

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

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

**DIRECT TESTIMONY
OF
HEIDI M. PITTS PH.D.**

March 2, 2026

NMPRC DOCKET NO. 26-00000
INDEX TO THE DIRECT TESTIMONY OF
HEIDI M. PITTS PH.D.

WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

I. INTRODUCTION AND PURPOSE 1

II. RIDER 60 GRID MODERNIZATION, YEAR ONE..... 2

PNM Exhibit HMP-1 Statement of Qualifications;

PNM Exhibit HMP-2 Class Allocators and Revenue Requirements;

PNM Exhibit HMP-3 Proposed Rider 60 Grid Modernization Charges;

PNM Exhibit HMP-4 Rider 60 Grid Modernization Bill Impacts;

PNM Exhibit HMP-5 Rider 60 Grid Modernization Tariff Redline Version.

Affidavit

**DIRECT TESTIMONY
OF HEIDI M. PITTS PH.D.
NMPRC CASE NO. 26-00000___**

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I. INTRODUCTION AND PURPOSE

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

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

Q. Please summarize your educational background and professional qualifications.

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

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

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

Q. What is the purpose of your direct testimony?

A. I will discuss the steps needed to calculate the class-specific Rider 60 Grid Modernization (“Rider 60”) charge for year one using the year one revenue requirement provided by PNM witness Reina Gutierrez. I calculate bill impacts for all customer classes. Finally, I include the Original Rider 60 redline tariff.

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

2 **A.** Yes. I am filing four additional exhibits:

- 3 • PNM Exhibit HMP-2 Class allocators and revenue requirements, year one;
- 4 • PNM Exhibit HMP-3 Proposed Rider 60 Grid Modernization charges for
- 5 year one;
- 6 • PNM Exhibit HMP-4 Rider 60 Grid Modernization Bill Impacts year one;
- 7 • PNM Exhibit HMP-5 Original Rider 60 Grid Modernization tariff redline
- 8 version.

9

10 **II. RIDER 60 GRID MODERNIZATION, YEAR ONE**

11 **Q. Please describe this reconciliation filing.**

12 **A.** The purpose of this reconciliation filing is to set the Rider 60 charges. PNM is
13 filing its testimony and exhibits on March 2 and will file the Advice Notice on
14 March 16 with a proposed effective date of April 15, 2026, for Rider 60. This rider
15 uses the Grid Modernization year one revenue requirement in PNM Exhibit RNG-
16 2 and allocates it among customer classes using the allocators in PNM Exhibit
17 HMP-2.

18

19 **Q. Has PNM calculated the Original Rider 60 Grid Modernization rates for year**
20 **one?**

21 **A.** Yes. Using the approved allocators from Docket No. 24-00089-UT, PNM's most
22 recent general rate case, and the revenue requirement provided by PNM witness
23 Gutierrez, I calculated customer class specific Rider 60 charges for year one, which

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1 ended December 31, 2025. These charges and the associated bill impacts are
2 provided in PNM Exhibits HMP-3 and HMP-4. PNM will request an effective date
3 of April 15, 2026.

4

5 **Q. Please describe how Rider 60 Grid Modernization is calculated.**

6 **A.** The first step is to functionalize the revenue requirement in the COST™ Model
7 using production, storage, distribution, and transmission functional allocator ratios.
8 For the Grid Modernization projects, all costs are functionalized only to distribution
9 categories; the functional allocator ratios for production, transmission, and storage
10 are all zero percent. See pages 1-3 of PNM Exhibit HMP-2, Functional Allocator
11 Summary Year One.

12

13 The second step in the COST™ Model is to classify the distribution category costs
14 among customer classes using the class allocator ratios. The result is the customer-
15 class specific revenue requirement. See PNM Exhibit HMP-2, Class Allocator
16 Summary for the class allocator ratios on pages 4 and 5. Page 6 and 7, line 69 for
17 the class-specific year one revenue requirement.

