	3.48%	17,118.3	3.36%
4 - Large Power	57,310,829	95,211	57,406,041	0.17%	3,983,103	61,293,932	6.95%	1,991,551	3.48%	1,991,551.3	3.36%
5 - Large Service for Customers >=8,000kW	1,981,778	(1,023,207)	958,571	-51.63%	137,734	2,119,512	6.95%	68,867	3.48%	68,866.8	3.36%
10A/B - Irrigation	1,804,390	277,796	2,082,186	15.40%	277,796	2,082,186	15.40%	138,898	7.70%	138,897.9	7.15%
11 - Water/Sewage Pumping	8,192,657	1,742,753	9,935,411	21.27%	1,625,833	9,818,490	19.85%	812,916	9.92%	812,916.4	9.03%
15 - Universities 115kV	3,361,728	(1,142,549)	2,219,178	-33.99%	233,640	3,595,368	6.95%	116,820	3.48%	116,820.0	3.36%
30 - Manufacturing (30 MW)	35,822,209	(2,663,305)	33,158,904	-7.43%	2,489,644	38,311,853	6.95%	1,244,822	3.48%	1,244,821.8	3.36%
33 - Station Service	230,978	(151,961)	79,017	-65.79%	16,053	247,031	6.95%	8,026	3.48%	8,026.5	3.36%
35 - Large Power >=3,000kW	7,049,919	(211,845)	6,838,075	-3.00%	489,969	7,539,889	6.95%	244,985	3.48%	244,984.7	3.36%
36 - Special Service - Renew Energy Res	20,831,510	(5,615,403)	15,216,107	-26.96%	1,447,790	22,279,300	6.95%	723,895	3.48%	723,895.0	3.36%
6 - Private Lighting	2,315,366	(528,277)	1,787,089	-22.82%	160,918	2,476,284	6.95%	80,459	3.48%	80,459.0	3.36%
20 - Streetlighting	3,537,205	1,727,994	5,265,199	48.85%	701,958	4,239,163	19.85%	350,979	9.92%	350,979.2	9.03%
Total	\$ 761,083,651	\$ 104,999,997	\$ 866,083,648	13.80%	\$ 104,999,997	\$ 866,083,648	13.80%	\$ 52,499,998	6.90%	\$ 52,499,998	6.45%

# STIPULATION EXHIBIT 3

Summary of Stipulated Rate Schedules by Class Consisting of 8 pages

Schedule	Description	Rate schedule component	Curre	ent Charge (\$)		se 1 rate incr. (effective 7/1/2025)	% increase from current rates		se 2 rate incr. (effective 4/1/2026)	% increase from Phase 1 rates	Total % increase from current rates
1A	Residential Service										
		Customer Charge Energy Charge	\$	9.95	\$	10.94	9.93%	\$	11.93	9.03%	19.85%
		Block 1 Summer	\$	0.0748255	\$	0.0822519	9.93%	\$	0.0896783	9.03%	19.85%
		Block 2 Summer	\$	0.1240339	\$	0.1363443	9.93%	\$	0.1486546	9.03%	19.85%
		Block 3 Summer	\$	0.1664298	\$	0.1829479	9.93%	\$	0.1994661	9.03%	19.85%
		Block 1 Non-Summer	\$	0.0748255	\$	0.0822519	9.93%	\$	0.0896783	9.03%	19.85%
		Block 2 Non-Summer	\$	0.1070240	\$	0.1176461	9.92%	\$	0.1282683	9.03%	19.85%
		Block 3 Non-Summer	\$	0.1408090	\$	0.1554652	10.41%	\$	0.1701214	9.43%	20.82%
		Whole House EV Rate	\$	0.0315696	\$	0.0445348	41.07%	\$	0.0575000	29.11%	82.14%
1B	Residential Service T	ime-of-Use									
		Customer Charge	\$	21.14		23.24	9.93%	\$	25.34	9.03%	19.85%
		Meter Charge	\$	5.37	\$	5.90	9.92%	\$	6.44	9.03%	19.85%
		Energy Charge			١.			١.			
		Summer On-Peak	\$	0.1973457		0.2171580	10.04%	\$	0.2369704	9.12%	20.08%
		Summer Off-Peak	\$	0.0633977		0.0697625	10.04%	\$	0.0761273	9.12%	20.08%
		Non-Summer On-Peak	\$	0.1536420		0.1690668	10.04%	\$	0.1844915	9.12%	20.08%
		Non-Summer Off-Peak	\$	0.0633977	\$	0.0697625	10.04%	\$	0.0761273	9.12%	20.08%
2A	Small Power Service				١.			١.			
		Customer Charge	\$	22.08	\$	22.85	3.48%	\$	23.61	3.36%	6.95%
		Energy Charge			١.						
		Summer	\$	0.1094774		0.1133766	3.56%	\$	0.1172758	3.44%	7.12%
		Non-Summer	\$	0.0871961	\$	0.0903017	3.56%	\$	0.0934073	3.44%	7.12%
2B	Small Power Service										
		Customer Charge	\$	7.55		7.82	3.52%	\$	8.08	3.40%	7.04%
		Meter Charge Energy Charge	\$	8.23	\$	8.51	3.43%	\$	8.80	3.32%	6.87%
		Summer On-Peak	\$	0.2063978	ς	0.2137422	3.56%	\$	0.2210865	3.44%	7.12%
		Summer Off-Peak	\$	0.0594304	\$	0.0615452	3.56%	\$	0.0636599	3.44%	7.12%
		Non-Summer On-Peak	\$	0.1600557		0.1657511	3.56%	\$	0.1714464	3.44%	7.12%
		Non-Summer Off-Peak	\$	0.0594304		0.0615452	3.56%	\$	0.0636599	3.44%	7.12%
3B	General Power Servi	ce Time-of-Use									
		Customer Charge	\$	99.73	\$	104.60	4.87%	\$	109.46	4.65%	9.75%
		Demand Charge	•		ļ .			l <sup>.</sup>			
		Primary Summer	\$	29.76	\$	33.27	11.81%	\$	36.79	10.56%	23.61%
		Primary Non-Summer	\$	22.11	\$	24.72	11.81%	\$	27.33	10.56%	23.61%
		Secondary Summer	\$	30.15	\$	33.71	11.81%	\$	37.27	10.56%	23.61%
		Secondary Non-Summer	\$	22.51	\$	25.17	11.81%	\$	27.83	10.56%	23.61%
		Energy Charge									

