**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

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

**DIRECT TESTIMONY**

**OF**

**REINA N. GUTIERREZ**

**April 10, 2026**

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


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Affidavit

**DIRECT TESTIMONY OF**
**REINA N. GUTIERREZ**
**NMPRC DOCKET NO. 26-00000__**

## I. INTRODUCTION AND PURPOSE

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

**A.** My name is Reina N. Gutierrez. I am the Senior Manager of Cost of Service for PNMR Services Company. My address is 414 Silver Avenue, SW, Albuquerque, New Mexico 87102. I am testifying on behalf of Public Service Company of New Mexico ("PNM" or "Company").

**Q. Please describe your educational background and professional experience.**

**A.** My educational background and professional experience are summarized in PNM Exhibit RNG-1

**Q. Please describe your responsibilities as Senior Manager of Cost of Service.**

**A**. I am responsible for revenue requirement and cost of service-related work for the public utility subsidiaries of TXNM Energy Inc., including PNM. This responsibility includes preparation of revenue requirement analysis and testimony for regulatory filings.

**Q. Please state the purpose of your Direct Testimony.**

**A.** My Direct Testimony will cover the following areas:

- I justify the requested classification of Software as a Service ("SaaS") as capital in years two through six.
- I provide an update to PNM's year two Rider 60 Grid Modernization Rider ("Rider 60") revenue requirement.

- I provide an update on PNM's year three Rider 60 revenue requirement that PNM is requesting approval for in this filing.
- I provide an informational update on PNM's years four through six Rider 60 revenue requirements.
- All updates will also provide a summary of any variance from what was initially filed with the Commission in Docket No. 22-00058-UT and updated through Docket No. 25-00049-UT. Note that revenue requirements and their cost components from Docket No. 25-00049-UT are representative of the as-filed amounts and were not updated to reflect reclassification of SaaS costs as set forth in the final order from that case.

## II. SAAS ACCOUNTING TREATMENT

**Q. Is PNM requesting capitalization treatment of SaaS costs incurred in years two through six?**

**A.** Yes, PNM is requesting capitalization treatment of SaaS costs in years two through six. PNM requested the reclassification of Head End/Meter Data Management System ("MDMS") SaaS costs in Docket No. 25-00049-UT, in which the Final Order denied the request without prejudice, allowing PNM to request the classification in a future filing. The Commission stated that if PNM made such a request in a subsequent filing, that PNM shall bear the burden of proof of capital treatment and "affirmatively justify any ratepayer cost increases."[1]

[1] Docket No. 25-00049-UT, Final Order at p. 22 (Feb. 26, 2026).

**Q. What do Generally Accepted Accounting Principles ("GAAP") describe as the allowed treatment of SaaS costs?**

**A.** ASC 350-40 provides direction on the accounting treatment for Internal-Use Software. Specifically, ASC 350-40-05-1D states that "certain costs incurred for computer software developed and obtained for internal use should be capitalized depending on the nature of the costs and project stage." The project stage is subsequently defined in section ASC 350-40-25 as the application development phase. Further, section 350-40-15-4A defines the elements of a hosting arrangement or SaaS contract that constitute its treatment as an Internal-Use Software under the scope of ASC 350-40. As provided for in the ASC, a hosting arrangement or SaaS contract is eligible for capital treatment when the customer has the right and ability to run the software on its own hardware rather than hosted on a cloud. As explained later in my testimony, that condition has now been met.

**Q. What changed from Docket No. 22-00058-UT, in which SaaS costs were accounted for as O&M?**

**A.** At the time of cost projections for filing in Docket No. 22-00058-UT, PNM utilized initial contract estimates. As defined by ASC 350-40-25-12, capitalization of costs may not begin until management implicitly or explicitly authorizes and commits to funding. PNM management authorized and committed to funding at the time the contract was signed in January 2025, several months after the final order was issued in Docket No. 22-00058-UT, and several years after the original application was filed in that docket. Additionally, full contract detail is needed in order for PNM to

evaluate the terms and perform analysis on what qualifies for capital treatment as defined by ASC 350-40.

**Q. What evidence does PNM provide now in order to demonstrate the SaaS costs are eligible to be capitalized?**

**A.** PNM is providing the contract in which the SaaS costs are a component of. Refer to Confidential PNM Exhibit JCH-10 for a copy of the contract.

**Q. Does PNM have evidence of project authorization and commitment?**

**A.** Yes. The contract in Confidential PNM Exhibit JCH-10 provides evidence of project authorization and commitment via the contract signature page on PDF page 9. This evidence satisfies item (i) of the four pieces of evidence identified by NMPRC Utility Division Staff ("Staff") witness Jonah Mauldin in Docket No. 25-00049-UT, when PNM originally requested to classify SaaS costs as capital.[2]

**Q. Does PNM have documentation of qualifying activities that ASC-350-40 identifies as capitalizable?**

**A.** Yes. The contract in Confidential PNM Exhibit JCH-10 provides documentation of qualifying activities. A breakout of SaaS costs is detailed on PDF pages 12-15. SaaS is further defined on PDF page 191 as the customer's election to license the software for access via Software-as-a-Service. This can be further interpreted as

[2] Docket No. 25-00049-UT, Prepared Direct Testimony of Jonah B. Mauldin at p. 12 (Oct. 14, 2025).

access to the software via cloud hosting. PNM has assessed the hosting arrangement in accordance with ASC 350-40-15-4A, and has concluded that the Company would have the right and ability to run the software on its own hardware, thereby satisfying the conditions of ASC 350-40 for capitalization, however has elected for this cloud-hosted model as best meeting PNM's requirements. This evidence satisfies item (ii) of the requirements set forth by Staff witness Mauldin.[3]

**Q. Does PNM have the identification of direct or indirect costs consistent with ASC 350-40-30-1?**

**A.** Yes. Please refer to PNM Table RNG-1 below for a breakout of direct costs defined by the contract, as well as indirect costs incurred by PNM including gross receipts tax, payroll, procurement and Allowance for Funds Used During Construction ("AFUDC"). This evidence satisfies item (iii) of the requirements set forth by Staff witness Mauldin.[4]

[3] Docket No. 25-00049-UT, Prepared Direct Testimony of Jonah B. Mauldin at p. 12 (Oct. 14, 2025).
[4] Docket No. 25-00049-UT, Prepared Direct Testimony of Jonah B. Mauldin at p. 12 (Oct. 14, 2025).

**PNM Table RNG-1**
**Head End/MDMS SaaS Capital Costs - Direct/Indirect**
**($ in thousands)**

| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Total |
|---|---|---|---|---|---|---|
| Direct Cost [(1)] | $ 4,293 | $ - | $ - | $ 5,920 | $ - | $ 10,213 |
| NM Gross Receipts Tax | 338 | - | - | 466 | - | 804 |
| Indirect Labor Cost | 548 | - | - | 247 | - | 795 |
| Indirect Procurement Cost | 15 | - | - | 20 | - | 35 |
| AFUDC | 276 | - | - | 380 | - | 655 |
| | $ 5,469 | $ - | $ - | $ 7,033 | $ - | $ 12,502 |

[(1)] Direct cost per the pricing schedule of the vendor contract in Confidential Exhibit JCH-10. Years 1-3 per the contract correlate to years 2-4 of the Grid Mod plan and are paid upfront in year 2, years 4-6 per the contract correlate to years 5-7 of the Grid Mod plan and are paid upfront in year 5.

**Q. Does PNM have confirmation of project readiness showing when the software is substantially complete and ready for its intended use?**

**A.** The AMI software and SaaS are currently in use by PNM, thus meeting the requirements for capital assets to be included in rate base. Please refer to the Direct Testimony of PNM Witness Jonathan Hawkins for further discussion of the project readiness and current use of the AMI software and SaaS. This evidence satisfies item (iv) of the requirements set forth by Staff witness Mauldin.[5]

**Q. Are there differences in revenue requirement treatment of capital versus O&M costs?**

[5] Docket No. 25-00049-UT, Prepared Direct Testimony of Jonah B. Mauldin at p. 12 (Oct. 14, 2025).

**A.** Yes. O&M costs are included in the revenue requirement and recovered by customers in the year in which the cost is incurred. Capital costs are included in rate base, in which the undepreciated balance receives a return on investment at the Commission-authorized rate of 6.9%.[6] Capital costs are then depreciated across the useful life of the investment. The useful life of the SaaS is five years. Depreciation expense is then included in the calculation of the revenue requirement and recovered by customers over the life of the investment. While the return on rate base does result in a net increase to the SaaS costs passed through to customers, the return on is authorized by the Commission in order to earn a fair rate of return on the money that the utility invests upfront, that is recovered by customers over a period of time.

**Q. What is the benefit to customers of capitalization treatment of costs incurred by PNM?**

**A.** Capitalizing SaaS costs as authorized by ASC-350-40 results in a spread of costs over time, which not only reduces the burden on customers in the year the investment is made, but aligns the recovery of the costs with the benefit received by customers.

[6] Weighted average cost of capital, or "WACC," approved by the Commission in Docket No. 24-00089-UT. PNM's most recent rate case.

## III. RIDER 60 GRID MODERNIZATION REVENUE REQUIREMENT

**Q. What Commission approval is PNM requesting in this Docket?**

**A.** PNM is requesting approval of the year three (2027) Rider 60 revenue requirement.

**Q. Will PNM be requesting approval for a Rider 60 rate in this review filing?**

**A.** No. In the Final Order approving PNM's initial grid modernization application, the Commission approved cost recovery based on a historic test year and requires the Rider 60 rate to be based on actual capital put in service and actual O&M as of December 31 of the prior year. PNM is requesting approval of a Rider 60 rate for 2025 actuals in PNM's Grid Modernization Rider and Reconciliation filing in Docket No. 26-0000048 that was filed on March 2, 2026.[7]

**Q. Please summarize the updated Grid Modernization estimated revenue requirements for the six-year plan.**

**A.** PNM Table RNG-2 below summarizes the updated estimated revenue requirement by program. Later in my testimony I will discuss changes compared to PNM's original grid modernization application as well as the update in the review filing in Docket No. 25-00049-UT. Please refer to PNM Exhibit RNG-4 for a detailed revenue requirement for years one through six.

[7] Consistent with the Final Order in Docket No. 25-00049-UT, PNM filed Advice Notice No. 653 on March 16, 2026, 15 days after filing its reconciliation filing. The Advice Notice filing has been assigned Docket No. 26-0000058.