18

19 The final step is to use the year one revenue requirement and the customer class
20 determinants approved in PNM's most recent rate case, Docket No. 24-00089-UT,
21 to calculate the monthly dollar per customer charge for each customer class. In the
22 case of the two lighting classes, Rate 6 Private Lighting and Rate 20 Streetlights, a
23 per light charge was calculated.

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1 **Q. Have there been any changes to the customer allocations since the update**
2 **provided in the first annual grid modernization review filing in Docket No. 25-**
3 **00049-UT?**

4 **A.** No. The functional allocator ratios, the class allocator ratios, and the customer
5 number determinants remain the same as what was filed in Docket No. 25-00049-
6 UT in PNM Exhibit HMP-2 and PNM Exhibit HMP-3.

7
8 **Q. Does every customer class have a Rider 60 Grid Modernization charge?**

9 **A.** Yes. The non-lighting customer classes have a dollar per customer monthly charge,
10 while the lighting customer classes have a dollar per light monthly charge.

11

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

13 **A.** Yes. PNM Exhibit HMP-4 shows the calculated bill impacts for all non-lighting
14 rates schedules using at least three levels of consumption and demand, if applicable.

15

16 **Q. Do you provide a redline tariff of the Original Rider 60 Grid Modernization?**

17 **A.** Yes. See PNM Exhibit HMP-5.

18

19 **Q. Is this the same Original Rider 60 as was filed in Docket No. 22-00058-UT?**

20 **A.** No. There have been some modifications. PNM filed an illustrative Original Rider
21 XX in Docket No. 22-00058-UT, in PNM Exhibit SC-2 to the Direct Testimony of
22 PNM witness Stella Chan. The final rider number was not known at the time. That

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1 original rider provided the following sections based on PNM’s proposal at the time:
2 i) applicability; ii) territory; iii) description; iv) Grid Modernization Rate; v) annual
3 review and reconciliation filings; and vi) rules and regulations. The Final Order in
4 that case did not approve the rider. PNM is filing a redline Original Rider 60 Grid
5 Modernization in this docket with customer class-specific charges and
6 modifications that I will discuss next.

7

8 **Q. Please describe the changes shown in the redline Original Rider 60.**

9 **A.** In the Grid Modernization Charge section, the General Power customer classes all
10 have their own unique Rider 60 charges. Therefore, there are five distinct line items
11 for General Power Service 3B, General Power Low Load Factor 3C, General Power
12 Government 3D, General Power LLF Government 3E, and Commercial Charging
13 Stations 3F. Next, the Annual Review and Reconciliation Filings section is
14 changed to just inform the process of the annual reconciliation filing. This is
15 because the Rider 60 charges that are calculated for each annual review are
16 illustrative only based on forecast cost and do not impact the rider in effect at all.
17 To minimize confusion to customers, PNM decided that the effective rider should
18 only discuss the process used to calculate the rider charges being presented.

19

20 **Q. Does this complete your testimony?**

21 **A.** Yes.

Heidi M. Pitts Resume

PNM Exhibit HMP-1

Is contained in the following 2 pages.

HEIDI M. PITTS: EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Heidi M. Pitts

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

Position: Principal Pricing Analyst

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

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

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

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

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

Testimony Filed Before the New Mexico Public Regulation Commission:

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

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

GCG#534882

Class Allocators and Revenue Requirements

PNM Exhibit HMP-2

Is contained in the following 7 pages.

PNM Exhibit HMP-2: Functional Allocator Summary Year One

Line	Revenue Requirement	Functional Allocators					
		Distribution- Customer- Services	Distribution- Customer- Meters	Distribution- Customer-Meter Reading	Distribution- Customer-Billing & Collections	Distribution- Customer- Service & Info	Distribution- Customer-Other
1	GROSS PLANT						
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
4	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
5							
6							
7	ACCUMULATED DEPRECIATION						
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
11							
12							
13	ADIT						
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
16	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
17							
18							
19	O&M						
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
22	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL A&G	DIST_W&S	2.63%	24.38%	0.00%	0.00%	2.16%
24							
25							
26	DEPRECIATION EXPENSE						
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
29	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	100.00%
30							
31							
32	PROPERTY TAX						
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%
35	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
36							
37							
38							
39	TOTAL REVENUE CREDITS	GP_TOTAL	0.00%	82.76%	0.00%	0.00%	0.00%