	Summer On-Peak	\$	0.0180963	Ś	0.0127483	-29.55%	\$	0.0074003	-41.95%	-59.11%
	Summer Off-Peak	\$	0.0084248		0.0059350	-29.55%	\$	0.0034453	-41.95%	-59.11%
	Non-Summer On-Peak	\$	0.0149913		0.0105609	-29.55%	\$	0.0061305	-41.95%	-59.11%
	Non-Summer Off-Peak	\$	0.0084248		0.0059350	-29.55%	\$	0.0034453	-41.95%	-59.11%
	Other Charges	,					Ι΄			
	Billable RkVA Summer	\$	0.27	Ś	0.27	0.00%	\$	0.27	0.00%	0.00%
	Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
		,		T			"		5.55,1	
	General Power Service (Low Load Factor) Time-of-Use						١.			
	Customer Charge	\$	72.18	\$	74.69	3.48%	\$	77.20	3.36%	6.95%
	<u>Demand Charge</u>						١.			
	Primary Summer	\$	15.52		16.06	3.48%	\$	16.60	3.36%	6.95%
	Primary Non-Summer	\$	11.43		11.82	3.48%	\$	12.22	3.36%	6.95%
	Secondary Summer	\$	16.18		16.75	3.48%	\$	17.31	3.36%	6.95%
	Secondary Non-Summer	\$	12.09	\$	12.51	3.48%	\$	12.93	3.36%	6.95%
	Energy Charge						1			
	Summer On-Peak	\$	0.0628693		0.0651645	3.65%	\$	0.0674597	3.52%	7.30%
	Summer Off-Peak	\$	0.0283339		0.0293683	3.65%	\$	0.0304027	3.52%	7.30%
	Non-Summer On-Peak	\$	0.0473595	\$	0.0490885	3.65%	\$	0.0508175	3.52%	7.30%
	Non-Summer Off-Peak	\$	0.0283339	\$	0.0293683	3.65%	\$	0.0304027	3.52%	7.30%
	Other Charges						1			
	Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
	Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
_										
)	General Power Service Time-of-Use		00 -0	_						
	Customer Charge	\$	99.73	\$	103.20	3.48%	\$	106.67	3.36%	6.95%
	<u>Demand Charge</u>									
	Primary Summer	\$	29.76		30.79	3.48%	\$	31.83	3.36%	6.95%
	Primary Non-Summer	Ş	22.11		22.88	3.48%	\$	23.65	3.36%	6.95%
	Secondary Summer	\$	30.15		31.20	3.48%	\$	32.25	3.36%	6.95%
	Secondary Non-Summer	\$	22.51	\$	23.30	3.48%	\$	24.08	3.36%	6.95%
	Energy Charge			l .			1.			
	Summer On-Peak	\$	0.0180963		0.0188423	4.12%	\$	0.0195882	3.96%	8.24%
	Summer Off-Peak	\$	0.0084248		0.0087721	4.12%	\$	0.0091194	3.96%	8.24%
	Non-Summer On-Peak	\$	0.0149913		0.0156092	4.12%	\$	0.0162272	3.96%	8.24%
	Non-Summer Off-Peak	\$	0.0084248	\$	0.0087721	4.12%	\$	0.0091194	3.96%	8.24%
	Other Charges						1			
	Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
	Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
Ē	General Power Service (Low Load Factor) Time-of-Use									
-	Customer Charge	\$	72.18	¢	74.69	3.48%	\$	77.20	3.36%	6.95%
		ş	/2.10	٧	74.03	3.40/0	۲	77.20	3.30/0	0.33/0
	Demand Charge	ċ	15.52	ċ	16.06	3.47%	خ	16.60	2 26%	6.95%
	Primary Summer	\$					\$		3.36%	
	Primary Non-Summer	\$ \$	11.43		11.82	3.47%	\$	12.22	3.36%	6.95%
	Secondary Summer	\$	16.18		16.74	3.47%	\$	17.31	3.36%	6.95%
	Secondary Non-Summer	\$	12.09	\$	12.51	3.47%	\$	12.93	3.36%	6.95%
	Energy Charge		0.000000	,	0.0054005	2 600/	,	0.0674057	2 550/	7.000
	Summer On-Peak	\$	0.0628693	\$	0.0651825	3.68%	\$	0.0674957	3.55%	7.36%

		Comment Off Bank	<u>,</u>	0.0202220	م ا	0.0202764	2.600/	Là	0.0204400	3 550/	I 7.26%	
		Summer Off-Peak	\$	0.0283339		0.0293764	3.68%	\$	0.0304189	3.55%	7.36%	
		Non-Summer On-Peak	\$	0.0473595		0.0491021	3.68%	\$	0.0508446	3.55%	7.36%	
		Non-Summer Off-Peak	\$	0.0283339	\$	0.0293764	3.68%	\$	0.0304189	3.55%	7.36%	
		Other Charges			١,		/	_				
		Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%	
		Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%	
3F	Commercial Chargin	g Station										
		Customer Charge	\$	72.18	\$	74.69	3.48%	\$	77.20	3.36%	6.95%	
		Energy Charge										
		Summer On-Peak	\$	0.1865171	\$	0.1931210	3.54%	\$	0.1997250	3.42%	7.08%	
		Summer Off-Peak	\$	0.0642196	\$	0.0664934	3.54%	\$	0.0687672	3.42%	7.08%	
		Non-Summer On-Peak	\$	0.1380762	\$	0.1429650	3.54%	\$	0.1478538	3.42%	7.08%	
		Non-Summer Off-Peak	\$	0.0642196	\$	0.0664934	3.54%	\$	0.0687672	3.42%	7.08%	
4B	Large Power Service	Time-of-Use										
	. 0	Customer Charge	\$	666.65	\$	689.82	3.48%	\$	712.98	3.36%	6.95%	
		Demand Charge	•		l			'				
		Primary Summer	\$	28.44	\$	29.42	3.47%	\$	30.41	3.36%	6.95%	
		Primary Non-Summer	\$	19.79	\$	20.48	3.47%	\$	21.17	3.36%	6.95%	
		Secondary Summer	\$	30.74	\$	31.81	3.47%	\$	32.88	3.36%	6.95%	
		Secondary Non-Summer	Ś	22.09	\$	22.85	3.47%	\$	23.62	3.36%	6.95%	
		Energy Charge	т.		T .			T				
		Summer On-Peak	\$	0.0203688	Ś	0.0211805	3.98%	\$	0.0219922	3.83%	7.97%	
		Summer Off-Peak	\$	0.0105786	Ś	0.0110001	3.98%	\$	0.0114216	3.83%	7.97%	
		Non-Summer On-Peak	\$	0.0159947		0.0166321	3.98%	\$	0.0172695	3.83%	7.97%	
		Non-Summer Off-Peak	Ś			0.0110001	3.98%	\$	0.0114216	3.83%	7.97%	
		Other Charges	•		l			'				
		Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%	
		Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%	
5B	Large Service for Cu	stomers >= 8,000 kW min. at 115 kV, 69 kV or 34.5 kV										
36	Large Service for Cu.	Customer Charge	\$	2,325.12	خ	2,405.92	3.48%	\$	2,486.72	3.36%	6.95%	
		Demand Charge	Y	2,323.12	,	2,403.32	3.40/0		2,400.72	3.30%	0.55%	
		Summer	\$	11.19	\$	11.58	3.47%	\$	11.97	3.36%	6.95%	
		Non-Summer	\$		\$	7.03	3.48%	\$	7.27	3.36%	6.95%	
		Energy Charge	Ψ.	0.00	_	7.00	0.1070	Ψ.	,	0.0070	0.50%	
		Summer On-Peak	\$	0.0672492	Ś	0.0696747	3.61%	\$	0.0721001	3.48%	7.21%	
		Summer Off-Peak	\$	0.0298010		0.0308759	3.61%	\$	0.0319507	3.48%	7.21%	
		Non-Summer On-Peak	Ś	0.0479979	\$	0.0497291	3.61%	\$	0.0514602	3.48%	7.21%	
		Non-Summer Off-Peak	Ś		\$	0.0308759	3.61%	\$	0.0319507	3.48%	7.21%	
		Other Charges	Ψ.	0.0250010	_	0.0000755	0.0270	Ψ	0.002007	0.1070	7.22/	
		Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%	
		Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%	
			·		ļ ·							
10A	Irrigation Service											
		Customer Charge	\$	15.14	\$	16.30	7.70%	\$	17.47	7.15%	15.40%	
		Energy Charge										
		Summer	\$	0.0803334	\$	0.0865976	7.80%	\$	0.0928618	7.23%	15.60%	