**PNM Table RNG-2**
**Grid Modernization Revenue Requirements by Project**
**($ in thousands)**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| ADMS | $ 2 | $ 358 | $ 387 | $ 2,721 | $ 5,970 | $ 6,526 |
| Advanced Metering | 2,790 | 8,559 | 20,493 | 26,253 | 21,893 | 17,374 |
| Customer Information & Analyti | 840 | 1,384 | 2,401 | 2,520 | 2,643 | 2,583 |
| Cybersecurity | 0 | 251 | 1,136 | 1,340 | 1,373 | 1,277 |
| Data Management & Architectu | 919 | 2,332 | 2,594 | 3,316 | 3,708 | 3,950 |
| Distribution Planning & Engineer | - | 624 | 659 | 1,215 | 1,685 | 1,974 |
| Distribution Automation | - | 1,368 | 3,283 | 5,586 | 8,282 | 11,131 |
| Telecommunications | 375 | 1,391 | 3,108 | 4,257 | 4,801 | 5,368 |
| Program Oversight | 2,748 | 2,160 | 1,775 | 1,354 | 1,414 | 1,476 |
| **Total Revenue Requirement** | **$ 7,674** | **$ 18,428** | **$ 35,836** | **$ 48,563** | **$ 51,769** | **$ 51,659** |

**Q. Have there been any changes in cost components included in the updated Grid Modernization annual revenue requirement compared to what was presented in PNM's original application in Docket No. 22-00058-UT and the first annual review filing in Docket No. 25-00049-UT?**

**A.** No. PNM's Rider 60 revenue requirement cost components remain the same as its initial application. Rider 60 revenue requirement components consist of rate base, return on rate base, operation and maintenance expense, depreciation expense, and tax expense.

**Q. Have there been any changes in accounting included in the updated Grid Modernization annual revenue requirement compared to what was presented in PNM's original application in Docket No. 22-00058-UT and the first annual review filing in Docket No. 25-00049-UT?**

**A.** Yes, the Federal Energy Regulatory Commission ("FERC") issued Order No. 898 ("FERC 898") on June 29, 2023, with an effective date of January 1, 2025. FERC 898 amended the Uniform System of Accounts for electric utilities. Specifically, new accounts were created within existing functions (i.e., production, distribution and transmission) for computer hardware, software, and communication equipment. PNM implemented the accounting structure as defined by FERC 898 on January 1, 2025. As a result of the implementation, the Grid Modernization accounting structure has shifted software costs previously reflected in general and intangible ("G&I") function, to now be reflected in the function that they serve of distribution. PNM Exhibits RNG-2 through RNG-4 have been updated to reflect the appropriate accounting classifications as defined by FERC 898.

**Q. Have there been any changes in assumptions when estimating the Grid Modernization revenue requirement from what was described in PNM's original application in Docket No. 22-00058-UT and the first annual review filing in Docket No. 25-00049-UT?**

**A.** There have been no changes to assumptions from the review filing in Docket No. 25-00049-UT. Since the original application, PNM updated the weighted average cost of capital ("WACC") to the most recently approved WACC from Docket No. 24-00089-UT, as well as depreciation rates based on the most recently approved in Docket No. 22-00270-UT.

***A. Year Two Revenue Requirement***

**Q. Has PNM updated the estimated revenue requirement for year two from what was presented in Docket No. 22-00058-UT?**

**A.** Yes, please see PNM Table RNG-3 below for a summary of year two Rider 60 revenue requirement by project. Please see PNM Exhibit RNG-2 for the updated estimated monthly revenue requirement for year two.

**PNM Table RNG-3**
**Grid Modernization Revenue Requirements by Project**
**($ in thousands)**

| | Year 2 Updated | Year 2 22-00058-UT | Year 2 Change |
|---|---|---|---|
| ADMS | $ 358 | $ 335 | $ 23 |
| Advanced Metering | 8,559 | 9,533 | (974) |
| Customer Information & Analytics | 1,384 | 1,466 | (82) |
| Cybersecurity | 251 | 469 | (218) |
| Data Management & Architecture | 2,332 | 2,571 | (238) |
| Distribution Planning & Engineering | 624 | 624 | - |
| Distribution Automation | 1,368 | 2,260 | (892) |
| Telecommunications | 1,391 | 497 | 894 |
| Program Oversight | 2,160 | 1,241 | 919 |
| **Total Revenue Requirement** | **$ 18,428** | **$ 18,996** | **$ (568)** |

**Q. Has PNM updated the estimated revenue requirement for year two from what was presented in the first annual review filing in Docket No. 25-00049-UT?**

**A.** Yes, please see PNM Table RNG-4 below for a summary of the year two Rider 60 revenue requirement by project as compared to the updated revenue requirement in Docket No. 25-00049-UT.

**PNM Table RNG-4**
**Grid Modernization Revenue Requirements by Project**
**($ in thousands)**

| | Year 2 Updated | Year 2 25-00049-UT | Year 2 Change |
|---|---|---|---|
| ADMS | $ 358 | $ 134 | $ 224 |
| Advanced Metering | 8,559 | 8,853 | (294) |
| Customer Information & Analytics | 1,384 | 1,319 | 65 |
| Cybersecurity | 251 | 263 | (12) |
| Data Management & Architecture | 2,332 | 2,764 | (431) |
| Distribution Planning & Engineering | 624 | 624 | - |
| Distribution Automation | 1,368 | 2,065 | (697) |
| Telecommunications | 1,391 | 1,390 | 2 |
| Program Oversight | 2,160 | 2,160 | - |
| **Total Revenue Requirement** | **$ 18,428** | **$ 19,571** | **$ (1,144)** |

**Q. What capital costs are included in the updated year two estimated revenue requirements?**

**A.** Please see PNM Table RNG-5 for a summary of year two estimated capital additions, as compared to estimates in the original filing (Docket No. 22-00058-UT) and the last update in Docket No. 25-00049-UT. . For discussion of changes in year two capitals, please refer to the Direct Testimony of PNM witnesses Hawkins, Jordan Ludi, and of Jason Jones.

**PNM Table RNG-5**
**Grid Modernization Capital Clearings by Project**
**($ in thousands)**

| | Year 2 Updated | Year 2 22-00058-UT | Year 2 Change | Year 2 Updated | Year 2 25-00049-UT | Year 2 Change | PNM Witness |
|---|---|---|---|---|---|---|---|
| **ADMS** | $ - | $ - | $ - | $ - | $ - | $ - | Ludi |
| **Advanced Metering** | | | | | | | |
| Meter Installation Costs | 336 | 8,711 | (8,375) | 336 | 345 | (8) | Morgan |
| Meter and Meter Infrastructure Costs | 38,721 | 39,583 | (863) | 38,721 | 38,275 | 445 | Hawkins |
| **Total Advanced Metering** | 39,057 | 48,295 | (9,237) | 39,057 | 38,620 | 437 | |
| **Customer Information & Analytics** | 3,933 | 522 | 3,411 | 3,933 | 4,083 | (149) | Hawkins |
| **Cybersecurity** | 5,022 | 4,062 | 960 | 5,022 | 4,541 | 480 | Hawkins |
| **Data Management & Architecture** | 858 | 1,579 | (721) | 858 | 1,970 | (1,112) | Hawkins |
| **Distribution Automation** | 10,119 | 16,185 | (6,066) | 10,119 | 22,429 | (12,310) | Ludi |
| **Distribution Planning & Engineering** | - | - | - | - | - | - | Ludi |
| **Telecommunications** | 11,063 | 7,881 | 3,182 | 11,063 | 9,546 | 1,517 | Ludi |
| **Total Grid Modernization Capital Clearings** | **$ 70,052** | **$ 78,524** | **$ (8,472)** | **$ 70,052** | **$ 81,189** | **$ (11,137)** | |

**Q. What O&M costs are included in the updated year two estimated revenue requirements?**

**A.** Please see PNM Table RNG-6 for a summary of year two estimated O&M costs, as compared to estimates in the original filing (Docket No. 22-00058-UT) and the last update in Docket No. 25-00049-UT. For discussion of changes in year two O&M costs, please refer to the Direct Testimony of PNM witnesses Jones, Hawkins, and Ludi.

**PNM Table RNG-6**
**Grid Modernization O&M Expense by Project**
**($ in thousands)**

| | Year 2 Updated | Year 2 22-00058-UT | Year 2 Change | Year 2 Updated | Year 2 25-00049-UT | Year 2 Change | PNM Witness |
|---|---|---|---|---|---|---|---|
| **ADMS** | $ 356 | $ 333 | $ 23 | $ 356 | $ 133 | $ 223 | Ludi |
| **Advanced Metering** | | | | | | | |
| Meter Installation Costs | - | 0 | (0) | - | - | - | Morgan |
| Meter and Meter Infrastructure Costs | 4,112 | 6,411 | (2,299) | 4,112 | 4,112 | - | Hawkins |
| **Total Advanced Metering** | 4,112 | 6,411 | (2,299) | 4,112 | 4,112 | - | |
| **Customer Information & Analytics** | 987 | 1,390 | (403) | 987 | 1,165 | (177) | Hawkins |
| **Cybersecurity** | 217 | 217 | - | 217 | 217 | - | Hawkins |
| **Data Management & Architecture** | 1,853 | 1,853 | - | 1,853 | 1,853 | - | Hawkins |
| **Distribution Automation** | 618 | 618 | - | 618 | 618 | - | Ludi |
| **Distribution Planning & Engineering** | 621 | 621 | - | 621 | 621 | - | Ludi |
| **Telecommunications** | 400 | 400 | - | 400 | 400 | - | Ludi |
| **Program Oversight** | 2,149 | 1,235 | 914 | 2,149 | 2,149 | - | Jones |
| **Total Grid Modernization O&M** | **$ 11,314** | **$ 13,079** | **$ (1,765)** | **$ 11,314** | **$ 11,268** | **$ 45** | |

**Q. What are the main drivers for the variance in the year two Grid Modernization revenue requirement from PNM's original filing in Docket No. 22-00058-UT and the first annual review filing in Docket No. 25-00049-UT?**

**A.** The change in the Rider 60 revenue requirement in year two is primarily driven by the decrease in capital in the Distribution Automation project, as well as a decrease in AMI Installation capital and AMI Infrastructure O&M from Docket No. 22-00058-UT. For further discussion of the differences in Distribution Automation capital and AMI Infrastructure O&M please refer to the Direct Testimony of PNM witnesses Jones, Hawkins, and Ludi. For further discussion of the differences in the

AMI Installation capital, please refer to the Direct Testimony of PNM witness Eric Morgan.

**Q. Has PNM estimated Rider 60 charges for year two estimated revenue requirements?**

**A.** Yes, PNM witness Dr. Heidi M. Pitts has estimated Rider 60 charges based on the estimated revenue requirement reflected in PNM Exhibit RNG-2. Please see the Direct Testimony of PNM witness Pitts for further discussion on the estimated Rider 60 charges.

***B. Year Three Revenue Requirement***

**Q. Has PNM updated the estimated revenue requirement for year three from what was presented in Docket No. 22-00058-UT?**

**A.** Yes, please see PNM Table RNG-7 below for a summary of year three Rider 60 revenue requirement by project. Please see PNM Exhibit RNG-3 for the updated estimated monthly revenue requirement for year three.