PNM Exhibit HMP-2: Year One Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules																	
			Schedule 10	Schedule 11B	Schedule 15B	Schedule 30B	Schedule 33B	Schedule 35B	Schedule 36B	Schedule 6	Schedule 20									
			Irrigation	Water & Sewage	Universities	Manufacturing (30 MW)	Station Power	Large Service (3 MW)	Special Service Rate	Priv. Area Light	Streetlighting									
1	GROSS PLANT																			
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	TOTAL DISTRIBUTION PLANT - SOFTWARE	WTD_METE	\$ 139,086	\$ 356,522	\$ 2,377	\$ 2,377	\$ 2,377	\$ 2,377	\$ 9,507	\$ 2,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	\$ 14,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,432	\$ -	\$ 20,896	\$ -
5	TOTAL GROSS PLANT		\$ 153,296	\$ 356,522	\$ 2,377	\$ 2,377	\$ 2,377	\$ 2,377	\$ 9,507	\$ 2,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,432	\$ -	\$ 20,896	\$ -
6																				
7																				
8	ACCUMULATED DEPRECIATION																			
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION SOFTWARE	WTD_METE	\$ (6,296)	\$ (16,138)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (430)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)
11	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	\$ (567)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (337)	\$ -	\$ (834)	\$ (834)
12	TOTAL ACCUMULATED DEPRECIATION		\$ (6,863)	\$ (16,138)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (430)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (108)	\$ (337)	\$ -	\$ (834)	\$ (834)
13																				
14																				
15	ADIT																			
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	TOTAL DISTRIBUTION ADIT - SOFTWARE	WTD_METE	\$ (12,296)	\$ (31,518)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (840)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)
18	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	\$ (94)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (56)	\$ -	\$ (138)	\$ (138)
19	TOTAL ADIT		\$ (12,389)	\$ (31,518)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (840)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (210)	\$ (56)	\$ -	\$ (138)	\$ (138)
20																				
21																				
22	TOTAL RATE BASE		\$ 134,043	\$ 308,866	\$ 2,059	\$ 2,059	\$ 2,059	\$ 2,059	\$ 8,236	\$ 2,059	\$ 2,059	\$ 2,059	\$ 2,059	\$ 2,059	\$ 2,059	\$ 2,059	\$ 8,040	\$ -	\$ 19,924	\$ 19,924
23	TOTAL RATE BASE Average of 12 Months		\$ 39,469	\$ 90,946	\$ 606	\$ 606	\$ 606	\$ 606	\$ 2,425	\$ 606	\$ 606	\$ 606	\$ 606	\$ 606	\$ 606	\$ 606	\$ 2,367	\$ -	\$ 5,867	\$ 5,867
24	RETURN ON RATE BASE		\$ 2,723	\$ 6,274	\$ 42	\$ 42	\$ 42	\$ 42	\$ 167	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 163	\$ -	\$ 405	\$ 405
25																				
26	O&M																			
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	\$ 1,812	\$ 4,644	\$ 31	\$ 31	\$ 31	\$ 31	\$ 124	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31	\$ -	\$ -	\$ -	\$ -
28	TOTAL DISTRIBUTION O&M - SOFTWARE	WTD_METE	\$ 4,938	\$ 12,658	\$ 84	\$ 84	\$ 84	\$ 84	\$ 338	\$ 84	\$ 84	\$ 84	\$ 84	\$ 84	\$ 84	\$ 84	\$ -	\$ -	\$ -	\$ -
29	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	\$ 8,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,287	\$ -	\$ 13,101	\$ 13,101
30	Distribution-Demand-Subs	NCP_SUBS	\$ 849	\$ 6,506	\$ -	\$ -	\$ 16,667	\$ -	\$ 3,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 504	\$ -	\$ 1,249	\$ 1,249
31	Distribution-Demand-Primary	NCP_PRI	\$ 3,160	\$ 24,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,875	\$ -	\$ 4,647	\$ 4,647