		Nan Cumman	ć	0.0722115	ا د	0.0700304	7.00%	ا د	0.0046303	7 220/	45.00%
		Non-Summer	\$	0.0732115	\$	0.0789204	7.80%	\$	0.0846293	7.23%	15.60%
10B	Irrigation Service Tir										
		Customer Charge	\$	11.27	\$	12.13	7.70%	\$	13.00	7.15%	15.40%
		Meter Charge	\$	3.87	\$	4.17	7.70%	\$	4.47	7.15%	15.40%
		Energy Charge			١.			١.			
		Summer On-Peak	\$	0.1225840	\$	0.1321390	7.79%	\$	0.1416941	7.23%	15.59%
		Summer Off-Peak	\$	0.0558272	\$	0.0601788	7.79%	\$	0.0645303	7.23%	15.59%
		Non-Summer On-Peak	\$	0.1122023	\$	0.1209480	7.79%	\$	0.1296938	7.23%	15.59%
		Non-Summer Off-Peak	\$	0.0558272	\$	0.0601788	7.79%	\$	0.0645303	7.23%	15.59%
11B	Water and Sewage I	Pumping Service Time-of-Use									
	· ·	Customer Charge	\$	395.99	\$	380.02	-4.03%	\$	364.05	-4.20%	-8.07%
		Energy Charge									
		Summer On-Peak	\$	0.1725843	\$	0.1921836	11.36%	\$	0.2117830	10.20%	22.71%
		Summer Off-Peak	\$	0.0215731	\$	0.0240230	11.36%	\$	0.0264729	10.20%	22.71%
		Non-Summer On-Peak	\$	0.1078652	\$	0.1201147	11.36%	\$	0.1323643	10.20%	22.71%
		Non-Summer Off-Peak	\$	0.0215731	\$	0.0240230	11.36%	\$	0.0264729	10.20%	22.71%
15B	Large Service for Pu	blic Universities >= 8,000 kW min. at 115 kV									
130	Large Service for Fu	Customer Charge	\$	4,937.47	\$	5,109.05	3.47%	\$	5,280.63	3.36%	6.95%
		Demand Charge	Ψ.	.,5571	Ψ	3,203.00	<b>C</b> (1770	1	3,200.00	0.00%	0.007.0
		Summer	\$	11.77	\$	12.18	3.48%	\$	12.59	3.36%	6.95%
		Non-Summer	\$	7.12	\$	7.37	3.48%	\$	7.62	3.36%	6.95%
		Energy Charge	,		Ť			1			
		Summer On-Peak	\$	0.0491205	\$	0.0509141	3.65%	\$	0.0527077	3.52%	7.30%
		Summer Off-Peak	\$	0.0196097	\$	0.0203257	3.65%	\$	0.0210418	3.52%	7.30%
		Non-Summer On-Peak	\$	0.0383915	\$	0.0397933	3.65%	\$	0.0411952	3.52%	7.30%
		Non-Summer Off-Peak	\$	0.0196097	\$	0.0203257	3.65%	\$	0.0210418	3.52%	7.30%
		Other Charges	·		ļ ·			'			
		Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
		Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
30B	Large Service for Ma	anufacturing >= 30,000 kW min. at Distribution Voltage									
305	Earlie Service for the	Customer Charge	\$	48,167.15	\$	49,840.95	3.48%	\$	51,514.76	3.36%	6.95%
		Demand Charge	Ψ.	10,107.13	_	15,5 10.55	J. 10/0		31,31 0	3.3070	0.55/0
		Summer	\$	27.38	\$	28.33	3.47%	\$	29.28	3.36%	6.95%
		Non-Summer	\$	19.36		20.03	3.47%	\$	20.70	3.36%	6.95%
		Energy Charge	Ψ.	25.50	Ψ	20.00	<b>C</b> (1770	1	20.70	0.00%	0.007.0
		Summer On-Peak	\$	0.0152150	\$	0.0158321	4.06%	\$	0.0164492	3.90%	8.11%
		Summer Off-Peak	Ś	0.0074235	\$	0.0077245	4.06%	\$	0.0080256	3.90%	8.11%
		Non-Summer On-Peak	Ś	0.0117982	'	0.0122767	4.06%	\$	0.0127552	3.90%	8.11%
		Non-Summer Off-Peak	\$	0.0074235	\$	0.0077245	4.06%	\$	0.0080256	3.90%	8.11%
		Other Charges	•		<u> </u>			1			
		Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
		Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
33B	Large Service for Sta	ation Power Time-of-Use									
	20.00 00.000 101 000	Customer Charge	\$	431.70	Ś	446.70	3.48%	\$	461.70	3.36%	6.95%
			7	.52.70	I T			1 *	.020		1

		Demand Charge			I			Ī			1
		Summer	\$	0.28	\$	1.28	352.00%	\$	2.28	77.88%	704.00%
		Non-Summer	\$	0.20		0.88	352.00%	\$	1.57	77.88%	704.00%
		Energy Charge									
		Summer On-Peak	Ś	0.0707748	\$	0.0642855	-9.17%	\$	0.0577962	-10.09%	-18.34%
		Summer Off-Peak	\$	0.0350702		0.0318547	-9.17%	\$	0.0286391	-10.09%	-18.34%
		Non-Summer On-Peak	Ś	0.0577940		0.0524949	-9.17%	\$	0.0471958	-10.09%	-18.34%
		Non-Summer Off-Peak	Ś	0.0350702		0.0318547	-9.17%	\$	0.0286391	-10.09%	-18.34%
		Other Charges	,		T			T			
		Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
		Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
			Ψ.	0.27	_	0.27	0.0075	Ť	0.27	0.00%	
5B	Large Power Service	>= 3,000 kW Time-of-Use									
		Customer Charge	\$	3,400.29	\$	3,518.45	3.48%	\$	3,636.61	3.36%	6.95%
		Demand Charge									
		Summer	\$	22.91	\$	23.71	3.47%	\$	24.50	3.36%	6.95%
		Non-Summer	\$	14.74	\$	15.25	3.47%	\$	15.76	3.36%	6.95%
		Energy Charge									
		Summer On-Peak	\$	0.0178831	\$	0.0185930	3.97%	\$	0.0193029	3.82%	7.94%
		Summer Off-Peak	\$	0.0092876	\$	0.0096563	3.97%	\$	0.0100250	3.82%	7.94%
		Non-Summer On-Peak	\$	0.0140428	\$	0.0146003	3.97%	\$	0.0151577	3.82%	7.94%
		Non-Summer Off-Peak	\$	0.0092876	\$	0.0096563	3.97%	\$	0.0100250	3.82%	7.94%
		Other Charges									
		Billable RkVA Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
		Billable RkVA Non-Summer	\$	0.27	\$	0.27	0.00%	\$	0.27	0.00%	0.00%
			·		·			'			
В	Special Service Rate										
		Customer Charge	\$	21,857.02	\$	22,616.55	3.48%	\$	23,376.08	3.36%	6.95%
		Transmission Demand Charge	\$	4.53	\$	4.68	3.48%	\$	4.84	3.36%	6.95%
		Contribution to Production Component									
		Energy Related Non-Fuel Charge	\$	0.0242411	\$	0.0253634	4.63%	\$	0.0264856	4.42%	9.26%
	Private Area Lighting	-									
		<u>Fixture Rate</u>			١.			١.			
		175W MV Lt (73 kWh) - (LA12)	\$	11.63		13.02	11.93%	\$	14.41	10.66%	23.87%
		175W MV Lt (73 kWh) - (LA1A)	\$	11.63		13.02	11.93%	\$	14.41	10.66%	23.87%
		400W MV Lt (162 kWh) - (LAFA)	\$	23.02	1.	26.01	12.96%	\$	28.99	11.47%	25.92%
		400W MH Lt (162 kWh) - (LAMA)	\$	24.67	\$	27.71	12.33%	\$	30.75	10.97%	24.65%
		1,000W MH Lt (380 kWh) - (LANA)	\$	53.31	\$	60.29	13.08%	\$	67.26	11.57%	26.16%
		100W HPS Lt (45 kWh) - (LA32)	\$	9.34	\$	10.27	9.97%	\$	11.20	9.07%	19.95%
		100W HPS Lt (45 kWh) - (LA3A)	\$	9.34	\$	10.27	9.97%	\$	11.20	9.07%	19.95%
		200W HPS Lt (89 kWh) - (LAOA)	\$			16.98	11.34%	\$	18.71	10.19%	22.69%
		200W HPS Lt (89 kWh) - (LATA)	\$	15.25		16.98	11.34%	\$	18.71	10.19%	22.69%
		400W HPS FL (165 kWh) - (LA42)	\$	25.52		28.63	12.19%	\$	31.74	10.87%	24.38%
		400W HPS FL (165 kWh) (30' Wood Pole) - (LB42)	\$	25.52		28.63	12.19%	\$	31.74	10.87%	24.38%
		400W HPS FL (165 kWh) (35' Wood Pole) - (LC42)	\$	25.52		28.63	12.19%	\$	31.74	10.87%	24.38%
		400W HPS FL (165 kWh) (40' Wood Pole) - (LD42)	\$	25.52		28.63	12.19%	\$	31.74	10.87%	24.38%
		400W HPS Lt (165 kWh) - (LA4A)	\$	25.52		28.63	12.19%	\$	31.74	10.87%	24.38%
		40W LED - Company Owned - (QA12)	\$	11.63	Ċ	3.38	· · · · · · · · · · · · · · · · · · ·	\$	3.38	·	-70.96%