**PNM Table RNG-7**
**Grid Modernization Revenue Requirements by Project**
**($ in thousands)**

| | Year 3 Updated | Year 3 22-00058-UT | Year 3 Change |
|---|---|---|---|
| ADMS | $ 387 | $ 838 | $ (451) |
| Advanced Metering | 20,493 | 18,586 | 1,907 |
| Customer Information & Analytics | 2,401 | 1,501 | 900 |
| Cybersecurity | 1,136 | 969 | 167 |
| Data Management & Architecture | 2,594 | 2,870 | (276) |
| Distribution Planning & Engineering | 659 | 817 | (158) |
| Distribution Automation | 3,283 | 4,769 | (1,486) |
| Telecommunications | 3,108 | 2,779 | 329 |
| Program Oversight | 1,775 | 1,296 | 479 |
| **Total Revenue Requirement** | **$ 35,836** | **$ 34,424** | **$ 1,411** |

**Q. Has PNM updated the estimated revenue requirement for year three from what was presented in the first annual review filing in Docket No. 25-00049-UT?**

**A.** Yes, please see PNM Table RNG-8 below for a summary of the year three Rider 60 revenue requirement by project as compared to the updated revenue requirement in Docket No. 25-00049-UT.

**PNM Table RNG-8**
**Grid Modernization Revenue Requirements by Project**
**($ in thousands)**

| | Year 3 Updated | Year 3 25-00049-UT | Year 3 Change |
|---|---|---|---|
| ADMS | $ 387 | $ 838 | $ (451) |
| Advanced Metering | 20,493 | 16,975 | 3,518 |
| Customer Information & Analytics | 2,401 | 2,280 | 121 |
| Cybersecurity | 1,136 | 1,050 | 86 |
| Data Management & Architecture | 2,594 | 3,200 | (606) |
| Distribution Planning & Engineering | 659 | 757 | (99) |
| Distribution Automation | 3,283 | 5,003 | (1,720) |
| Telecommunications | 3,108 | 3,298 | (190) |
| Program Oversight | 1,775 | 1,296 | 479 |
| **Total Revenue Requirement** | **$ 35,836** | **$ 34,697** | **$ 1,138** |

**Q. What capital costs are included in the updated year three estimated revenue requirements?**

**A.** Please see PNM Table RNG-9 for a summary of year three estimated capital additions, as compared to estimates in the original filing (Docket No. 22-00058-UT) and the last update in Docket No. 25-00049-UT. Additionally, the table includes references to the PNM witness that supports the estimated capital costs.

**PNM Table RNG-9**
**Grid Modernization Capital Clearings by Project**
**($ in thousands)**

| | Year 3 Updated | Year 3 22-00058-UT | Year 3 Change | Year 3 Updated | Year 3 25-00049-UT | Year 3 Change | PNM Witness |
|---|---|---|---|---|---|---|---|
| **ADMS** | $ 4,459 | $ - | $ 4,459 | $ 4,459 | $ - | $ 4,459 | Ludi |
| **Advanced Metering** | | | | | | | |
| Meter Installation Costs | 14,007 | 18,056 | (4,050) | 14,007 | 13,666 | 341 | Morgan |
| Meter and Meter Infrastructure Costs | 57,674 | 45,400 | 12,274 | 57,674 | 51,493 | 6,181 | Hawkins |
| **Total Advanced Metering** | 71,681 | 63,456 | 8,225 | 71,681 | 65,159 | 6,522 | |
| **Customer Information & Analytics** | 281 | - | 281 | 281 | 291 | (10) | Hawkins |
| **Cybersecurity** | 1,174 | 211 | 963 | 1,174 | 209 | 965 | Hawkins |
| **Data Management & Architecture** | 3,275 | 1,091 | 2,184 | 3,275 | 1,214 | 2,061 | Hawkins |
| **Distribution Automation** | 14,413 | 16,151 | (1,738) | 14,413 | 16,137 | (1,724) | Ludi |
| **Distribution Planning & Engineering** | 1,599 | 1,386 | 212 | 1,599 | 1,391 | 207 | Ludi |
| **Telecommunications** | 7,916 | 8,035 | (119) | 7,916 | 8,816 | (900) | Ludi |
| **Total Grid Modernization Capital Clearings** | **$ 104,797** | **$ 90,329** | **$ 14,467** | **$ 104,797** | **$ 93,217** | **$ 11,579** | |

**Q. What O&M costs are included in the updated year three estimated revenue requirements?**

**A.** Please see PNM Table RNG-10 for a summary of year three estimated O&M costs, as compared to estimates in the original filing (Docket No. 22-00058-UT) and the last update in filing Docket No. 25-00049-UT. Additionally, the table includes references to the PNM witness that supports the estimated O&M costs.

**PNM Table RNG-10**
**Grid Modernization O&M Expense by Project**
**($ in thousands)**

| | Year 3 Updated | Year 3 22-00058-UT | Year 3 Change | Year 3 Updated | Year 3 25-00049-UT | Year 3 Change | PNM Witness |
|---|---|---|---|---|---|---|---|
| **ADMS** | $ 356 | $ 833 | $ (477) | $ 356 | $ 833 | $ (477) | Ludi |
| **Advanced Metering** | | | | | | | |
| Meter Installation Costs | 3,884 | 0 | 3,883 | 3,884 | - | 3,884 | Morgan |
| Meter and Meter Infrastructure Costs | 2,651 | 4,917 | (2,266) | 2,651 | 2,651 | - | Hawkins |
| **Total Advanced Metering** | 6,535 | 4,917 | 1,618 | 6,535 | 2,651 | 3,884 | |
| **Customer Information & Analytics** | 1,678 | 1,405 | 274 | 1,678 | 1,532 | 147 | Hawkins |
| **Cybersecurity** | 228 | 228 | - | 228 | 228 | - | Hawkins |
| **Data Management & Architecture** | 1,988 | 1,988 | - | 1,988 | 1,988 | - | Hawkins |
| **Distribution Automation** | 742 | 742 | - | 742 | 742 | - | Ludi |
| **Distribution Planning & Engineering** | 645 | 645 | - | 645 | 645 | - | Ludi |
| **Telecommunications** | 765 | 765 | - | 765 | 765 | - | Ludi |
| **Program Oversight** | 1,766 | 1,290 | 476 | 1,766 | 1,290 | 476 | Jones |
| **Total Grid Modernization O&M** | **$ 14,703** | **$ 12,813** | **$ 1,890** | **$ 14,703** | **$ 10,674** | **$ 4,029** | |

**Q. What are the main drivers for the variance in the year three Grid Modernization revenue requirement from PNM's original filing in Docket No. 22-00058-UT and the first annual review filing in Docket No. 25-00049-UT?**

**A.** The change in the Rider 60 revenue requirement in year three is primarily driven by the increase in capital in the ADMS project and AMI Meter Infrastructure, as well as an increase of AMI Installation O&M. For further discussion of the differences in ADMS capital, please refer to the Direct Testimony of PNM witness Ludi. For further discussion of the differences in AMI Infrastructure capital, please refer to the Direct Testimony of PNM witness Hawkins. For further discussion of the increase

in AMI Installation O&M, please refer to the Direct Testimony of PNM witness Morgan.

**Q. Has PNM estimated Rider 60 charges for year three estimated revenue requirements?**

**A.** Yes, PNM witness Pitts has estimated Rider 60 charges based on the estimated revenue requirement reflected in PNM Exhibit RNG-3. Please see the Direct Testimony of PNM witness Pitts for further discussion on the estimated Rider 60 charges.

***C. Years Four through Six Revenue Requirements***

**Q. Has PNM updated the estimated revenue requirement for years four through six from what was presented in Docket No. 22-00058-UT?**

**A.** Yes, please see PNM Table RNG-11 below for a summary of years four through six Rider 60 revenue requirement by project. Please see PNM Exhibit RNG-4 for the detailed estimated monthly revenue requirement for years one through six.

**PNM Table RNG-11**
**Grid Modernization Revenue Requirements by Project**
**($ in thousands)**

| | Udated | | | 22-00058-UT | | | Change | | |
|---|---|---|---|---|---|---|---|---|---|
| | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 |
| ADMS | $ 2,721 | $ 5,970 | $ 6,526 | $ 1,782 | $ 3,181 | $ 5,022 | $ 939 | $ 2,789 | $ 1,504 |
| Advanced Metering | 26,253 | 21,893 | 17,374 | 24,198 | 22,755 | 17,928 | 2,055 | (862) | (553) |
| Customer Info. & Analytics | 2,520 | 2,643 | 2,583 | 1,509 | 1,521 | 1,534 | 1,011 | 1,122 | 1,048 |
| Cybersecurity | 1,340 | 1,373 | 1,277 | 961 | 977 | 967 | 379 | 396 | 311 |
| Data Mgmt. & Architecture | 3,316 | 3,708 | 3,950 | 3,275 | 3,372 | 3,412 | 41 | 336 | 538 |
| Distribution Planning & Eng. | 1,215 | 1,685 | 1,974 | 1,815 | 2,184 | 2,097 | (600) | (499) | (123) |
| Distribution Automation | 5,586 | 8,282 | 11,131 | 6,717 | 8,761 | 10,855 | (1,131) | (479) | 276 |
| Telecommunications | 4,257 | 4,801 | 5,368 | 3,882 | 4,962 | 5,990 | 375 | (161) | (622) |
| Program Oversight | 1,354 | 1,414 | 1,476 | 1,354 | 1,414 | 1,476 | - | - | - |
| **Total Revenue Requirement** | **$ 48,563** | **$ 51,769** | **$ 51,659** | **$ 45,493** | **$ 49,127** | **$ 49,281** | **$ 3,070** | **$ 2,642** | **$ 2,378** |

**Q. Has PNM updated the estimated revenue requirement for years four through six from what was presented in the first annual review filing in Docket No. 25-00049-UT?**

**A.** Yes, please see PNM Table RNG-12 below for a summary of years four through six Rider 60 revenue requirement by project. Please see PNM Exhibit RNG-4 for the detailed estimated monthly revenue requirement for years one through six.

**PNM Table RNG-12**
**Grid Modernization Revenue Requirements by Project**
**($ in thousands)**

| | Udated | | | 25-00049-UT | | | Change | | |
|---|---|---|---|---|---|---|---|---|---|
| | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 |
| ADMS | $ 2,721 | $ 5,970 | $ 6,526 | $ 1,456 | $ 3,230 | $ 4,408 | $ 1,265 | $ 2,740 | $ 2,118 |
| Advanced Metering | 26,253 | 21,893 | 17,374 | 22,312 | 22,285 | 18,048 | 3,940 | (392) | (674) |
| Customer Info. & Analytics | 2,520 | 2,643 | 2,583 | 2,624 | 2,802 | 2,786 | (104) | (159) | (203) |
| Cybersecurity | 1,340 | 1,373 | 1,277 | 1,035 | 1,047 | 1,042 | 305 | 326 | 235 |
| Data Mgmt. & Architecture | 3,316 | 3,708 | 3,950 | 3,418 | 3,710 | 3,934 | (102) | (2) | 16 |
| Distribution Planning & Eng. | 1,215 | 1,685 | 1,974 | 1,504 | 2,243 | 2,151 | (289) | (558) | (177) |
| Distribution Automation | 5,586 | 8,282 | 11,131 | 7,040 | 9,149 | 11,346 | (1,454) | (867) | (215) |
| Telecommunications | 4,257 | 4,801 | 5,368 | 4,314 | 5,146 | 5,956 | (56) | (346) | (589) |
| Program Oversight | 1,354 | 1,414 | 1,476 | 1,354 | 1,414 | 1,476 | - | - | - |
| **Total Revenue Requirement** | **$ 48,563** | **$ 51,769** | **$ 51,659** | **$ 45,057** | **$ 51,027** | **$ 51,148** | **$ 3,506** | **$ 742** | **$ 511** |

**Q. What capital costs are included in the updated years four through six estimated revenue requirements?**

**A.** Please see PNM Tables RNG-13 and RNG-14 for a summary of years four through six estimated capital additions, as compared to estimates in the original filing (Docket No. 22-00058-UT) and the last update in Docket No. 25-00049-UT. Additionally, the table includes references to the PNM witness that supports the estimated capital costs.

