PUBLIC SERVICE COMPANY OF NEW MEXICO

$7^{\rm TH}$ REVISED RULE NO. 2 CANCELING $6^{\rm TH}$ REVISED RULE NO. 2

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All electric service furnished by the Company shall be 60 hertz alternating current and will be furnished as single- or three-phase in accordance with the applicable provisions of these Rules and Regulations. Service to a Customer will be provided at the rates set forth in the tariff which is applicable to the Customer.

A. RESIDENTIAL SERVICE

- 1. Residential service will be furnished, where available, at the Nominal Voltage of 120/240 volts, 1 phase, 3 wire service from an underground or overhead system for the loads indicated below, except as provided in Paragraph 2 below. The Company reserves the right to determine the load that may be served from the Nominal Voltages indicated below:
 - a. polemounted transformer service for a demand of 71 kW or less, from an overhead system.
 - b. padmounted transformer service for a demand of 159kW or less from a single-phase underground system or an overhead system.
- 2. At PNM's option, residential service will be furnished where available at the nominal voltages indicated below. The Company reserves the right to determine the load that may be served from the Nominal Voltages indicated below:
 - a. 120/208 volts, 3 phase, 4 wire polemounted transformer service for loads up to 106 kW, x from an overhead system. See (3) and (4) below.
 - b. 120/208 volts, 3 phase, 4 wire padmounted transformer service for loads up to 638 kW, x from an underground or overhead system. See (3) and (4) below.
 - c. 120/208 volts, 1 phase, 3 wire polemounted transformer service for a demand of 106 kW or less, from an overhead system. This service may be furnished, at the option of the Company, to individual Residential Customers where such residences are part of an apartment-type complex. See (3) below.
 - d. 120/208 volts, 1 phase, 3 wire padmounted transformer service for a demand of 638kW or less, from an underground or overhead system. This service may be furnished, at the option of the Company, to individual Residential Customers where such residences are part of an apartment-type complex. See (3) below.

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/s/ Henry Monroy
Henry Monroy

Vice President, PNM Regulatory

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- 3. Customers accepting the service specified in Paragraph (2) above shall use only motors and equipment rated for 208 volt service.
- 4. In all cases it shall be the customer's responsibility to protect three-phase motors against the possibility of single-phase operation.
- 5. Unless otherwise agreed upon, service under residential schedules shall not be used for the operation of individual motors with the nameplate rating in excess of 7.5 HP.
- 6. In order to obtain service under the residential rate, the owner of an apartment house or single-family house which is constructed or converted to include separate living quarters for more than one family shall provide separate wiring for each dwelling unit so that service to each separate living quarter can be metered separately.
- 7. Where premises are used and occupied by a Customer as a commercial establishment and also as a residence, all service supplied will be billed under the applicable Commercial Schedule or, at the Customer's option, the wiring may be separated (subject to the Company's approval, and also such state and local inspection as may be required) and each class of service metered separately and billed in accordance with the applicable rate schedules.
- 8. Each separate service or meter location will be metered and billed separately.

B. COMMERCIAL AND INDUSTRIAL SERVICE

- 1. At PNM's option, unless otherwise indicated by the Company, commercial and industrial service will be furnished where available at the nominal voltages indicated below. The Company reserves the right to determine a different load served from the Nominal Voltages indicated below:
 - a. <u>120/240 volts, 1 phase, 3 wire polemounted transformer service for a demand of 85 kW or less, from an overhead system.</u>
 - b. <u>120/240 volts, 1 phase, 3 wire</u> padmounted transformer service for a demand of 142 kW or less from a single-phase underground system or an overhead system.
 - c. <u>240 volts, 3 phase, 4 wire</u> polemounted transformer service for a demand of 125 kW or less, from an overhead system.

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- d. <u>Combination of 240 volts, 3 phase, 4 wire and 120/240 volts, 1 phase, 3 wire polemounted transformer service for a demand of 75 kW or less from an overhead system.</u> With this type of service, individual single-phase or three-phase demands shall not exceed 50 kW.
- e. <u>120/208 volts, 3 phase, 4 wire padmounted transformer service with single point secondary metering for loads of 50 to 638 kW from an underground or overhead system.</u>
- f. 120/208 volts, 3 phase, 4 wire polemounted transformer service for a demand of 125 kW or less, from an overhead system. At the option of the Company and approved by PNM Engineering the Company may elect to provide service for a demand not exceeding 191 kW.
- g. Service in the downtown Albuquerque area when served by the underground network system shall be 480Y/277 volt, three-phase, four-wire Y connected and all single-phase lighting and other non 480 volt power requirements will be provided by the Customer from this 480 volt system as part of this electrical system. Service in the downtown area of Albuquerque when served by double-radial circuits shall be as set forth in Subparagraphs e, h and i, as applicable. For the purposes of this Rule, downtown Albuquerque area is defined as the area bounded by Lomas Avenue on the north, Lead Avenue on the south, the railroad right-of-way on the east and Eighth Street on the west.
- h. <u>277/480 volts, 3 phase, 4 wire padmounted transformer service with single point secondary metering for loads of 50 to 1,275 kW from an underground or overhead system.</u>
- i. For loads exceeding 500 kW, service may be furnished at the Company's available transmission or distribution voltage of 4,160 volts or higher. For loads in excess of 1,500 kW, the Customer, at PNM's option, may be required to accept single point primary service and to furnish and install the complete electrical system including transformers and appropriate switches and protective devices.
- j. 480 volt, three-phase, three-wire service may be furnished, at the option of the Company, if the Customer is presently serviced with such service or if 480 volt, three-phase, three-wire secondaries are available on the Company's lines immediately adjacent to the Customer's proposed installation.
- k. For loads exceeding 8,000 kW, service may be furnished at the Company's available transmission voltage of 34,500 volts or higher.
- 1. Three phase commercial/industrial parks designed to provide 3 phase underground service are subject to certain restrictions for single phase customers. Since these systems are

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designed to be operated as three phase systems, the installation of single phase transformers will not be permitted. Single phase service will be available at 120/208 volts, 1 phase, 3 wire, from the installation of a three phase transformer. Developers desiring the availability of single phase service via single phase transformers at certain properties, may elect to have the system designed and constructed such that a separate cable is installed for single phase service, in addition to the cables installed for the three phase service.