	40W LED - Company Owned - (QA1A)	\$	11.63		3.38		\$	3.38		-70.96%
	40W LED - Company Owned - (QA32)	\$	9.34	\$	3.38		\$	3.38		-63.84%
	40W LED - Company Owned - (QA3A)	\$	9.34	\$	3.38		\$	3.38		-63.84%
	120W LED - Company Owned - (QAFA)	\$	23.02	\$	10.16		\$	10.16		-55.88%
	120W LED - Company Owned - (QAOA)	\$	15.25	\$	10.16		\$	10.16		-33.40%
	120W LED - Company Owned - (QATA)	\$	15.25	\$	10.16		\$	10.16		-33.40%
	200W LED - Company Owned - (QB42)	\$	25.52	\$	16.91		\$	16.91		-33.72%
	200W LED - Company Owned - (QC42)	\$	25.52	\$	16.91		\$	16.91		-33.72%
	250W LED - Company Owned - (QA42)	\$	25.52	\$	21.16		\$	21.16		-17.08%
	Pole Charge									
	Pole Charge (wood) - (LOLA)	\$	3.06	\$	3.16	3.49%	\$	3.27	3.38%	6.99%
20	Integrated System Streetlighting and Floodlighting Service - New Installation	on								
	Fixture Charge									
	175W Mercury Vapor and Streetlight - Co Own	\$	13.56	\$	14.91	9.95%	\$	16.25	9.05%	19.90%
	400W Mercury Vapor Streetlight - Co Own	\$	20.58		22.63	9.95%	\$	24.68	9.05%	19.90%
	55W Low Pressure Sodium Street Light - Co Own	\$	12.18		13.39	9.95%	\$	14.60	9.05%	19.90%
	135W Low Pressure Sodium Street Light - Co Own	\$	16.42		18.06	9.95%	\$	19.69	9.05%	19.90%
	70W High Pressure Sodium Street Light - Co Own	\$	10.50	\$	11.54	9.95%	\$	12.59	9.05%	19.90%
	100W High Pressure Sodium Street Light - Co Own	\$	11.52	\$	12.67	9.95%	\$	13.82	9.05%	19.90%
	200W High Pressure Sodium Street Light - Co Own	\$	14.37	\$	15.80	9.95%	\$	17.23	9.05%	19.90%
	250W High Pressure Sodium Street Light - Co Own	\$	16.58	\$	18.23	9.95%	\$	19.88	9.05%	19.90%
	400W High Pressure Sodium Flood Light - Co Own	\$	20.81	\$	22.88	9.95%	\$	24.95	9.05%	19.90%
	400W High Pressure Sodium Street Light - Co Own	\$	20.81	\$	22.88	9.95%	\$	24.95	9.05%	19.90%
	175W Mercury Vapor and Streetlight - Cu Own	\$	5.31	\$	5.84	9.95%	\$	6.37	9.05%	19.90%
	400W Mercury Vapor Streetlight - Cu Own	\$	11.79	\$	12.97	9.95%	\$	14.14	9.05%	19.90%
	55W Low Pressure Sodium Street Light - Cu Own	\$	2.04	\$	2.25	9.95%	\$	2.45	9.05%	19.90%
	135W Low Pressure Sodium Street Light - Cu Own	\$	4.58	\$	5.04	9.95%	\$	5.49	9.05%	19.90%
	70W High Pressure Sodium Street Light - Cu Own	\$	2.25	\$	2.48	9.95%	\$	2.70	9.05%	19.90%
	100W High Pressure Sodium Street Light - Cu Own	\$	3.28	\$	3.61	9.95%	\$	3.93	9.05%	19.90%
	200W High Pressure Sodium Street Light - Cu Own	\$	6.48	\$	7.13	9.95%	\$	7.77	9.05%	19.90%
	250W High Pressure Sodium Street Light - Cu Own	\$	7.79	\$	8.56	9.95%	\$	9.33	9.05%	19.90%
	400W High Pressure Sodium Flood Light - Cu Own	\$	12.01	\$	13.21	9.95%	\$	14.40	9.05%	19.90%
	400W High Pressure Sodium Street Light - Cu Own	\$	12.01	\$	13.21	9.95%	\$	14.40	9.05%	19.90%
	10W LED - Company Owned	\$	0.68	\$	0.75	9.95%	\$	0.82	9.05%	19.90%
	20W LED - Company Owned	\$	1.36	\$	1.50	9.95%	\$	1.63	9.05%	19.90%
	30W LED - Company Owned	\$	2.05	\$	2.26	9.95%	\$	2.46	9.05%	19.90%
	40W LED - Company Owned	\$	2.73	\$	3.00	9.95%	\$	3.28	9.05%	19.90%
	50W LED - Company Owned	\$	3.41	\$	3.75	9.95%	\$	4.09	9.05%	19.90%
	• •	\$ \$	4.09	۶ \$	4.50	9.95%	\$	4.91	9.05%	19.90%
	60W LED - Company Owned		4.09					4.91 5.74		
	70W LED - Company Owned	\$ \$	_	\$	5.26	9.95%	\$ \$		9.05%	19.90%
	80W LED - Company Owned		5.46	\$	6.01	9.95%		6.55	9.05%	19.90%
	90W LED - Company Owned	\$ \$	6.15	\$ \$	6.76	9.95%	\$	7.37	9.05%	19.90%
	100W LED - Company Owned		6.83		7.51	9.95%	\$	8.18	9.05%	19.90%
	110W LED - Company Owned	\$	7.52	\$	8.26	9.95%	\$	9.01	9.05%	19.90%
	120W LED - Company Owned	\$	8.20	\$	9.01	9.95%	\$	9.83	9.05%	19.90%
	130W LED - Company Owned	\$	8.88	\$	9.76	9.95%	\$	10.64	9.05%	19.90%
	140W LED - Company Owned	\$	9.56	\$	10.51	9.95%	\$	11.46	9.05%	19.90%
	150W LED - Company Owned	\$	10.24	\$	11.26	9.95%	\$	12.28	9.05%	19.90%