**PNM Table RNG-13**
**Grid Modernization Capital Clearings by Project 22-00058-UT**
**($ in thousands)**

| | Update | | | 22-00058-UT | | | Change | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | PNM Witness |
| **ADMS** | $ 15,974 | $11,912 | $ - | $ 7,572 | $ - | $15,400 | $ 8,402 | $11,912 | $(15,400) | Ludi |
| **Advanced Metering** | | | | | | | | | | |
| Meter Installation | 13,601 | - | - | 16,339 | - | - | (2,738) | - | - | Morgan |
| Meter & Meter Infrastructure | 32,409 | 9,033 | 955 | 39,469 | 1,723 | - | (7,060) | 7,310 | 955 | Hawkins |
| **Total Advanced Metering** | 46,010 | 9,033 | 955 | 55,808 | 1,723 | - | (9,798) | 7,310 | 955 | |
| **Customer Info. & Analytics** | 1,632 | - | - | - | - | - | 1,632 | - | - | Hawkins |
| **Cybersecurity** | 1,152 | - | - | 210 | 217 | - | 942 | (217) | - | Hawkins |
| **Data Mgmt. & Architecture** | 1,886 | 2,959 | - | 1,090 | - | - | 796 | 2,959 | - | Hawkins |
| **Distribution Automation** | 21,098 | 21,498 | 23,349 | 16,620 | 17,661 | 17,930 | 4,477 | 3,836 | 5,419 | Ludi |
| **Distribution Planning & Eng.** | 3,368 | 1,793 | 2,077 | 7,459 | - | - | (4,092) | 1,793 | 2,077 | Ludi |
| **Telecommunications** | 10,502 | 2,305 | 6,551 | 8,071 | 8,327 | 8,198 | 2,431 | (6,021) | (1,647) | Ludi |
| **Total Capital Clearings** | **$101,621** | **$49,500** | **$32,933** | **$96,832** | **$27,928** | **$41,528** | **$ 4,789** | **$21,573** | **$ (8,595)** | |

**PNM Table RNG-14**
**Grid Modernization Capital Clearings by Project 25-00049-UT**
**($ in thousands)**

| | Update | | | 25-00049-UT | | | Change | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | PNM Witness |
| **ADMS** | $ 15,974 | $11,912 | $ - | $ 7,570 | $ - | $15,394 | $ 8,404 | $11,912 | $(15,394) | Ludi |
| **Advanced Metering** | | | | | | | | | | |
| Meter Installation | 13,601 | - | - | 13,691 | - | - | (90) | - | - | Morgan |
| Meter & Meter Infrastructure | 32,409 | 9,033 | 955 | 35,856 | 8,173 | - | (3,447) | 860 | 955 | Hawkins |
| **Total Advanced Metering** | 46,010 | 9,033 | 955 | 49,548 | 8,173 | - | (3,538) | 860 | 955 | |
| **Customer Info. & Analytics** | 1,632 | - | - | 1,749 | - | - | (117) | - | - | Hawkins |
| **Cybersecurity** | 1,152 | - | - | 209 | 213 | - | 943 | (213) | - | Hawkins |
| **Data Mgmt. & Architecture** | 1,886 | 2,959 | - | 1,101 | 2,201 | - | 785 | 758 | - | Hawkins |
| **Distribution Automation** | 21,098 | 21,498 | 23,349 | 16,652 | 17,436 | 18,143 | 4,445 | 4,062 | 5,207 | Ludi |
| **Distribution Planning & Eng.** | 3,368 | 1,793 | 2,077 | 7,464 | - | - | (4,097) | 1,793 | 2,077 | Ludi |
| **Telecommunications** | 10,502 | 2,305 | 6,551 | 6,521 | 6,629 | 6,688 | 3,981 | (4,323) | (137) | Ludi |
| **Total Capital Clearings** | **$101,621** | **$49,500** | **$32,933** | **$90,813** | **$34,651** | **$40,225** | **$10,807** | **$14,849** | **$ (7,292)** | |

**Q. What O&M costs are included in the years four through six revenue requirements?**

**A.** Please see PNM Tables RNG-15 and RNG-16 for a summary of year four through six estimated O&M costs, as compared to estimates in the original filing (Docket No. 22-00058-UT) and the last update in Docket No. 25-00049-UT. Additionally, the table includes references to the PNM witness that supports the estimated capital costs.

**PNM Table RNG-15**
**Grid Modernization O&M Expense by Project 22-0058-UT**
**($ in thousands)**

| | Update | | | 22-00058-UT | | | Change | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | PNM Witness |
| **ADMS** | $ 699 | $ 1,527 | $ 1,229 | $ 858 | $ 1,885 | $ 1,962 | $ (160) | $ (358) | $ (733) | Ludi |
| **Advanced Metering** | | | | | | | | | | |
| Meter Installation Costs | 3,884 | - | - | 0 | 0 | 0 | 3,883 | (0) | (0) | Morgan |
| Meter and Meter Infrastructure | 866 | (1,069) | (4,928) | 3,334 | 1,405 | (2,418) | (2,469) | (2,474) | (2,510) | Hawkins |
| **Total Advanced Metering** | 4,749 | (1,069) | (4,928) | 3,334 | 1,405 | (2,418) | 1,415 | (2,474) | (2,510) | |
| **Customer Info. & Analytics** | 1,705 | 1,732 | 1,759 | 1,420 | 1,436 | 1,453 | 285 | 296 | 307 | Hawkins |
| **Cybersecurity** | 240 | 252 | 264 | 240 | 252 | 264 | - | - | - | Hawkins |
| **Data Mgmt & Architecture** | 2,066 | 2,148 | 2,233 | 2,250 | 2,340 | 2,435 | (183) | (193) | (202) | Hawkins |
| **Distribution Automation** | 893 | 1,083 | 1,325 | 893 | 1,083 | 1,325 | - | - | - | Ludi |
| **Distribution Planning & Eng.** | 671 | 697 | 724 | 671 | 697 | 724 | - | - | - | Ludi |
| **Telecommunications** | 799 | 834 | 871 | 799 | 834 | 871 | - | - | - | Ludi |
| **Program Oversight** | 1,347 | 1,407 | 1,469 | 1,347 | 1,407 | 1,469 | - | - | - | Jones |
| **Total O&M** | **$13,168** | **$ 8,610** | **$ 4,946** | **$11,812** | **$11,338** | **$ 8,085** | **$ 1,357** | **$(2,729)** | **$(3,139)** | |

**PNM Table RNG-16**
**Grid Modernization O&M Expense by Project 25-00049-UT**
**($ in thousands)**

| | Update | | | 25-00049-UT | | | Change | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | Year 4 | Year 5 | Year 6 | PNM Witness |
| **ADMS** | $ 699 | $ 1,527 | $ 1,229 | $ 858 | $ 1,885 | $ 1,962 | $ (160) | $ (358) | $ (733) | Ludi |
| **Advanced Metering** | | | | | | | | | | |
| Meter Installation Costs | 3,884 | - | - | - | - | - | 3,884 | - | - | Morgan |
| Meter and Meter Infrastructure | 866 | (1,069) | (4,928) | 866 | (1,069) | (4,928) | - | - | - | Hawkins |
| **Total Advanced Metering** | 4,749 | (1,069) | (4,928) | 866 | (1,069) | (4,928) | 3,884 | - | - | |
| **Customer Info. & Analytics** | 1,705 | 1,732 | 1,759 | 1,768 | 1,808 | 1,849 | (63) | (76) | (90) | Hawkins |
| **Cybersecurity** | 240 | 252 | 264 | 240 | 252 | 264 | - | - | - | Hawkins |
| **Data Mgmt & Architecture** | 2,066 | 2,148 | 2,233 | 2,066 | 2,148 | 2,233 | - | - | - | Hawkins |
| **Distribution Automation** | 893 | 1,083 | 1,325 | 893 | 1,083 | 1,325 | - | - | - | Ludi |
| **Distribution Planning & Eng.** | 671 | 697 | 724 | 671 | 697 | 724 | - | - | - | Ludi |
| **Telecommunications** | 799 | 834 | 871 | 799 | 834 | 871 | - | - | - | Ludi |
| **Program Oversight** | 1,347 | 1,407 | 1,469 | 1,347 | 1,407 | 1,469 | - | - | - | Jones |
| **Total O&M** | **$13,168** | **$ 8,610** | **$ 4,946** | **$ 9,507** | **$ 9,044** | **$ 5,769** | **$ 3,661** | **$ (434)** | **$ (823)** | |

**Q. What are the main drivers for the variance between years four through six Rider 60 revenue requirement from PNM's original filing in Docket No. 22-00058-UT and the first annual review filing in Docket No. 25-00049-UT?**

**A.** The change in the Rider 60 revenue requirement in years four through six is primarily driven by the acceleration of capital in the ADMS project, as well as an increase in O&M in AMI Meter Installation, offset by a decrease in AMI Infrastructure. For further discussion of the differences in ADMS capital, please refer to the Direct Testimony of PNM witness Ludi. For further discussion of the AMI Infrastructure O&M, please refer to the Direct Testimony of PNM witness Hawkins. For further discussion of the increase in AMI Installation O&M, please refer to the Direct Testimony of PNM witness Morgan.

## IV. CONCLUSION

**Q. Please summarize the main points of your testimony.**

**A.** PNM respectfully requests the Commission allow PNM to capitalize the costs of SaaS for years two through six in accordance with GAAP. PNM further requests the Commission approve the reasonableness of PNM's year three (2027) estimated revenue requirement, as reflected in PNM Exhibit RNG-3.

**Q. Does this conclude your testimony?**

**A.** Yes, it does.

*GCG#535131*

Reina N. Gutierrez's Resume

# PNM Exhibit RNG-1

Is contained in the following 1 page.