32	Distribution-Demand-Secondary	NCP_SEC	\$ 1,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918	\$ -	\$ 2,275	\$ 2,275
33	Distribution-Customer-Services	WTD_SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Distribution-Customer-Meters	WTD_METE	\$ 4,332	\$ 11,103	\$ 74	\$ 74	\$ 74	\$ 74	\$ 296	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ -	\$ -	\$ -	\$ -
35	Distribution-Customer-Other	CUSTS	\$ 31	\$ 15	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -
36	TOTAL A&G		\$ 9,919	\$ 41,832	\$ 74	\$ 74	\$ 16,741	\$ 74	\$ 4,217	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 3,297	\$ -	\$ 8,171	\$ 8,171
37	TOTAL O&M		\$ 25,577	\$ 59,133	\$ 189	\$ 189	\$ 16,857	\$ 189	\$ 4,678	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 8,584	\$ -	\$ 21,272	\$ 21,272
38																				
39																				
40	DEPRECIATION EXPENSE																			
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	\$ 5,964	\$ 15,289	\$ 102	\$ 102	\$ 102	\$ 102	\$ 408	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ -	\$ -	\$ -	\$ -
43	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	\$ 567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337	\$ -	\$ 834	\$ 834
44	TOTAL DEPRECIATION EXPENSE		\$ 6,532	\$ 15,289	\$ 102	\$ 102	\$ 102	\$ 102	\$ 408	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 337	\$ -	\$ 834	\$ 834
45																				
46																				
47	PROPERTY TAX																			
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	TOTAL DISTRIBUTION PROPERTY TAX - SOFTWARE	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	TOTAL PROPERTY TAX		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52																				
53																				
54	Distribution-Demand-Secondary	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	Distribution-Customer-Meters	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	TOTAL REVENUE CREDITS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57																				
58																				
59	Revenue Tax		\$ 180	\$ 418	\$ 2	\$ 87	\$ 2	\$ 27	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 46	\$ -	\$ 115	\$ 115
60																				
61	Return on Rate Base		\$ 2,723	\$ 6,274	\$ 42	\$ 42	\$ 42	\$ 42	\$ 167	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 163	\$ -	\$ 405	\$ 405
62	O&M		\$ 25,577	\$ 59,133	\$ 189	\$ 189	\$ 16,857	\$ 189	\$ 4,678	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 8,584	\$ -	\$ 21,272	\$ 21,272
63	Depreciation Expense		\$ 6,532	\$ 15,289	\$ 102	\$ 102	\$ 102	\$ 102	\$ 408	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 337	\$ -	\$ 834	\$ 834
64	Taxes Other Than Income		\$ 180	\$ 418	\$ 2	\$ 87	\$ 2	\$ 27	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 46	\$ -	\$ 115	\$ 115
65	Total Federal Income Tax		\$ 507	\$ 1,168	\$ 8	\$ 8	\$ 8	\$ 8	\$ 31	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 30	\$ -	\$ 75	\$ 75
66	Total State Income Tax		\$ 142	\$ 328	\$ 2	\$ 2	\$ 2	\$ 2	\$ 9	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 9	\$ -	\$ 21	\$ 21
67	TOTAL REVENUE REQUIREMENT		\$ 35,662	\$ 82,610	\$ 345	\$ 17,097	\$ 345	\$ 5,320	\$ 345	\$ 5,320	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	\$ 9,169	\$ -	\$ 22,723	\$ 22,723
68																				
69	TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS		\$ 35,662	\$ 82,610	\$ 345	\$ 17,097	\$ 345	\$ 5,320	\$ 345	\$ 5,320	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	\$ 9,169	\$ -	\$ 22,723	\$ 22,723