160W LED - Company Owned	\$ 10.93	\$ 12.02	9.95%	\$	13.11	9.05%	19.90%
170W LED - Company Owned	\$ 11.61	\$ 12.77	9.95%	\$	13.92	9.05%	19.90%
180W LED - Company Owned	\$ 12.29	\$ 13.51	9.95%	\$	14.74	9.05%	19.90%
190W LED - Company Owned	\$ 12.97	\$ 14.26	9.95%	\$	15.55	9.05%	19.90%
200W LED - Company Owned	\$ 13.66	\$ 15.02	9.95%	\$	16.38	9.05%	19.90%
210W LED - Company Owned	\$ 14.34	\$ 15.77	9.95%	\$	17.20	9.05%	19.90%
220W LED - Company Owned	\$ 15.02	\$ 16.52	9.95%	\$	18.01	9.05%	19.90%
230W LED - Company Owned	\$ 15.70	\$ 17.27	9.95%	\$	18.83	9.05%	19.90%
240W LED - Company Owned	\$ 16.39	\$ 18.03	9.95%	\$	19.66	9.05%	19.90%
250W LED - Company Owned	\$ 17.08	\$ 18.77	9.95%	\$	20.47	9.05%	19.90%
260W LED - Company Owned	\$ 17.76	\$ 19.52	9.95%	\$	21.29	9.05%	19.90%
270W LED - Company Owned	\$ 18.44	\$ 20.27	9.95%	\$	22.11	9.05%	19.90%
280W LED - Company Owned	\$ 19.12	\$ 21.02	9.95%	\$	22.92	9.05%	19.90%
290W LED - Company Owned	\$ 19.81	\$ 21.78	9.95%	\$	23.75	9.05%	19.90%
300W LED - Company Owned	\$ 20.49	\$ 22.53	9.95%	\$	24.57	9.05%	19.90%
310W LED - Company Owned	\$ 21.17	\$ 23.28	9.95%	\$	25.38	9.05%	19.90%
320W LED - Company Owned	\$ 21.85	\$ 24.02	9.95%	\$	26.20	9.05%	19.90%
330W LED - Company Owned	\$ 22.54	\$ 24.78	9.95%	\$	27.03	9.05%	19.90%
340W LED - Company Owned	\$ 23.22	\$ 25.53	9.95%	\$	27.84	9.05%	19.90%
350W LED - Company Owned	\$ 23.90	\$ 26.28	9.95%	\$	28.66	9.05%	19.90%
360W LED - Company Owned	\$ 24.58	\$ 27.03	9.95%	\$	29.47	9.05%	19.90%
370W LED - Company Owned	\$ 25.27	27.79	9.95%	\$	30.30	9.05%	19.90%
380W LED - Company Owned	\$ 25.95	\$ 28.54	9.95%	\$	31.12	9.05%	19.90%
390W LED - Company Owned	\$ 26.63	29.28	9.95%	\$	31.93	9.05%	19.90%
400W LED - Company Owned	\$ 27.32	30.03	9.95%	\$	32.75	9.05%	19.90%
10W LED - Customer Owned	\$ 0.19	\$ 0.21	9.95%	\$	0.23	9.05%	19.90%
20W LED - Customer Owned	\$ 0.38	\$ 0.42	9.95%	\$	0.46	9.05%	19.90%
30W LED - Customer Owned	\$ 0.58	\$ 0.63	9.95%	\$	0.69	9.05%	19.90%
40W LED - Customer Owned	\$ 0.77	\$ 0.84	9.95%	\$	0.92	9.05%	19.90%
50W LED - Customer Owned	\$ 0.96	\$ 1.05	9.95%	\$	1.15	9.05%	19.90%
60W LED - Customer Owned	\$ 1.15	\$ 1.26	9.95%	\$	1.38	9.05%	19.90%
70W LED - Customer Owned	\$ 1.34	\$ 1.48	9.95%	\$	1.61	9.05%	19.90%
80W LED - Customer Owned	\$ 1.53	\$ 1.69	9.95%	\$	1.84	9.05%	19.90%
90W LED - Customer Owned	\$ 1.73	\$ 1.90	9.95%	\$	2.07	9.05%	19.90%
100W LED - Customer Owned	\$ 1.92	\$ 2.11	9.95%	\$	2.30	9.05%	19.90%
110W LED - Customer Owned	\$ 2.11	\$ 2.32	9.95%	\$	2.53	9.05%	19.90%
120W LED - Customer Owned	\$ 2.30	\$ 2.53	9.95%	\$	2.76	9.05%	19.90%
130W LED - Customer Owned	\$ 2.49	\$ 2.74	9.95%	\$	2.99	9.05%	19.90%
140W LED - Customer Owned	\$ 2.68	\$ 2.95	9.95%	\$	3.22	9.05%	19.90%
150W LED - Customer Owned	\$ 2.88	\$ 3.16	9.95%	\$	3.45	9.05%	19.90%
160W LED - Customer Owned	\$ 3.07	\$ 3.37	9.95%	\$	3.68	9.05%	19.90%
170W LED - Customer Owned	\$ 3.26	\$ 3.58	9.95%	\$	3.91	9.05%	19.90%
180W LED - Customer Owned	\$ 3.45	\$ 3.79	9.95%	\$	4.14	9.05%	19.90%
190W LED - Customer Owned	\$ 3.63	\$ 4.00	9.95%	\$	4.36	9.05%	19.90%
200W LED - Customer Owned	\$ 3.83	\$ 4.21	9.95%	\$	4.59	9.05%	19.90%
210W LED - Customer Owned	\$ 4.02	\$ 4.42	9.95%	\$	4.82	9.05%	19.90%
220W LED - Customer Owned	\$ 4.21	\$ 4.63	9.95%	\$	5.05	9.05%	19.90%
230W LED - Customer Owned	\$ 4.40	\$ 4.84	9.95%	\$	5.28	9.05%	19.90%
240W LED - Customer Owned	\$ 4.59	5.05	9.95%	\$	5.51	9.05%	19.90%
	•			•			•

250W LED - Customer Owned	\$ 4.78	\$ 5.26	9.95%	\$ 5.74	9.05%	19.90%
260W LED - Customer Owned	\$ 4.98	\$ 5.47	9.95%	\$ 5.97	9.05%	19.90%
270W LED - Customer Owned	\$ 5.17	\$ 5.68	9.95%	\$ 6.20	9.05%	19.90%
280W LED - Customer Owned	\$ 5.36	\$ 5.89	9.95%	\$ 6.43	9.05%	19.90%
290W LED - Customer Owned	\$ 5.55	\$ 6.10	9.95%	\$ 6.66	9.05%	19.90%
300W LED - Customer Owned	\$ 5.74	\$ 6.31	9.95%	\$ 6.89	9.05%	19.90%
310W LED - Customer Owned	\$ 5.93	\$ 6.53	9.95%	\$ 7.12	9.05%	19.90%
320W LED - Customer Owned	\$ 6.13	\$ 6.74	9.95%	\$ 7.35	9.05%	19.90%
330W LED - Customer Owned	\$ 6.32	\$ 6.95	9.95%	\$ 7.58	9.05%	19.90%
340W LED - Customer Owned	\$ 6.51	\$ 7.16	9.95%	\$ 7.81	9.05%	19.90%
350W LED - Customer Owned	\$ 6.70	\$ 7.37	9.95%	\$ 8.04	9.05%	19.90%
360W LED - Customer Owned	\$ 6.89	\$ 7.58	9.95%	\$ 8.27	9.05%	19.90%
370W LED - Customer Owned	\$ 7.09	\$ 7.79	9.95%	\$ 8.50	9.05%	19.90%
380W LED - Customer Owned	\$ 7.28	\$ 8.00	9.95%	\$ 8.73	9.05%	19.90%
390W LED - Customer Owned	\$ 7.47	\$ 8.21	9.95%	\$ 8.96	9.05%	19.90%
400W LED - Customer Owned	\$ 7.66	\$ 8.42	9.95%	\$ 9.19	9.05%	19.90%
460W LED - Customer Owned	\$ 8.81	\$ 9.69	9.95%	\$ 10.56	9.05%	19.90%
470W LED - Customer Owned	\$ 9.00	\$ 9.90	9.95%	\$ 10.79	9.05%	19.90%
Metered Lighting Energy Charge						
Company-Owned	\$ 0.1860062	\$ 0.2046255	10.01%	\$ 0.2232448	9.10%	20.02%
Customer-Owned	\$ 0.0538669	\$ 0.0592271	9.95%	\$ 0.0645872	9.05%	19.90%
Pole Charge						
Wood Pole	\$ 4.66	\$ 5.12	9.95%	\$ 5.59	9.05%	19.90%
Non-Wood Pole	\$ 9.06	\$ 9.96	9.95%	\$ 10.86	9.05%	19.90%