**REINA N. GUTIERREZ**
**EDUCATIONAL AND PROFESSIONAL SUMMARY**

Name: Reina N. Gutierrez

Address: PNMR Services Company
MS 1105
414 Silver SW
Albuquerque, NM 87102

Position: Senior Manager, Cost of Service

Education: Bachelor of Business Administration – Accounting, University of New Mexico, 2016

Licenses and Certifications:

Certified Public Accountant, New Mexico State Board of Accountancy, 2019

Professional Experience:

PNMR Services Company:
Senior Manager, Cost of Service (Current)
Manager, Corporate Budget (2023-2025)
Project Manager, SEC Reporting (2019-2023)

Senior Accountant, Axiom CPAs and Business Advisors (2017-2019)
Staff Accountant, Axiom CPAs and Business Advisors (2016-2017)
Bookkeeper, UPS (2015-2016)

Testimony and Affidavits Filed:

- In the Matter of Public Service Company of New Mexico's First Annual Grid Modernization Review Pursuant to the Commission's Final Order, Docket No. 25-00049-UT (filed June 16, 2025).
- 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. 26-0000048 (filed March 2, 2026).
- In the Matter of the Application of Public Service Company of New Mexico for Approval of Renewable Energy Rider No. 36 Pursuant to Advice Notice No. 439 and for Variances from Certain Filing Requirements, NMPRC Case No. 12-00007-UT (filed April 1, 2026) *(PNM's Rider No. 36 Reconciliation for 2025.)*

*GCG#535120*

Estimated Rider 60 Grid Modernization Year Two Monthly Revenue Requirement by Project

# PNM Exhibit RNG-2

Is contained in the following 23 pages.

**PNM Exhibit RNG-2**
**Grid Modernization Year Two Monthly Revenue Requirement by Project**

**Table of Contents**


| Title | Description | Page Reference |
|---|---|---|
| Total Estimated Revenue Requirement | Estimated Revenue Requirement Calculation for the total Grid Modernization Rider | Pages 2-3 |
| WP ADMS | Estimated Revenue Requirement Calculation Associated with ADMS Project | Pages 4-5 |
| WP Advanced Metering | Estimated Revenue Requirement Calculation Associated with Advanced Metering Project | Pages 6-7 |
| WP Customer Information & Analytics | Estimated Revenue Requirement Calculation Associated with Customer Information & Analytics Project | Pages 8-9 |
| WP Cybersecurity | Estimated Revenue Requirement Calculation Associated with Cybersecurity Project | Pages 10-11 |
| WP Data Management & Architecture | Estimated Revenue Requirement Calculation Associated with Data Management & Architecture Project | Pages 12-13 |
| WP Distribution Planning & Engineering | Estimated Revenue Requirement Calculation Associated with Distribution Planning & Engineering Project | Pages 14-15 |
| WP Distribution Automation | Estimated Revenue Requirement Calculation Associated with Distribution Automation Project | Pages 16-17 |
| WP Telecommunications | Estimated Revenue Requirement Calculation Associated with Telecommunications Project | Pages 18-19 |
| WP Project Oversight | Estimated Revenue Requirement Calculation Associated with Project Oversight Project | Pages 20-21 |
| WP WACC | PNM Recently Approved Weighted Average Cost of Capital | Page 22 |
| WP Rate Assumption | PNM Assumptions for Depreciation and Property Taxes | Page 23 |