Proposed Rider 60 Grid Modernization Charges

PNM Exhibit HMP-3

Is contained in the following 1 page.

PNM Exhibit HMP-3: Rider 60 Grid Modernization Charge, Year One (2025)

Year One Revenue Requirement

Year	Annual Revenue Requirement
Year One	\$7,673,961
	[A]

Line	Customer Class	Annual number of customers 24-00089-UT as filed	Monthly number of customers/ number of lights	Customer Class revenue requirement Year One	Rider 60 Grid Mod annual charge, Year One (\$/customer bill)	Rider 60 Grid Mod monthly charge, Year One (\$/customer bill)
		[B]	[C] = [B] / 12	[D]	[E] = [D] / [C]	[F] = [D] / [B]
1	1 - Residential	5,986,644	498,887	\$4,610,572	\$9.24	\$0.77
2	2 - Small Power	660,551	55,046	\$1,314,732	\$23.88	\$1.99
3	3B - General Power	35,647	2,971	\$1,034,347	\$348.19	\$29.02
4	3C - General Power Low LF	12,595	1,050	\$269,894	\$257.15	\$21.43
5	3D - General Power Government	2,283	190	\$71,543	\$375.97	\$31.33
6	3E - General Power Low LF Government	725	60	\$13,166	\$217.94	\$18.16
7	3F - Commercial Charging Stations	84	7	\$483	\$68.90	\$5.74
8	4B - Large Power	2,004	167	\$185,264	\$1,109.43	\$92.45
9	5B - Large Service (8 MW)	12	1	\$345	\$344.94	\$28.74
10	10A/B - Irrigation	3,748	312	\$35,662	\$114.17	\$9.51
11	11B - Wtr/Swg Pumping	1,800	150	\$82,610	\$550.74	\$45.89
12	15B - Universities	12	1	\$345	\$344.94	\$28.74
13	30B - Manufacturing (30 MW)	12	1	\$17,097	\$17,097.07	\$1,424.76
14	33B - Station Power	12	1	\$345	\$344.94	\$28.74
15	35B - Large Service (3 MW)	48	4	\$5,320	\$1,329.99	\$110.83
16	36B - SSR - Renew. Energy Res.	12	1	\$345	\$344.94	\$28.74
17	6 - Private Area Lighting*	165,919	13,827	\$9,169	\$0.66	\$0.06
18	20 - Streetlighting*	588,579	49,048	\$22,723	\$0.46	\$0.04
19						
20	Total	7,460,688	621,724	\$7,673,961		

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

Rider 60 Grid Modernization Bill Impacts

PNM Exhibit HMP-4

Is contained in the following 4 pages.

PNM Exhibit HMP-4: Rider 60 Grid Mod Bill Impacts, Year One (April 2026 rates)

1A - Residential				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
500 kWh	\$79.24	\$80.04	\$0.80	1.0%
750 kWh	\$121.92	\$122.72	\$0.80	0.7%
1,200 kWh	\$214.77	\$215.57	\$0.80	0.4%

1B - Residential TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
750 kWh	\$159.40	\$160.20	\$0.80	0.5%
1,500 kWh	\$276.33	\$277.13	\$0.80	0.3%
2,500 kWh	\$432.23	\$433.03	\$0.80	0.2%

1B - Residential TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
750 kWh	\$136.19	\$136.99	\$0.80	0.6%
1,500 kWh	\$260.30	\$261.10	\$0.80	0.3%
2,500 kWh	\$422.76	\$423.56	\$0.80	0.2%

2A - Small Power				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
700 kWh	\$122.27	\$124.35	\$2.07	1.7%
1,500 kWh	\$229.16	\$231.23	\$2.07	0.9%
4,000 kWh	\$563.19	\$565.26	\$2.07	0.4%

2B - Small Power TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
700 kWh	\$119.89	\$121.97	\$2.07	1.7%
1,500 kWh	\$232.48	\$234.55	\$2.07	0.9%
4,000 kWh	\$584.30	\$586.37	\$2.07	0.4%