# STIPULATION EXHIBIT 4

Potential Community Solar Bill Credits Consisting of 2 pages

#### Sample PNM Community Solar credit calculations by customer class based on settlement 11-19-2024 Phase 1 Rates

					30 /6 /0 /5 /5	5	- Large Service for		44	45 11.5	20. 14		25 1 2	26 6 116 1
Line			1A/B - Residential 2A	/R - Small Dower	3B/C/D/E/F - General Power	4 - Large Power	Customers >=8,000kW	10A/B - Irrigation	11 - Water/Sewage Pumping	15 - Universities 3 115kV	30 - Manufacturing (30 MW)	33 - Station Service	35 - Large Power >=3,000kW	36 - Special Service - Renew Energy Res
Line			A	B	C	D	E	F	G	H	(30 10100)	I	/=3,000KW	I
1	Demand Components <sup>4</sup>		\$288,462,089	\$84,496,233	\$137,686,944	\$53,393,687	\$1,714,434	•	\$7,670,99 <u>6</u>	\$2,884,764	\$31,782,640	\$183,647	\$6,281,151	\$18,208,287
2	Production		\$135,575,129	\$35,894,471	\$61,679,582	\$26,633,862	\$1,277,478		\$2,878,798	\$2,195,004	\$22,033,750		\$4,309,289	
3	Transmission		\$43,451,643	\$11,504,129	\$19,768,222	\$8,752,259	\$436,956		\$971,467	\$689,761	\$7,491,621		\$1,465,187	
1	Distribution													
4	Distribution		\$109,435,317	\$37,097,633	\$56,239,140	\$18,007,566	\$0	\$710,909	\$3,820,731	\$0	\$2,257,268	\$0	\$506,675	\$0
_	. 4		442.047.052	44.054.44	40.042.220	44 500 544	4207.040	400.040	4704404	4545 500	Å4.530.045	422.020	<b>6075 404</b>	42.020.477
5 6	Energy Components <sup>4</sup> Fuel		<u>\$12,817,863</u>	\$4,954,414	\$9,012,330	<u>\$4,599,614</u>	\$287,919		<u>\$734,121</u>	<u>\$515,580</u>	<u>\$4,629,846</u>	·	<u>\$875,191</u>	
7	Non-Fuel		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0		\$0	
,	Non-ruei		\$12,817,863	\$4,954,414	\$9,012,330	\$4,599,614	\$287,919	\$98,913	\$734,121	\$515,580	\$4,629,846	\$38,828	\$875,191	\$2,930,177
8	Customer Components <sup>4</sup>		\$103,213,87 <u>5</u>	\$19,417,868	\$5,329,869	\$1,311,94 <u>6</u>	\$48,392	<u>\$252,351</u>	\$601,07 <u>1</u>	\$78,37 <u>1</u>	\$656,337	\$16,54 <u>1</u>	<u>\$138,914</u>	<u>\$417,983</u>
9	Services		\$15,239,392	\$1,893,726	\$0	\$0	\$0		\$0	\$0	\$0 \$0		\$0	
10	Meters		\$15,802,028	\$6,777,441	\$2,945,748	\$603,344	\$7,482		\$475,538	\$5,482	\$3,910		\$14,925	
11	Meter Reading		\$21,358,120	\$3,059,816	\$229,279	\$8,797	\$109		\$6,934	\$80	\$57		\$218	
12	Billing & Collection		\$31,166,777	\$4,106,098	\$385,859	\$44,187	\$144		\$9,162	\$106	\$75		\$288	
13	Service and Information		\$0	\$0	\$0	\$0	, \$0		\$0	\$0	\$0		\$0	
14	Other		\$19,647,558	\$3,580,787	\$1,768,983	\$655,617	\$40,656		\$109,437	\$72,703	\$652,294		\$123,484	
15	<u>Total Company</u>		\$404,493,827	\$108,868,515	\$152,029,143	\$59,305,246	\$2,050,744	\$1,943,328	\$9,006,188	\$3,478,716	\$37,068,822	\$239,016	\$7,295,256	\$21,556,447
	Excluded Charges													
16	Minimum Monthly Customer Charge		\$65,503,372	\$15,022,036	\$4,965,333	\$1,382,339	\$28,871	\$61,101	\$684,035	\$61,309	\$598,091	\$5,360	\$147,775	\$271,399
17	Minimum Monthly Demand Charge		\$0	\$0	\$60,618,240	\$23,608,063	\$785,805	\$0	\$0	\$824,632	\$7,967,265	\$5,914	\$2,162,442	\$0
18	Energy Components (kWh)		3,244,185,240	965,768,590	1,881,620,770	946,037,310	28,595,990	22,518,980	172,081,786	69,886,280	879,995,270	2,727,450	174,308,550	350,268,360
19	Demand and Energy Rate (\$/kWh)	L15/L18	\$0.1246827	\$0.1127273	\$0.0807969	\$0.0626881	\$0.0717144	\$0.0862973	\$0.0523367	\$0.0497768	\$0.0421239	\$0.0876334	\$0.0418525	\$0.0615427
20	Rider 23 Fuel Rate (\$/kWh) 1	Then current Rider No 23												
21	Rider 36 Renewable Energy (\$/kWh) <sup>2</sup>	Then Current Rider No 36												
	Less													
22	Monthly Excluded Charges (\$/kWh)	(L16 + L17) / L18	\$0.0201910	\$0.0155545	\$0.0348548	\$0.0264159	\$0.0284892	\$0.0027133	\$0.0039751	\$0.0126769	\$0.0097334	\$0.0041338	\$0.0132536	\$0.0007748
23	Total Aggregate Retail Rate ("TARR") (\$/kWh) <sup>3</sup>	L19 + L20 + L21 - L22	\$0.1044917	\$0.0971728	\$0.0459421	\$0.0362722	\$0.0432252	\$0.0835840	\$0.0483616	\$0.0370999	\$0.0323905	\$0.0834997	\$0.0285989	\$0.0607678
	Less													
24	Distribution Cost Component Rate (\$/kWh)	L4 / L18	\$0.0337328	\$0.0384125	\$0.0298887	\$0.0190347	\$0.0000000	\$0.0315693	\$0.0222030	\$0.0000000	\$0.0025651	\$0.000000	\$0.0029068	\$0.000000
25	Community Solar Bill Credit Rate (\$/kWh)	L23- L24	\$0.0707589	\$0.0587603	\$0.0160534	\$0.0172375	\$0.0432252	\$0.0520147	\$0.0261586	\$0.0370999	\$0.0298254	\$0.0834997	\$0.0256922	\$0.0607678
26	Base Bill Credit Rate (\$/kWh)	L23 - L24 - L20 - L21	\$0.0707589	\$0.0587603	\$0.0160534	\$0.0172375	\$0.0432252	\$0.0520147	\$0.0261586	\$0.0370999	\$0.0298254	\$0.0834997	\$0.0256922	\$0.0607678
27	Fuel and Purchased Power Adjustment Clause	L20												

#### Notes

- The Fuel and purchased Power Adjustment Clause rate is tied to Rider No 23. Rider 23 is updated quarterly. If specific values for Fuel and Purchased Power Adjustment Clause were included in Rider 56, PNM would have to update Rider 56 with each Rider No 23 update.
- The Renewable Energy Attributes are tied to Rider No 36. Rider No. 36 is updated twice annually. If specific values were included in Rider 56, PNM would have to update Rider 56 with each Rider No 36 update.
- 3 The TARR is updated with final order values in each rate case.