**PNM Exhibit RNG-2**
**Total Estimated Grid Modernization Revenue Requirement**
**All Projects**

| | | Year 1 | | | | | | | | | | | | Year 2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | | - | $ - | $ 19,643 | $ 19,643 | $ 19,643 | $ 19,643 | $ 19,643 | $ 19,643 | $ 1,514,887 | $ 3,378,269 | $ 8,012,127 | $ 10,989,744 | $ 17,457,485 | 17,457,485 |
| Distribution Plant - Software | | 19,836,155 | 19,836,155 | 20,264,377 | 21,963,427 | 21,963,427 | 21,963,427 | 21,963,427 | 21,963,427 | 23,850,391 | 23,850,391 | 34,524,524 | 34,600,520 | 44,542,542 | 44,542,542 |
| Distribution Plant - Other | | 4,133,404 | 4,703,138 | 5,379,067 | 7,633,226 | 9,900,940 | 14,485,934 | 16,577,640 | 21,545,217 | 24,658,058 | 28,713,659 | 28,949,287 | 28,949,287 | 32,021,299 | 32,021,299 |
| Total Distribution Plant | | 23,969,559 | 24,539,293 | 25,663,086 | 29,616,296 | 31,884,010 | 36,469,004 | 38,560,709 | 43,528,287 | 50,023,336 | 55,942,319 | 71,485,938 | 74,539,551 | 94,021,326 | 94,021,326 |
| Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | | 23,969,559 | 24,539,293 | 25,663,086 | 29,616,296 | 31,884,010 | 36,469,004 | 38,560,709 | 43,528,287 | 50,023,336 | 55,942,319 | 71,485,938 | 74,539,551 | 94,021,326 | 94,021,326 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | | - | - | - | (82) | (164) | (246) | (327) | (409) | (491) | (6,803) | (20,879) | (54,263) | (100,054) | (100,054) |
| Distribution Plant - Software | | (897,909) | (1,063,210) | (1,228,511) | (1,397,381) | (1,580,410) | (1,763,438) | (1,946,467) | (2,129,495) | (2,312,524) | (2,511,277) | (2,710,030) | (2,997,735) | (3,286,073) | (3,286,073) |
| Distribution Plant - Other | | (165,016) | (175,118) | (186,613) | (199,759) | (218,415) | (242,613) | (278,018) | (318,534) | (371,191) | (431,456) | (501,634) | (572,387) | (643,140) | (643,140) |
| Total Distribution Plant | | (1,062,925) | (1,238,328) | (1,415,124) | (1,597,222) | (1,798,989) | (2,006,297) | (2,224,812) | (2,448,439) | (2,684,206) | (2,949,537) | (3,232,543) | (3,624,385) | (4,029,266) | (4,029,266) |
| Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | | (1,062,925) | (1,238,328) | (1,415,124) | (1,597,222) | (1,798,989) | (2,006,297) | (2,224,812) | (2,448,439) | (2,684,206) | (2,949,537) | (3,232,543) | (3,624,385) | (4,029,266) | (4,029,266) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | | - | - | (200) | (268) | (336) | (403) | (471) | (539) | (15,851) | (40,069) | (98,953) | (156,916) | (260,722) | (260,722) |
| Total Distribution ADIT - Software | | (1,753,586) | (1,886,943) | (2,003,355) | (2,138,912) | (2,261,048) | (2,383,184) | (2,505,320) | (2,627,457) | (2,774,610) | (2,906,859) | (3,180,627) | (3,371,090) | (4,099,538) | (4,099,538) |
| Total Distribution ADIT - Other | | (27,235) | (33,125) | (40,002) | (57,854) | (76,868) | (112,601) | (133,680) | (175,166) | (206,490) | (245,656) | (260,961) | (274,788) | (313,671) | (313,671) |
| Total Distribution ADIT | | (1,780,821) | (1,920,067) | (2,043,558) | (2,197,034) | (2,338,252) | (2,496,188) | (2,639,471) | (2,803,161) | (2,996,951) | (3,192,584) | (3,540,542) | (3,802,794) | (4,673,930) | (4,673,930) |
| Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | | (1,780,821) | (1,920,067) | (2,043,558) | (2,197,034) | (2,338,252) | (2,496,188) | (2,639,471) | (2,803,161) | (2,996,951) | (3,192,584) | (3,540,542) | (3,802,794) | (4,673,930) | (4,673,930) |
| **Total Rate Base** | | **$ 21,125,814** | **$ 21,380,898** | **$ 22,204,404** | **$ 25,822,039** | **$ 27,746,769** | **$ 31,966,518** | **$ 33,696,426** | **$ 38,276,687** | **$ 44,342,179** | **$ 49,800,198** | **$ 64,712,853** | **$ 67,112,372** | **$ 85,318,130** | **$ 85,318,130** |
| **Weighted Average Cost of Capital** | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | | 429,150 | 122,922 | 127,656 | 148,455 | 159,520 | 183,780 | 193,726 | 220,058 | 254,929 | 286,308 | 372,043 | 385,839 | 490,506 | 2,945,742 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | | 258,378 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 2,952,749 | 4,010,796 |
| Software | | 704,238 | 1,339,063 | 87,860 | 87,860 | 91,635 | 87,860 | 227,860 | 87,860 | 100,860 | 87,860 | 922,329 | 87,860 | 328,574 | 3,537,479 |
| Other | | 2,591,568 | - | - | - | - | - | - | - | - | - | - | - | 1,616,280 | 1,616,280 |
| Total Distribution O&M | | 3,554,184 | 1,435,249 | 184,046 | 184,046 | 187,821 | 184,046 | 324,046 | 184,046 | 197,046 | 184,046 | 1,018,515 | 184,046 | 4,897,603 | 9,164,555 |
| Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | | 2,533,813 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 1,311,310 | 2,149,087 |
| **Total O&M** | | 6,087,997 | 1,511,411 | 260,207 | 260,207 | 263,983 | 260,207 | 400,207 | 260,207 | 273,207 | 260,207 | 1,094,676 | 260,207 | 6,208,913 | 11,313,642 |
| **Depreciation Expense** | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | 82 | 82 | 82 | 82 | 82 | 82 | 6,312 | 14,076 | 33,384 | 45,791 | 100,054 |
| Distribution Depreciation Expense - Software | | 850,634 | 165,301 | 165,301 | 168,870 | 183,029 | 183,029 | 183,029 | 183,029 | 183,029 | 198,753 | 198,753 | 287,704 | 288,338 | 2,388,164 |
| Distribution Depreciation Expense - Other | | 165,016 | 10,102 | 11,495 | 13,147 | 18,656 | 24,198 | 35,404 | 40,516 | 52,657 | 60,265 | 70,177 | 70,753 | 70,753 | 478,124 |
| Distribution Depreciation Expense Total | | 1,015,650 | 175,403 | 176,796 | 182,098 | 201,766 | 207,309 | 218,515 | 223,627 | 235,768 | 265,330 | 283,007 | 391,841 | 404,881 | 2,966,341 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | 1,015,650 | 175,403 | 176,796 | 182,098 | 201,766 | 207,309 | 218,515 | 223,627 | 235,768 | 265,330 | 283,007 | 391,841 | 404,881 | 2,966,341 |
| **Property Tax** | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | |
| Meters | | - | - | - | 16 | 16 | 16 | 16 | 16 | 16 | 1,245 | 2,771 | 6,568 | 8,988 | 19,669 |
| Software | | - | 15,566 | 15,430 | 15,647 | 16,904 | 16,754 | 16,603 | 16,453 | 16,303 | 17,703 | 17,540 | 26,150 | 25,976 | 217,029 |
| Other | | - | 3,262 | 3,722 | 4,268 | 6,110 | 7,959 | 11,707 | 13,398 | 17,447 | 19,963 | 23,247 | 23,383 | 23,324 | 157,788 |
| Total Distribution Property Tax | | - | 18,828 | 19,152 | 19,931 | 23,030 | 24,728 | 28,327 | 29,866 | 33,766 | 38,910 | 43,558 | 56,101 | 58,289 | 394,486 |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | 18,828 | 19,152 | 19,931 | 23,030 | 24,728 | 28,327 | 29,866 | 33,766 | 38,910 | 43,558 | 56,101 | 58,289 | 394,486 |
| **Federal Income Tax** | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | |
| Interest | | (128,612) | (36,838) | (38,257) | (44,490) | (47,807) | (55,077) | (58,058) | (65,949) | (76,400) | (85,804) | (111,498) | (115,632) | (147,000) | (882,809) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | - | 56 | 268 | 1,054 | 1,275 | 1,723 | 1,928 | 2,413 | 3,595 | 4,301 | 8,651 | 9,173 | 34,436 |
| R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | - | 56 | 268 | 1,054 | 1,275 | 1,723 | 1,928 | 2,413 | 3,595 | 4,301 | 8,651 | 9,173 | 34,436 |
| Depreciation and AFUDC Debt | | (6,202,788) | (485,012) | (430,131) | (534,574) | (491,876) | (550,110) | (499,070) | (570,148) | (674,993) | (681,409) | (1,211,974) | (913,454) | (3,034,259) | (10,077,011) |
| Deferred State Income Tax | | 345,576 | 27,021 | 23,964 | 29,783 | 27,404 | 30,648 | 27,805 | 31,765 | 37,606 | 37,963 | 67,523 | 50,891 | 169,048 | 561,420 |
| Total Temporary Differences | | (5,857,213) | (457,990) | (406,167) | (504,791) | (464,472) | (519,462) | (471,266) | (538,383) | (637,387) | (643,446) | (1,144,451) | (862,563) | (2,865,212) | (9,515,591) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | 1,230,015 | 96,178 | 85,295 | 106,006 | 97,539 | 109,087 | 98,966 | 113,060 | 133,851 | 135,124 | 240,335 | 181,138 | 601,695 | 1,998,274 |
| Net Taxable Equity Return | | (4,326,660) | (275,729) | (231,417) | (294,553) | (254,166) | (280,397) | (234,909) | (269,286) | (322,593) | (304,223) | (639,270) | (402,567) | (1,910,838) | (5,419,948) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | (1,150,126) | (73,295) | (61,516) | (78,299) | (67,563) | (74,536) | (62,444) | (71,582) | (85,753) | (80,870) | (169,933) | (107,012) | (507,945) | (1,440,747) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | 1,230,015 | 96,178 | 85,295 | 106,006 | 97,539 | 109,087 | 98,966 | 113,060 | 133,851 | 135,124 | 240,335 | 181,138 | 601,695 | 1,998,274 |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | 79,889 | 22,883 | 23,779 | 27,707 | 29,976 | 34,551 | 36,522 | 41,478 | 48,099 | 54,254 | 70,402 | 74,127 | 93,750 | 557,527 |
| **State Income Tax** | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | (5,476,786) | (349,024) | (292,933) | (372,852) | (321,729) | (354,933) | (297,353) | (340,868) | (408,346) | (385,093) | (809,202) | (509,578) | (2,418,783) | (6,860,695) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | (323,130) | (20,592) | (17,283) | (21,998) | (18,982) | (20,941) | (17,544) | (20,111) | (24,092) | (22,720) | (47,743) | (30,065) | (142,708) | (404,781) |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | 345,576 | 27,021 | 23,964 | 29,783 | 27,404 | 30,648 | 27,805 | 31,765 | 37,606 | 37,963 | 67,523 | 50,891 | 169,048 | 561,420 |
| **Total State Income Tax** | | 22,445 | 6,429 | 6,681 | 7,784 | 8,422 | 9,707 | 10,261 | 11,653 | 13,513 | 15,243 | 19,780 | 20,826 | 26,339 | 156,639 |
| **Revenue Credits** | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | 7,635,131 | 1,857,876 | 614,272 | 646,182 | 686,698 | 720,283 | 887,557 | 786,890 | 859,282 | 920,254 | 1,883,466 | 1,188,941 | 7,282,678 | 18,334,378 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 38,830 | 9,449 | 3,124 | 3,286 | 3,492 | 3,663 | 4,514 | 4,002 | 4,370 | 4,680 | 9,579 | 6,047 | 37,038 | 93,244 |
| **Total Revenue Requirement** | | **$ 7,673,961** | **$ 1,867,325** | **$ 617,396** | **$ 649,469** | **$ 690,190** | **$ 723,946** | **$ 892,071** | **$ 790,892** | **$ 863,652** | **$ 924,934** | **$ 1,893,045** | **$ 1,194,988** | **$ 7,319,716** | **$ 18,427,622** |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | |
| Return on Rate Base | | 429,150 | 122,922 | 127,656 | 148,455 | 159,520 | 183,780 | 193,726 | 220,058 | 254,929 | 286,308 | 372,043 | 385,839 | 490,506 | 2,945,742 |
| O&M | | 6,087,997 | 1,511,411 | 260,207 | 260,207 | 263,983 | 260,207 | 400,207 | 260,207 | 273,207 | 260,207 | 1,094,676 | 260,207 | 6,208,913 | 11,313,642 |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **Total Estimated Grid Modernization Revenue Requirement** | | | | | | | | | | | | | | | | | |
| 3 | **All Projects** | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 231 | | | | Depreciation Expense | 1,015,650 | 175,403 | 176,796 | 182,098 | 201,766 | 207,309 | 218,515 | 223,627 | 235,768 | 265,330 | 283,007 | 391,841 | 404,881 | 2,966,341 |
| 232 | | | | Taxes Other Than Income | 38,830 | 28,277 | 22,276 | 23,217 | 26,523 | 28,392 | 32,841 | 33,868 | 38,136 | 43,591 | 53,136 | 62,148 | 95,327 | 487,730 |
| 233 | | | | Net Allowable Federal Income Tax | 79,889 | 22,883 | 23,779 | 27,707 | 29,976 | 34,551 | 36,522 | 41,478 | 48,099 | 54,254 | 70,402 | 74,127 | 93,750 | 557,527 |
| 234 | | | | Net Allowable State Income Tax | 22,445 | 6,429 | 6,681 | 7,784 | 8,422 | 9,707 | 10,261 | 11,653 | 13,513 | 15,243 | 19,780 | 20,826 | 26,339 | 156,639 |
| 235 | | | | Revenue Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | | **Total Revenue Requirement** | $ 7,673,961 | $ 1,867,325 | $ 617,396 | $ 649,469 | $ 690,190 | $ 723,946 | $ 892,071 | $ 790,892 | $ 863,652 | $ 924,934 | $ 1,893,045 | $ 1,194,988 | $ 7,319,716 | $ 18,427,622 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP ADMS - Estimated Revenue Requirement ADMS Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 51 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 56 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 57 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | | **ADIT** | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 96 | | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 106 | | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 107 | | | Total Distribution ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | | **Total Rate Base** | | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | | **Return on Rate Base** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | | **O&M** | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 132 | | | | Software | - | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 133 | | | | Other | 2,114 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 134 | | | Total Distribution O&M | | 2,114 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | 2,114 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | | **Depreciation Expense** | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 157 | | | | Distribution Depreciation Expense - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 162 | | | | Distribution Depreciation Expense - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 163 | | | Distribution Depreciation Expense Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | | **Property Tax** | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 177 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 178 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 179 | | | Total Distribution Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | | **Federal Income Tax** | | | | | | | | | | | | | | | | |