2B - Small Power TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
700 kWh	\$121.54	\$123.62	\$2.07	1.7%
1,500 kWh	\$227.60	\$229.67	\$2.07	0.9%
4,000 kWh	\$559.02	\$561.10	\$2.07	0.4%

3B - General Power TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
42,075 kWh and 125 kW	\$5,556	\$5,586	\$30.21	0.5%
93,366 kWh and 232 kW	\$10,734	\$10,764	\$30.21	0.3%
142,916 kWh and 325 kW	\$15,404	\$15,434	\$30.21	0.2%

3C - General Power Low Load Factor TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
28,623 kWh and 113 kW	\$3,781	\$3,804	\$22.31	0.6%
55,926 kWh and 189 kW	\$6,854	\$6,876	\$22.31	0.3%
75,687 kWh and 427 kW	\$11,712	\$11,734	\$22.31	0.2%

3D - General Power Government TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
19,222 kWh and 62 kW	\$2,666	\$2,699	\$32.62	1.2%
32,752 kWh and 88 kW	\$3,967	\$3,999	\$32.62	0.8%
58,894 kWh and 143 kW	\$6,614	\$6,647	\$32.62	0.5%

3E - General Power Low Load Factor Government TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
9,561 kWh and 51 kW	\$1,534	\$1,553	\$18.91	1.2%
14,057 kWh and 60 kW	\$1,992	\$2,011	\$18.91	0.9%
18000 kWh and 96 kW	\$2,817	\$2,836	\$18.91	0.7%

3B / 3C / 3D / 3E - General Power TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
28,623 kWh and 113 kW	\$4,284	\$4,306	\$22.31	0.5%
55,926 kWh and 189 kW	\$7,420	\$7,442	\$22.31	0.3%
75,687 kWh and 427 kW	\$14,582	\$14,604	\$22.31	0.2%

3F - Commercial Charging Stations				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
54,900 kWh	\$7,318	\$7,324	\$5.98	0.1%
91,680 kWh	\$12,078	\$12,084	\$5.98	0.0%
146,880 kWh	\$19,221	\$19,227	\$5.98	0.0%

4B - Large Power Service TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
261,473 kWh and 566 kW	\$28,058	\$28,154	\$96.25	0.3%
329,850 kWh and 648 kW	\$33,344	\$33,441	\$96.25	0.3%
397,863 kWh and 745 kW	\$39,037	\$39,133	\$96.25	0.2%

4B - Large Power Service TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
261,473 kWh and 566 kW	\$27,991	\$28,087	\$96.25	0.3%
329,850 kWh and 648 kW	\$33,259	\$33,356	\$96.25	0.3%
397,863 kWh and 745 kW	\$38,935	\$39,031	\$96.25	0.2%

5B - Large Service TOU (8MW)				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
1,883,951 kWh and 8,000 kW	\$210,621	\$210,649	\$28.83	0.01%
2,511,935 kWh and 8,325 kW	\$256,743	\$256,771	\$28.83	0.01%
3,139,919 kWh and 10,000 kW	\$314,300	\$314,329	\$28.83	0.01%

5B - Large Service TOD pilot (8MW)				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
1,883,951 kWh and 8,000 kW	\$208,366	\$208,395	\$28.83	0.01%
2,511,935 kWh and 8,325 kW	\$253,736	\$253,765	\$28.83	0.01%
3,139,919 kWh and 10,000 kW	\$310,543	\$310,571	\$28.83	0.01%

10A Irrigation Service				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
500 kWh	\$83	\$93	\$9.51	11.4%
1,000 kWh	\$141	\$150	\$9.51	6.8%
5,000 kWh	\$600	\$610	\$9.51	1.6%

10B Irrigation Service TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
1,200 kWh	\$176	\$185	\$9.51	5.4%
5,500 kWh	\$675	\$685	\$9.51	1.4%
12,000 kWh	\$1,430	\$1,439	\$9.51	0.7%

10B Irrigation Service TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
1,200 kWh	\$172	\$182	\$9.51	5.5%
5,500 kWh	\$661	\$670	\$9.51	1.4%
12,000 kWh	\$1,398	\$1,408	\$9.51	0.7%