Renewable Energy Attributes - Reference Rider No. 36

- If the specific values for Fuel and Purchased Power Adjustment Clause and Renewable Energy Attributes were included in Rider No 56, the rider would have to be updated 6 times per year. This would create a large regulatory burden.
- 4 The illustrative demand, energy, and customer components were generated by running the Rate Design Model using the 50% of the banded revenue increase by class agreed upon in the stipulation.

#### Sample PNM Community Solar credit calculations by customer class based on settlement 11-19-2024, Phase II Rates

					3B/C/D/E/F -		- Large Service for Customers		11 - Water/Sewage		30 - Manufacturing		-	36 - Special Service -
Line			1A/B - Residential 2A		General Power	4 - Large Power	>=8,000kW	10A/B - Irrigation	Pumping	115kV	(30 MW)	33 - Station Service	>=3,000kW	Renew Energy Res
	Daniel Community		Α	В	C	D	E	F	G	Н	1	J	K	L
1	Demand Components		\$314,480,020	\$87,329,649	\$143,628,964	\$55,184,140	\$1,771,924	\$1,705,822	\$8,362,872	\$2,981,499	\$32,848,408		\$6,491,777	
2	Production		\$147,803,371	\$37,098,122	\$64,360,447	\$27,526,976	\$1,320,316	\$714,970	\$3,138,448	\$2,268,609	\$22,772,609		\$4,453,792	
3	Transmission		\$47,370,778	\$11,889,897	\$20,627,435	\$9,045,749	\$451,608	\$229,147	\$1,059,087	\$712,890	\$7,742,838	3 \$45,211	\$1,514,319	\$18,818,866
4	Distribution		\$119,305,871	\$38,341,630	\$58,641,082	\$18,611,415	\$0	\$761,706	\$4,165,337	\$0	\$2,332,961	L \$0	\$523,666	\$0
-														
5	Energy Components		\$13,973,974	\$5,120,551	\$9,400,859	\$4,753,853	\$297,573	\$105,981	\$800,334	\$532,869	\$4,785,099		\$904,539	
6	Fuel		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$C		\$0	
/	Non-Fuel		\$13,973,974	\$5,120,551	\$9,400,859	\$4,753,853	\$297,573	\$105,981	\$800,334	\$532,869	\$4,785,099	\$40,130	\$904,539	\$3,028,434
8	Customer Components		\$112,523,28 <u>3</u>	\$20,069,008	\$5,554,33 <u>2</u>	\$1,355,93 <u>9</u>	\$50,01 <u>4</u>	\$270,383	\$655,283	\$80,999	<u>\$678,346</u>	\$17,096	<u>\$143,572</u>	<u>\$432,000</u>
9	Services		\$16,613,913	\$1,957,228	\$0	\$0	\$0	\$0	\$0	\$0			\$0	
10	Meters		\$17,227,297	\$7,004,709	\$3,068,723	\$623,576	\$7,733	\$204,657	\$518,429	\$5,666	\$4,041	\$10,934	\$15,425	
11	Meter Reading		\$23,284,522	\$3,162,421	\$238,851	\$9,092	\$113	\$15,929	\$7,559	\$83	\$59		\$225	
12	Billing & Collection		\$33,977,874	\$4,243,788	\$402,016	\$45,669	\$149	\$21,048	\$9,988	\$109	\$78	\$211	\$297	\$99
13	Service and Information		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Other		\$21,419,676	\$3,700,862	\$1,844,742	\$677,602	\$42,019	\$28,748	\$119,307	\$75,141	\$674,168	\$5,792	\$127,625	\$426,706
15	Total Company		\$440,977,278	\$112,519,208	\$158,584,155	\$61,293,932	\$2,119,512	\$2,082,186	\$9,818,490	\$3,595,368	\$38,311,853	\$ \$247,031	\$7,539,889	\$22,279,300
	Excluded Charges													
16	Minimum Monthly Customer Charge		\$71,417,595	\$15,526,521	\$5,180,185	\$1,428,762	\$29,841	\$65,470	\$655,283	\$63,368	\$618,177	7 \$5,540	\$152,738	\$280,513
17	Minimum Monthly Demand Charge		\$0	\$0	\$58,129,633	\$22,790,037	\$637,527	\$0	\$0	\$796,938	\$7,696,581		\$2,089,169	
18	Energy Components (kWh)		3,244,185,240	965,768,590	1,881,620,770	946,037,310	28,595,990	22,518,980	172,081,786	69,886,280	879,995,270	2,727,450	174,308,550	350,268,360
19	Demand and Energy Rate (\$/kWh)	L15/L18	\$0.1359285	\$0.1165074	\$0.0842806	\$0.0647902	\$0.0741192	\$0.0924636	\$0.0570571	\$0.0514460	\$0.0435364	\$0.0905721	\$0.0432560	\$0.0636064
20	Rider 23 Fuel Rate (\$/kWh) 1	Then current Rider No 23												
21	Rider 36 Renewable Energy (\$/kWh) <sup>2</sup>	Then Current Rider No 36												
	Less													
22	Monthly Excluded Charges (\$/kWh)	(L16 + L17) / L18	\$0.0220140	\$0.0160769	\$0.0336464	\$0.0256003	\$0.0233378	\$0.0029073	\$0.0038080	\$0.0123101	\$0.0094486	\$0.0058884	\$0.0128617	\$0.0008009
23	Total Aggregate Retail Rate ("TARR") (\$/kWh) 3	L19 + L20 + L21 - L22	\$0.1139145	\$0.1004306	\$0.0506342	\$0.0391899	\$0.0507814	\$0.0895563	\$0.0532491	\$0.0391359	\$0.0340878	\$0.0846836	\$0.0303943	\$0.0628055
	Less													
24	Distribution Cost Component Rate (\$/kWh)	L4 / L18	\$0.0367753	\$0.0397006	\$0.0311652	\$0.0196730	\$0.0000000	\$0.0338251	\$0.0242056	\$0.000000	\$0.0026511		\$0.0030042	•
25	Community Solar Bill Credit Rate (\$/kWh)	L23- L24	\$0.0771392	\$0.0607299	\$0.0194690	\$0.0195169	\$0.0507814	\$0.0557312	\$0.0290436	\$0.0391359	\$0.0314367	•	\$0.0273900	·
26	Base Bill Credit Rate (\$/kWh)	L23 - L24 - L20 - L21	\$0.0771392	\$0.0607299	\$0.0194690	\$0.0195169	\$0.0507814	\$0.0557312	\$0.0290436	\$0.0391359	\$0.0314367	\$0.0846836	\$0.0273900	\$0.0628055
27	Fuel and Purchased Power Adjustment Clause	L20												

The Fuel and purchased Power Adjustment Clause rate is tied to Rider No 23. Rider 23 is updated quarterly. If specific values for Fuel and Purchased Power Adjustment Clause were included in Rider 56, PNM would have to update Rider 56 with each Rider No 23 update.