| 186 | | Return Adjustments | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | | Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | Total Permanent Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 194 | | | Depreciation and AFUDC Debt | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 195 | | | Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 196 | | | Total Temporary Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | | Deferred Federal Income Taxes | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | | Net Taxable Equity Return | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | Total Current Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 205 | | Investment Tax Credits | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | | **State Income Tax** | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 216 | | | | **Total State Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | | **Revenue Credits** | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP ADMS - Estimated Revenue Requirement ADMS Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | 2,114 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | 11 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 1,810 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ 2,125** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 357,798** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 230 | | | O&M | | 2,114 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 231 | | | Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 232 | | | Taxes Other Than Income | | 11 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 1,810 |
| 233 | | | Net Allowable Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 234 | | | Net Allowable State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | **Total Revenue Requirement** | | $ 2,125 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 29,816 | $ 357,798 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Advanced Metering - Estimated Revenue Requirement Advanced Metering Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | **Gross Plant** | | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | 19,643 | 19,643 | 19,643 | 19,643 | 19,643 | 19,643 | 1,514,887 | 3,378,269 | 8,012,127 | 10,989,744 | 17,457,485 | 17,457,485 |
| 21 | | | | Distribution Plant - Software | 16,999,622 | 16,999,622 | 17,427,843 | 17,427,843 | 17,427,843 | 17,427,843 | 17,427,843 | 17,427,843 | 17,427,843 | 17,427,843 | 28,101,976 | 28,177,972 | 32,235,249 | 32,235,249 |
| 26 | | | | Distribution Plant - Other | 1,206,257 | 1,614,650 | 2,023,043 | 2,431,436 | 2,839,829 | 3,248,222 | 3,656,615 | 3,919,297 | 4,881,793 | 4,881,793 | 4,881,793 | 4,881,793 | 7,570,213 | 7,570,213 |
| 27 | | | Total Distribution Plant | | 18,205,878 | 18,614,271 | 19,470,528 | 19,878,921 | 20,287,314 | 20,695,707 | 21,104,100 | 21,366,783 | 23,824,523 | 25,687,906 | 40,995,897 | 44,049,510 | 57,262,948 | 57,262,948 |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | 18,205,878 | 18,614,271 | 19,470,528 | 19,878,921 | 20,287,314 | 20,695,707 | 21,104,100 | 21,366,783 | 23,824,523 | 25,687,906 | 40,995,897 | 44,049,510 | 57,262,948 | 57,262,948 |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | **Accumulated Depreciation** | | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | (82) | (164) | (246) | (327) | (409) | (491) | (6,803) | (20,879) | (54,263) | (100,054) | (100,054) |
| 51 | | | | Distribution Plant - Software | (283,327) | (424,991) | (566,654) | (711,886) | (857,118) | (1,002,350) | (1,147,582) | (1,292,814) | (1,438,046) | (1,583,278) | (1,728,510) | (1,962,693) | (2,197,510) | (2,197,510) |
| 56 | | | | Distribution Plant - Other | - | (2,948) | (6,894) | (11,839) | (17,781) | (24,722) | (32,661) | (41,598) | (51,177) | (63,108) | (75,039) | (86,970) | (98,902) | (98,902) |
| 57 | | | Total Distribution Plant | | (283,327) | (427,939) | (573,549) | (723,807) | (875,063) | (1,027,318) | (1,180,570) | (1,334,821) | (1,489,714) | (1,653,189) | (1,824,429) | (2,103,927) | (2,396,465) | (2,396,465) |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | (283,327) | (427,939) | (573,549) | (723,807) | (875,063) | (1,027,318) | (1,180,570) | (1,334,821) | (1,489,714) | (1,653,189) | (1,824,429) | (2,103,927) | (2,396,465) | (2,396,465) |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | **ADIT** | | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | (200) | (268) | (336) | (403) | (471) | (539) | (15,851) | (40,069) | (98,953) | (156,916) | (260,722) | (260,722) |
| 96 | | | | Total Distribution ADIT - Software | (1,657,280) | (1,752,181) | (1,852,758) | (1,949,954) | (2,047,149) | (2,144,345) | (2,241,540) | (2,338,735) | (2,435,931) | (2,533,126) | (2,771,840) | (2,927,250) | (3,135,851) | (3,135,851) |
| 106 | | | | Total Distribution ADIT - Other | - | (3,353) | (6,901) | (10,642) | (14,577) | (18,706) | (23,029) | (26,562) | (34,944) | (37,286) | (39,627) | (41,969) | (62,458) | (62,458) |
| 107 | | | Total Distribution ADIT | | (1,657,280) | (1,755,534) | (1,859,859) | (1,960,864) | (2,062,062) | (2,163,454) | (2,265,040) | (2,365,836) | (2,486,726) | (2,610,480) | (2,910,421) | (3,126,135) | (3,459,031) | (3,459,031) |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | (1,657,280) | (1,755,534) | (1,859,859) | (1,960,864) | (2,062,062) | (2,163,454) | (2,265,040) | (2,365,836) | (2,486,726) | (2,610,480) | (2,910,421) | (3,126,135) | (3,459,031) | (3,459,031) |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | **Total Rate Base** | | | | **$ 16,265,271** | **$16,430,799** | **$17,037,120** | **$17,194,251** | **$17,350,189** | **$17,504,936** | **$17,658,490** | **$17,666,126** | **$19,848,084** | **$21,424,236** | **$36,261,048** | **$38,819,449** | **$51,407,452** | **$ 51,407,452** |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | **Weighted Average Cost of Capital** | | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | **Return on Rate Base** | | | | 93,511 | 94,463 | 97,949 | 98,852 | 99,749 | 100,638 | 101,521 | 101,565 | 114,109 | 123,171 | 208,470 | 223,178 | 295,549 | 1,659,215 |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | **O&M** | | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | 258,378 | - | - | - | - | - | - | - | - | - | - | - | 2,856,563 | 2,856,563 |
| 132 | | | | Software | 704,238 | 1,251,203 | - | - | 3,776 | - | - | - | - | - | - | - | - | 1,254,979 |
| 133 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 134 | | | Total Distribution O&M | | 962,616 | 1,251,203 | - | - | 3,776 | - | - | - | - | - | - | - | 2,856,563 | 4,111,542 |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | 1,413,768 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | 2,376,384 | 1,251,203 | - | - | 3,776 | - | - | - | - | - | - | - | 2,856,563 | 4,111,542 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | **Depreciation Expense** | | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | 82 | 82 | 82 | 82 | 82 | 82 | 6,312 | 14,076 | 33,384 | 45,791 | 100,054 |
| 157 | | | | Distribution Depreciation Expense - Software | 283,327 | 141,664 | 141,664 | 145,232 | 145,232 | 145,232 | 145,232 | 145,232 | 145,232 | 145,232 | 145,232 | 234,183 | 234,816 | 1,914,183 |
| 162 | | | | Distribution Depreciation Expense - Other | - | 2,948 | 3,946 | 4,944 | 5,943 | 6,941 | 7,939 | 8,937 | 9,579 | 11,931 | 11,931 | 11,931 | 11,931 | 98,902 |
| 163 | | | Distribution Depreciation Expense Total | | 283,327 | 144,612 | 145,610 | 150,258 | 151,256 | 152,255 | 153,253 | 154,251 | 154,893 | 163,475 | 171,239 | 279,498 | 292,538 | 2,113,138 |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | 283,327 | 144,612 | 145,610 | 150,258 | 151,256 | 152,255 | 153,253 | 154,251 | 154,893 | 163,475 | 171,239 | 279,498 | 292,538 | 2,113,138 |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | **Property Tax** | | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | 16 | 16 | 16 | 16 | 16 | 16 | 1,245 | 2,771 | 6,568 | 8,988 | 19,669 |
| 177 | | | | Software | - | 13,740 | 13,624 | 13,859 | 13,740 | 13,620 | 13,501 | 13,382 | 13,262 | 13,143 | 13,023 | 21,678 | 21,548 | 178,119 |
| 178 | | | | Other | - | 991 | 1,325 | 1,657 | 1,989 | 2,320 | 2,650 | 2,979 | 3,187 | 3,971 | 3,961 | 3,951 | 3,941 | 32,921 |
| 179 | | | Total Distribution Property Tax | | - | 14,731 | 14,948 | 15,532 | 15,745 | 15,956 | 16,166 | 16,376 | 16,465 | 18,358 | 19,755 | 32,197 | 34,477 | 230,708 |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | 14,731 | 14,948 | 15,532 | 15,745 | 15,956 | 16,166 | 16,376 | 16,465 | 18,358 | 19,755 | 32,197 | 34,477 | 230,708 |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | **Federal Income Tax** | | | | | | | | | | | | | | | | | |
| 186 | Return Adjustments | | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | (28,024) | (28,310) | (29,354) | (29,625) | (29,894) | (30,160) | (30,425) | (30,438) | (34,197) | (36,913) | (62,476) | (66,884) | (88,573) | (497,250) |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | Tax/Book Adjustments | | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | 40 | 226 | 266 | 306 | 345 | 385 | 411 | 754 | 1,064 | 5,392 | 5,913 | 15,101 |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | Total Permanent Differences | | - | - | 40 | 226 | 266 | 306 | 345 | 385 | 411 | 754 | 1,064 | 5,392 | 5,913 | 15,101 |
| 194 | | | Depreciation and AFUDC Debt | | (5,772,484) | (342,228) | (363,376) | (351,809) | (352,484) | (353,159) | (353,835) | (351,084) | (421,072) | (431,051) | (1,044,724) | (751,355) | (1,159,513) | (6,275,690) |
| 195 | | | Deferred State Income Tax | | 321,602 | 19,067 | 20,245 | 19,600 | 19,638 | 19,676 | 19,713 | 19,560 | 23,459 | 24,015 | 58,205 | 41,860 | 64,600 | 349,637 |
| 196 | | | Total Temporary Differences | | (5,450,882) | (323,162) | (343,132) | (332,208) | (332,846) | (333,484) | (334,122) | (331,524) | (397,613) | (407,036) | (986,519) | (709,495) | (1,094,913) | (5,926,053) |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | Deferred Federal Income Taxes | | | | 1,144,685 | 67,864 | 72,058 | 69,764 | 69,898 | 70,032 | 70,166 | 69,620 | 83,499 | 85,477 | 207,169 | 148,994 | 229,932 | 1,244,471 |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | Net Taxable Equity Return | | | | (4,240,710) | (189,144) | (202,439) | (192,992) | (192,828) | (192,669) | (192,514) | (190,392) | (233,792) | (234,546) | (632,292) | (398,815) | (652,093) | (3,504,516) |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | Total Current Federal Income Tax | | (1,127,278) | (50,279) | (53,813) | (51,302) | (51,258) | (51,216) | (51,175) | (50,611) | (62,147) | (62,348) | (168,078) | (106,014) | (173,341) | (931,581) |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | 1,144,685 | 67,864 | 72,058 | 69,764 | 69,898 | 70,032 | 70,166 | 69,620 | 83,499 | 85,477 | 207,169 | 148,994 | 229,932 | 1,244,471 |
| 205 | Investment Tax Credits | | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | 17,407 | 17,585 | 18,245 | 18,462 | 18,640 | 18,816 | 18,991 | 19,010 | 21,352 | 23,130 | 39,091 | 42,980 | 56,591 | 312,890 |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | **State Income Tax** | | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | (5,367,988) | (239,423) | (256,253) | (244,293) | (244,086) | (243,884) | (243,689) | (241,002) | (295,939) | (296,894) | (800,370) | (504,829) | (825,434) | (4,436,097) |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | (316,711) | (14,126) | (15,119) | (14,413) | (14,401) | (14,389) | (14,378) | (14,219) | (17,460) | (17,517) | (47,222) | (29,785) | (48,701) | (261,730) |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | 321,602 | 19,067 | 20,245 | 19,600 | 19,638 | 19,676 | 19,713 | 19,560 | 23,459 | 24,015 | 58,205 | 41,860 | 64,600 | 349,637 |