11B Water and Sewage Pumping Service TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
15,000 kWh	\$1,648	\$1,696	\$47.78	2.9%
55,000 kWh	\$4,639	\$4,686	\$47.78	1.0%
115,000 kWh	\$9,125	\$9,173	\$47.78	0.5%

11B Water and Sewage Pumping Service TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
15,000 kWh	\$1,772	\$1,819	\$47.78	2.7%
55,000 kWh	\$5,093	\$5,141	\$47.78	0.9%
115,000 kWh	\$10,074	\$10,122	\$47.78	0.5%

15B Universities (8MW)				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
2,300,000 kWh and 8,000 kW	\$223,176	\$223,205	\$28.83	0.01%
3,900,000 kWh and 11,000 kW	\$341,064	\$341,093	\$28.83	0.01%
5,500,000 kWh and 12,000 kW	\$467,841	\$467,870	\$28.83	0.01%

15B Universities (8MW) TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
2,300,000 kWh and 8,000 kW	\$219,178	\$219,207	\$28.83	0.01%
3,900,000 kWh and 11,000 kW	\$334,285	\$334,313	\$28.83	0.01%
5,500,000 kWh and 12,000 kW	\$458,281	\$458,309	\$28.83	0.01%

30B Manufacturing (30MW)				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
21,000,000 kWh and 35,000 kW	\$1,775,426	\$1,776,855	\$1,429.12	0.08%
43,000,000 kWh and 61,000 kW	\$3,191,893	\$3,193,322	\$1,429.12	0.04%
51,000,000 kWh and 87,000 kW	\$4,086,109	\$4,087,538	\$1,429.12	0.03%

30B Manufacturing (30MW) TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
21,000,000 kWh and 35,000 kW	\$1,775,260	\$1,776,689	\$1,429.12	0.08%
43,000,000 kWh and 61,000 kW	\$3,191,552	\$3,192,981	\$1,429.12	0.04%
51,000,000 kWh and 87,000 kW	\$4,085,705	\$4,087,134	\$1,429.12	0.03%

33B Station Power TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
200,000 kWh and 1,500 kW	\$15,920	\$15,949	\$28.74	0.2%
240,000 kWh and 1,600 kW	\$18,600	\$18,629	\$28.74	0.2%
300,000 kWh and 1,800 kW	\$22,708	\$22,737	\$28.74	0.1%

33B Station Power TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
200,000 kWh and 1,500 kW	\$16,246	\$16,275	\$28.74	0.2%
240,000 kWh and 1,600 kW	\$18,991	\$19,020	\$28.74	0.2%
300,000 kWh and 1,800 kW	\$23,197	\$23,226	\$28.74	0.1%

35B Large Power (3MW) TOU				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
2,500,000 kWh and 4,500 kW	\$196,939	\$197,050	\$111.17	0.06%
3,700,000 kWh and 6,200 kW	\$275,190	\$275,301	\$111.17	0.04%
5,000,000 kWh and 8,300 kW	\$364,612	\$364,723	\$111.17	0.03%

35B Large Power (3MW) TOD pilot				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
2,500,000 kWh and 4,500 kW	\$196,752	\$196,864	\$111.17	0.06%
3,700,000 kWh and 6,200 kW	\$274,914	\$275,025	\$111.17	0.04%
5,000,000 kWh and 8,300 kW	\$364,239	\$364,350	\$111.17	0.03%

36B Special Service Rate - Renewable Energy Resources				
	Annualized Monthly	Annualized Monthly Bill		
Consumption Level	Bill	w/ Rider 60	\$ Change	% Change
40,000,000 kWh and 61,000 kW	\$2,200,045	\$2,200,073	\$28.74	0.001%
67,000,000 kWh and 102,000 kW	\$3,668,449	\$3,668,478	\$28.74	0.001%
93,000,000 kWh and 145,000 kW	\$5,099,498	\$5,099,526	\$28.74	0.001%

Lighting rate classes	
	Rider 60 Grid Mod rate per light, Year
Per Light	One (\$/kWh)
6 - Private Area Lights	\$0.06
20 - Streetlighting	\$0.04

Rider 60 Grid Modernization Tariff Redline Version

PNM Exhibit HMP-5

Is contained in the following 2 pages.