- 2. In all cases it shall be the customer's responsibility to protect the Customer's electrical equipment against all variations of circuit conditions both from the Customer load and utility source, such as the possibility of single-phase operation.
- 3. All motors above 7.5 horsepower shall be three-phase except where only single-phase service is available or it is impracticable or uneconomical to extend three-phase service, in which case the Company reserves the right to permit single-phase motors larger than 7.5 horsepower.
- 4. The Company may require the installation of an approved starting current load limiting device on a motor if deemed necessary to limit voltage fluctuation or disturbances to the Company's distribution system to acceptable limits. In general, motor starting shall not cause more than 4.5% voltage flicker assuming no more than three starts per hour, or no more than 6% voltage flicker assuming no more than one start per hour. More frequent motor starts per hour will need to be evaluated by the Company and require written permission from the Company.
- 5. If service is supplied at more than one service or meter location on the Customer's premises, separate billing will be made for each location of service provided such is allowed per applicable building code. Combined billing for separate single- and three-phase service for commercial use will be furnished under a single bill provided the Customer's wiring is terminated at a single point of service to be determined by the Company.
- 6. A group of buildings under one ownership, management and control may be served through one meter, provided that each building is located at the same premise and part of the operation of a single business.
- 7. Commercial service shall include service to shared residential wells, churches, schools, orphanages, stores, hotels, rooming houses, apartments (unless individually metered), multiple housing units (unless individually metered), motels, mobile home parks (unless individually metered using gang metering), restaurants, offices, clubs, theaters, site built accessory building, etc., and all other establishments that are not otherwise classified in specific rate schedules, or classified as living quarters. Any establishment carrying on a business, professional or commercial enterprise acknowledged or advertised as such will be considered as commercial. The absence of such advertising shall not be considered as conclusively establishing that the service is not commercial.

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- 8. Service to welders, X-ray machines, electric furnaces, hoists, elevators, and other highly intermittent or fluctuating loads shall be considered individually, according to applicable published rate schedules and the following general policy.
 - a. Small Power Service--Customers in this category may be given the option of installing separate metering and wiring to serve the fluctuating or intermittent load where it is used regularly in their business. Necessary transformer capacity will be provided for this service per Rule 15. In the event a separate service or transformer installation or additional transformer capacity is required for fluctuating loads, such service, unless otherwise provided for in the rate schedules, will be metered and billed separately.
 - b. General Power Service--Where highly fluctuating or intermittent loads, for which kW and KVAR demands are impractical to determine by conventional metering, are being operated by the Customer, the Company reserves the right to determine the billing demand by increasing the 15-minute measured maximum demands by an amount equal to 65 percent of the nameplate rated kVA capacity of the fluctuating equipment being operated by the Customer.

The Company reserves the right to require the Customer to purchase and maintain the necessary transformer capacity to handle such intermittent or fluctuating loads.

- c. The Company reserves the right to require the Customer to install such corrective equipment as is necessary to avoid system voltage fluctuations and other disturbances which are detrimental to the service furnished to other Customers. In general, motor starting shall not cause more than 4.5% voltage flicker assuming no more than three starts per hour, or no more than 6% voltage flicker assuming no more than one start per hour. More frequent motor starts per hour will need to be evaluated by the Company and require written permission from the Company.
- 9. Installations involving special situations will be given individual consideration. Where the Customer desires service under conditions other than those described above, any necessary transformers and accessory equipment required to supply the special service requirements shall be supplied, installed and maintained by the Customer.
- 10. Service to all new loads in the downtown Albuquerque area will be served from either the network system or the double-radial circuits as determined by the Company. Available capacity and PNM's economics will be the factors used by the Company to determine which option the Company will offer to the Customer as the preferred service alternative.

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The Customer may elect to be served from either system. If the Customer elects PNM's preferred service alternative, the current line extension policy applies. Costs associated with providing the service, including, but not limited to, the costs associated with ensuring that both substation and feeder capacity is available for the customer's choice of a system to serve his/her electrical loads. If the Customer chooses to accept service from the non-preferred service alternative, the Customer will be responsible for reimbursing PNM for the incremental difference in cost to PNM if PNM's preferred alternative is less expensive than the alternative selected by the Customer, regardless of the available revenue credit. If the Customer requires electrical service with a higher reliability than PNM's preferred service alternative, the Customer will reimburse PNM for the incremental cost of providing such highest reliability.

When service is taken from the downtown Albuquerque network system, the Customer shall make provisions to accept service at the voltage specified in this Subparagraph g.

Regardless of the service alternative chosen, the Customer must provide adequate space, either a class A rated vault or outdoor site, without charge to the Company, for the installation of the Company's electrical equipment to provide service to the Customer. The vault or site will be Customer built and owned. The PNM electrical equipment providing service to the Customer may be used as service points for adjacent or nearby Customers.

Detailed vault specifications will be provided for each individual Customer. The Customer must contact the PNM representative for vault specifications.

C. FREQUENCY CONTROL

Electric service furnished shall be 60 hertz alternating current with not more than plus or minus 0.5 percent variation. In the event of variation from a frequency of 60 hertz, the Company will in each case take immediate steps to restore frequency to 60 hertz as soon as possible.

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