2 The Renewable Energy Attributes are tied to Rider No 36. Rider No 36 is updated twice annually. If specific values were included in Rider 56, PNM would have to update Rider 56 with each Rider No 36 update.

3 The TARR is updated with final order values in each rate case.

28 Renewable Energy Attributes - Reference Rider No. 36

Notes

If the specific values for Fuel and Purchased Power Adjustment Clause and Renewable Energy Attributes were included in Rider No 56, the rider would have to be updated 6 times per year. This would create a large regulatory burden.

### **BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

OF PUBLIC SERVICE COMPANY OF NEW	
MEXICO FOR REVISION OF ITS RETAIL	)
ELECTRIC RATES PURSUANT TO ADVICE	Case No. 24-00089-UT
NOTICE NO. 625	)
PUBLIC SERVICE COMPANY OF NEW MEXICO,	) ) )
Applicant	

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the **Unopposed Comprehensive Stipulation** was emailed to parties listed below on November 26, 2024:

PRC Records Management Bureau	Prc.records@prc.nm.gov;
Ana Kippenbrock	Ana.kippenbrock@prc.nm.gov;
Christopher Ryan	Christopher.Ryan@prc.nm.gov;
John F. Kreienkamp	john.kreienkamp@prc.nm.gov;
PRC ADVISORY STAFF	
Alejandro Rettig y Martinez	Alejandro.martinez@prc.nm.gov;
Robert Lundin	robert.lundin@prc.nm.gov;
Scott Cameron	Scott.cameron@prc.nm.gov;
ABCWUA	
Christopher Melendez	cmelendrez@abcwua.org;
Dahl Harris	dahlharris@hotmail.com;
Keith Herrmann	kherrmann@stelznerlaw.com;
L. Erica Flores	eflores@stelznerlaw.com;
Nann M. Winter	nwinter@stelznerlaw.com;
BERNALILLO COUNTY	
Bernie Vigil	bvigil@bernco.gov;
Matt Dunne	Mateo@transformconsulting.com;
Marah deMeule	mdemeule@bernco.gov;
Maureen Reno	mreno@reno-energy.com;
Natalia Sanchez Downey	ndowney@bernco.gov;
Valerie Joe	vjoe@bernco.gov;
W. Ken Martinez	Kenmartinez@bernco.gov;
CITY OF ALBUQUERQUE	
Brent Chapman	bchapman@cabq.gov;
Bryan Rowland	browland@cabq.gov;

Jennifer Lucero	- jenniferlucero@cabq.gov;
Larry Blank	lb@tahoeconomics.com;
CCAE	
Cara Lynch	Lynch.Cara.NM@gmail.com;
Caitlin Evans	Evans.ccae@gmail.com;
Charles de Saillan	desaillan.ccae@gmail.com;
Don Hancock	sricdon@earthlink.net;
COALITION FOR COMMUNITY	
SOLAR ACCESS (CCSA)  Kevin Cray	kevin@communitysolaraccess.org;
Nick Bowman	nick@communitysolaraccess.org;
Stephanie Dzur	Stephanie@Dzur-Law.com;
ECOMAXSOLAR	Stephanie (UDZui-Law.com,
Brian Harris	brianhattorney@gmail.com;
Rocky Baccus	rockybacchus@gmail.com;
KROGER	Tockybacchus@gman.com,
	jkylercohn@BKLlawfirm.com;
Jody Kyler Cohn McKenzie St. Denis	mckenzie@legalsolutionsofnm.com;
Justin Bieber	jbieber@energystrat.com;
Kurt J. Boehm	kboehm@bkllawfirm.com;
NEE	ROOCHIII@OKIIaWIIIII.COIII,
Christopher Sandberg	cksandberg@mac.com;
Mariel Nanasi	mariel@seedsbeneaththesnow.com;
Stephanie Dzur	Stephanie@dzur-law.com;
NMDOJ	Stephanie (gazar taw.com,
Andrea Crane	ctcolumbia@aol.com;
Arleen Serrato	Aserrato@nmdoj.gov;
Doug Gegax	dgegax@nmsu.edu;
Gideon Elliot	GElliot@nmdoj.gov;
Jocelyn Barrett	JBarrett@nmdoj.gov;
Maria Oropeza	MOropeza@nmdoj.gov;
NM AREA	-r
Brian Andrews	bandrews@consultbai.com;
James R. Dauphinais	jdauphinais@consultbai.com;
Katrina Reid	office@thegouldlawfirm.com;
Kelly Gould	kelly@thegouldlawfirm.com;
Peter J. Gould	peter@thegouldlawfirm.com;
ONWARD ENERGY HOLDINGS, LLC	,
Jeffery Spurgeon	Jeffrey.spurgeon@onwardenergy.com;
Joesph Yar	joseph@velardeyar.com;
Ryan Keefe	ryan.keefe@onwardenergy.com;
Shawna Tillberg	shawna@velardeyar.com;
	5114 11 114 (10) 1 5141 40 J 41 . O 1111,

PRC ADVOCACY STAFF	a cata malal-@:
Agata Malek	agata.malek@prc.nm.gov;
Bryce Zedalis	bryce.zedalis1@prc.nm.gov;
Christopher Dunn	Christopher.Dunn@prc.nm.gov;
Daren Zigich	daren.zigich@prc.nm.gov;
Ed Rilkoff	ed.rilkoff@prc.nm.gov;
Edison Jimenez	Edison.Jimenez@prc.nm.gov;
Elisha Leyba-Tercero	Elisha.leyba-tercero@prc.nm.gov;
Elizabeth Ramirez	Elizabeth.Ramirez@prc.nm.gov;
Gabriella Dasheno	gabriella.dasheno@prc.nm.gov;
Jack Sidler	Jack.Sidler@prc.nm.gov;
John Bogatko	john.bogatko@prc.nm.gov;
Jonah Mauldin	Jonah.Mauldin@prc.nm.gov;
Marc Tupler	Marc.tupler@prc.nm.gov;
Naomi Velasquez	naomi.velasquez1@prc.nm.gov;
Nicholas Rossi	nicholas.rossi@prc.nm.gov;
Peggy Martinez-Rael	Peggy.Martinez-Rael@prc.nm.gov;
Ryan Friedman	Ryan.Friedman@prc.nm.gov;
PNM	
Christopher Atencio	Christopher.Atencio@pnmresources.com;
Debrea Terwilliger	dterwilliger@wbklaw.com;
John Verheul	John.verheul@pnmresources.com;
Justin Rivord	Justin.Rivord@pnm.com;
Henry Monroy	Henry.Monroy@pnmresources.com;
PNM Regulatory	pnmregulatory@pnm.com;
Raymond L. Gifford	rgifford@wbklaw.com;
Rick Alvidrez	ralvidrez@mstlaw.com;
Ruth Townsend	Ruth.Townsend@pnm.com
Stacey Goodwin, Esq.	Stacey.Goodwin@pnmresources.com;
REIA	,
Adam Harper	adamh@oesolar.com;
Debra Doll	oceanblu62@gmail.com;
Dylan Connelly	Dylan.connelly@affordable-solar.com;
Jim DesJardins	Jimdesjardins1@gmail.com;
WALMART	
Julie A. Clark	jclark@clarkflege.com;
Steve W. Chriss	Stephen.chriss@walmart.com;
Jaime McGovern	Jaime.McGovern@walmart.com;
WRA	Jamie.wicoovern@wannart.com;
Hunter Holman	Hunter.holman@westernresources.org;
	<u> </u>
Cydney Beadles Caitlin Evans	Cydney.Beadles@westernresources.org;

By: /s/ Justin Rivord

Justin Rivord, Project Manager

PNM Regulatory Policy & Case Management
Public Service Company of New Mexico

GCG#533212