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

ORIGINAL RIDER NO. 60

Grid Modernization ~~Rider~~

Page 1 of 2

APPLICABILITY: In conformance with the Grid Modernization Statute, NMSA 1978, § 62-8-13, the rider (“Grid Modernization Rider” or “Rider 60”) will apply to all retail rate schedules of Public Service Company of New Mexico (the “Company” or “PNM”).

TERRITORY: All territory served by the Company in New Mexico.

DESCRIPTION: This Rider is established to recover the capital costs and expenses of Commission-approved grid modernization projects in conformance with the Grid Modernization Statute, NMSA 1978, § 62-8-13.

GRID MODERNIZATION ~~RATE:~~ The Grid Modernization rate CHARGE: Rider 60 is a monthly charge per customer or per light that does not vary with seasons and does not vary by customer or light within the same rate class.

Customer Class	Monthly Charge
Residential Service 1A & 1B	<u>\$0.77</u>
Small Power Service 2A & 2B	<u>\$1.99</u>
General Power Service 3B & 3C	<u>\$29.02</u>
<u>General Power Low Load Factor 3C</u>	<u>\$21.43</u>
<u>General Power Government 3D</u>	<u>\$31.33</u>
<u>General Power LLF Government 3E</u>	<u>\$18.16</u>
<u>Commercial Charging Stations 3F</u>	<u>\$5.74</u>
Large Power Service 4B	<u>\$92.45</u>
Large Power Service for Customers <u>>=8,000kW(8MW) 5B</u>	<u>\$28.74</u>
Private Area Lighting Service 6	<u>\$0.06</u>
Irrigation Service 10A & 10B	<u>\$9.51</u>
Water & Sewage Pumping 11B	<u>\$45.89</u>
Large Service for Public Universities 15B	<u>\$28.74</u>
Streetlighting and Floodlighting Service 20	<u>\$0.04</u>

Advice Notice No. 653

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

GCG#53488

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

ORIGINAL RIDER NO. 60

Grid Modernization ~~Rider~~

Page 2 of 2

Large Service, Manufacturing - Distribution Level 30B	<u>\$1,424.76</u>
Large Service for Station Power 33B	<u>\$28.74</u>
Large Power Service >=3,000kW(3MW) 35B	<u>\$110.83</u>
Special Service -Renw. Energy Res. 36B	<u>\$28.74</u>

~~ANNUAL REVIEW AND RECONCILIATION FILING: After the initial Rider approval, PNM will file annually the projected revenue requirement and Grid Modernization Rate with the Commission six (6) months prior to the proposed effective date of the Grid Modernization Rate. The Annual Review and Reconciliation Filing will contain two components: updated forecasted costs for the upcoming rate year based on the best available information and a true-up of actual costs incurred in the prior year to the projected revenue requirement filed in the prior year's Annual Review and Reconciliation Filing. Between Annual Review and Reconciliation Filings, PNM shall record any over-collection or under-collection of costs in a regulatory asset or regulatory liability subject to a symmetrical 4 percent carrying charge for over or under collections.~~

ANNUAL RECONCILIATION FILINGS: PNM will file an annual Reconciliation filing on or before March 1 of each year, and no later than 45 days prior to that year's rider going into effect. The annual Reconciliation filing will calculate the Rider 60 charges for the next 12-month period using the value of the Grid Modernization regulatory asset as of December 31 of the previous calendar year.

RULES AND REGULATIONS: In addition to the Grid Modernization ~~RateCharge~~ described above, all specifics of service and monthly charges for electric service under the customer's regular rate schedule apply. Where they are not inconsistent with this Rider, the Company's Rules and Regulations are a part of this Rider as if fully written herein.

Advice Notice No. 653

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

GCG#53488