| 216 | | | | **Total State Income Tax** | 4,891 | 4,941 | 5,126 | 5,187 | 5,237 | 5,286 | 5,336 | 5,341 | 5,999 | 6,498 | 10,983 | 12,075 | 15,899 | 87,907 |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | **Revenue Credits** | | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Advanced Metering - Estimated Revenue Requirement Advanced Metering Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | 2,775,520 | 1,527,535 | 281,877 | 288,292 | 294,402 | 292,951 | 295,267 | 296,542 | 312,818 | 334,632 | 449,539 | 589,929 | 3,551,617 | 8,515,400 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | 14,116 | 7,769 | 1,434 | 1,466 | 1,497 | 1,490 | 1,502 | 1,508 | 1,591 | 1,702 | 2,286 | 3,000 | 18,063 | 43,307 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ 2,789,635** | **$ 1,535,304** | **$ 283,311** | **$ 289,758** | **$ 295,899** | **$ 294,441** | **$ 296,768** | **$ 298,050** | **$ 314,409** | **$ 336,334** | **$ 451,825** | **$ 592,929** | **$ 3,569,679** | **$ 8,558,708** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | 93,511 | 94,463 | 97,949 | 98,852 | 99,749 | 100,638 | 101,521 | 101,565 | 114,109 | 123,171 | 208,470 | 223,178 | 295,549 | 1,659,215 |
| 230 | | | O&M | | 2,376,384 | 1,251,203 | - | - | 3,776 | - | - | - | - | - | - | - | 2,856,563 | 4,111,542 |
| 231 | | | Depreciation Expense | | 283,327 | 144,612 | 145,610 | 150,258 | 151,256 | 152,255 | 153,253 | 154,251 | 154,893 | 163,475 | 171,239 | 279,498 | 292,538 | 2,113,138 |
| 232 | | | Taxes Other Than Income | | 14,116 | 22,500 | 16,382 | 16,999 | 17,242 | 17,446 | 17,668 | 17,884 | 18,056 | 20,060 | 22,042 | 35,197 | 52,540 | 274,015 |
| 233 | | | Net Allowable Federal Income Tax | | 17,407 | 17,585 | 18,245 | 18,462 | 18,640 | 18,816 | 18,991 | 19,010 | 21,352 | 23,130 | 39,091 | 42,980 | 56,591 | 312,890 |
| 234 | | | Net Allowable State Income Tax | | 4,891 | 4,941 | 5,126 | 5,187 | 5,237 | 5,286 | 5,336 | 5,341 | 5,999 | 6,498 | 10,983 | 12,075 | 15,899 | 87,907 |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | **Total Revenue Requirement** | | $ 2,789,635 | $ 1,535,304 | $ 283,311 | $ 289,758 | $ 295,899 | $ 294,441 | $ 296,768 | $ 298,050 | $ 314,409 | $ 336,334 | $ 451,825 | $ 592,929 | $ 3,569,679 | $ 8,558,708 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Customer Information & Analystics - Estimated Revenue Requirement Customer Information & Analytics Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | **Gross Plant** | | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | Distribution Plant - Software | - | - | - | 1,699,051 | 1,699,051 | 1,699,051 | 1,699,051 | 1,699,051 | 3,586,014 | 3,586,014 | 3,586,014 | 3,586,014 | 3,933,207 | 3,933,207 |
| 26 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | | | Total Distribution Plant | | - | - | - | 1,699,051 | 1,699,051 | 1,699,051 | 1,699,051 | 1,699,051 | 3,586,014 | 3,586,014 | 3,586,014 | 3,586,014 | 3,933,207 | 3,933,207 |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | - | - | - | 1,699,051 | 1,699,051 | 1,699,051 | 1,699,051 | 1,699,051 | 3,586,014 | 3,586,014 | 3,586,014 | 3,586,014 | 3,933,207 | 3,933,207 |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | **Accumulated Depreciation** | | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 51 | | | | Distribution Plant - Software | - | - | - | - | (14,159) | (28,318) | (42,476) | (56,635) | (70,794) | (100,677) | (130,561) | (160,444) | (190,328) | (190,328) |
| 56 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 57 | | | Total Distribution Plant | | - | - | - | - | (14,159) | (28,318) | (42,476) | (56,635) | (70,794) | (100,677) | (130,561) | (160,444) | (190,328) | (190,328) |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | - | - | - | - | (14,159) | (28,318) | (42,476) | (56,635) | (70,794) | (100,677) | (130,561) | (160,444) | (190,328) | (190,328) |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | **ADIT** | | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 96 | | | | Total Distribution ADIT - Software | - | - | - | (22,526) | (31,632) | (40,738) | (49,844) | (58,949) | (93,073) | (112,292) | (131,510) | (150,729) | (174,551) | (174,551) |
| 106 | | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 107 | | | Total Distribution ADIT | | - | - | - | (22,526) | (31,632) | (40,738) | (49,844) | (58,949) | (93,073) | (112,292) | (131,510) | (150,729) | (174,551) | (174,551) |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | - | - | - | (22,526) | (31,632) | (40,738) | (49,844) | (58,949) | (93,073) | (112,292) | (131,510) | (150,729) | (174,551) | (174,551) |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | **Total Rate Base** | | | | **$ -** | **$ -** | **$ -** | **$ 1,676,525** | **$ 1,653,260** | **$ 1,629,995** | **$ 1,606,731** | **$ 1,583,466** | **$ 3,422,148** | **$ 3,373,045** | **$ 3,323,943** | **$ 3,274,841** | **$ 3,568,328** | **$ 3,568,328** |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | **Weighted Average Cost of Capital** | | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | **Return on Rate Base** | | | | - | - | - | 9,639 | 9,505 | 9,371 | 9,237 | 9,104 | 19,674 | 19,392 | 19,110 | 18,828 | 20,515 | 144,374 |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | **O&M** | | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 132 | | | | Software | - | - | - | - | - | - | 140,000 | - | 13,000 | - | 834,469 | - | - | 987,469 |
| 133 | | | | Other | 815,447 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 134 | | | Total Distribution O&M | | 815,447 | - | - | - | - | - | 140,000 | - | 13,000 | - | 834,469 | - | - | 987,469 |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | 20,402 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | 835,849 | - | - | - | - | - | 140,000 | - | 13,000 | - | 834,469 | - | - | 987,469 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | **Depreciation Expense** | | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 157 | | | | Distribution Depreciation Expense - Software | - | - | - | - | 14,159 | 14,159 | 14,159 | 14,159 | 14,159 | 29,883 | 29,883 | 29,883 | 29,883 | 190,328 |
| 162 | | | | Distribution Depreciation Expense - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 163 | | | Distribution Depreciation Expense Total | | - | - | - | - | 14,159 | 14,159 | 14,159 | 14,159 | 14,159 | 29,883 | 29,883 | 29,883 | 29,883 | 190,328 |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | - | - | - | - | 14,159 | 14,159 | 14,159 | 14,159 | 14,159 | 29,883 | 29,883 | 29,883 | 29,883 | 190,328 |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | **Property Tax** | | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 177 | | | | Software | - | - | - | - | 1,397 | 1,385 | 1,373 | 1,362 | 1,350 | 2,889 | 2,865 | 2,840 | 2,816 | 18,276 |
| 178 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 179 | | | Total Distribution Property Tax | | - | - | - | - | 1,397 | 1,385 | 1,373 | 1,362 | 1,350 | 2,889 | 2,865 | 2,840 | 2,816 | 18,276 |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | - | - | - | 1,397 | 1,385 | 1,373 | 1,362 | 1,350 | 2,889 | 2,865 | 2,840 | 2,816 | 18,276 |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | **Federal Income Tax** | | | | | | | | | | | | | | | | | |
| 186 | Return Adjustments | | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | - | - | - | (2,889) | (2,849) | (2,808) | (2,768) | (2,728) | (5,896) | (5,812) | (5,727) | (5,642) | (6,148) | (43,267) |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | Tax/Book Adjustments | | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | - | - | 566 | 566 | 566 | 566 | 566 | 1,195 | 1,195 | 1,195 | 1,195 | 7,608 |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | Total Permanent Differences | | - | - | - | - | 566 | 566 | 566 | 566 | 566 | 1,195 | 1,195 | 1,195 | 1,195 | 7,608 |
| 194 | | | Depreciation and AFUDC Debt | | - | - | - | (78,461) | (31,717) | (31,717) | (31,717) | (31,717) | (118,855) | (66,941) | (66,941) | (66,941) | (82,974) | (607,980) |
| 195 | | | Deferred State Income Tax | | - | - | - | 4,371 | 1,767 | 1,767 | 1,767 | 1,767 | 6,622 | 3,729 | 3,729 | 3,729 | 4,623 | 33,872 |
| 196 | | | Total Temporary Differences | | - | - | - | (74,090) | (29,950) | (29,950) | (29,950) | (29,950) | (112,234) | (63,211) | (63,211) | (63,211) | (78,351) | (574,107) |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | Deferred Federal Income Taxes | | | | - | - | - | 15,559 | 6,289 | 6,289 | 6,289 | 6,289 | 23,569 | 13,274 | 13,274 | 13,274 | 16,454 | 120,563 |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | Net Taxable Equity Return | | | | - | - | - | (51,781) | (16,438) | (16,532) | (16,625) | (16,719) | (74,320) | (35,162) | (35,360) | (35,557) | (46,336) | (344,830) |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | Total Current Federal Income Tax | | - | - | - | (13,765) | (4,370) | (4,394) | (4,419) | (4,444) | (19,756) | (9,347) | (9,399) | (9,452) | (12,317) | (91,664) |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | - | - | - | 15,559 | 6,289 | 6,289 | 6,289 | 6,289 | 23,569 | 13,274 | 13,274 | 13,274 | 16,454 | 120,563 |
| 205 | Investment Tax Credits | | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | - | - | - | 1,794 | 1,920 | 1,895 | 1,870 | 1,845 | 3,813 | 3,928 | 3,875 | 3,822 | 4,137 | 28,899 |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | **State Income Tax** | | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | - | - | - | (65,546) | (20,807) | (20,926) | (21,045) | (21,163) | (94,077) | (44,509) | (44,759) | (45,009) | (58,654) | (436,494) |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | - | - | - | (3,867) | (1,228) | (1,235) | (1,242) | (1,249) | (5,551) | (2,626) | (2,641) | (2,656) | (3,461) | (25,753) |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | - | - | - | 4,371 | 1,767 | 1,767 | 1,767 | 1,767 | 6,622 | 3,729 | 3,729 | 3,729 | 4,623 | 33,872 |
| 216 | | | | **Total State Income Tax** | - | - | - | 504 | 539 | 532 | 525 | 518 | 1,071 | 1,103 | 1,089 | 1,074 | 1,162 | 8,119 |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | **Revenue Credits** | | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Customer Information & Analytics - Estimated Revenue Requirement Customer Information & Analytics Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | 835,849 | - | - | 11,937 | 27,519 | 27,342 | 167,165 | 26,987 | 53,067 | 57,196 | 891,291 | 56,448 | 58,513 | 1,377,465 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | 4,251 | - | - | 61 | 140 | 139 | 850 | 137 | 270 | 291 | 4,533 | 287 | 298 | 7,005 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ 840,100** | **$ -** | **$ -** | **$ 11,998** | **$ 27,659** | **$ 27,481** | **$ 168,015** | **$ 27,125** | **$ 53,337** | **$ 57,487** | **$ 895,824** | **$ 56,735** | **$ 58,810** | **$ 1,384,470** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | - | - | - | 9,639 | 9,505 | 9,371 | 9,237 | 9,104 | 19,674 | 19,392 | 19,110 | 18,828 | 20,515 | 144,374 |
| 230 | | | O&M | | 835,849 | - | - | - | - | - | 140,000 | - | 13,000 | - | 834,469 | - | - | 987,469 |
| 231 | | | Depreciation Expense | | - | - | - | - | 14,159 | 14,159 | 14,159 | 14,159 | 14,159 | 29,883 | 29,883 | 29,883 | 29,883 | 190,328 |
| 232 | | | Taxes Other Than Income | | 4,251 | - | - | 61 | 1,536 | 1,524 | 2,223 | 1,499 | 1,620 | 3,180 | 7,398 | 3,127 | 3,113 | 25,282 |
| 233 | | | Net Allowable Federal Income Tax | | - | - | - | 1,794 | 1,920 | 1,895 | 1,870 | 1,845 | 3,813 | 3,928 | 3,875 | 3,822 | 4,137 | 28,899 |
| 234 | | | Net Allowable State Income Tax | | - | - | - | 504 | 539 | 532 | 525 | 518 | 1,071 | 1,103 | 1,089 | 1,074 | 1,162 | 8,119 |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | | **Total Revenue Requirement** | $ 840,100 | $ - | $ - | $ 11,998 | $ 27,659 | $ 27,481 | $ 168,015 | $ 27,125 | $ 53,337 | $ 57,487 | $ 895,824 | $ 56,735 | $ 58,810 | $ 1,384,470 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Cybersecurity - Estimated Revenue Requirement Cybersecurity Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | 4,829,966 | 4,829,966 |
| 26 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | 191,895 | 191,895 |
| 27 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | 5,021,861 | 5,021,861 |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | - | - | - | - | - | - | - | - | - | - | - | - | 5,021,861 | 5,021,861 |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 51 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 56 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 57 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | | **ADIT** | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 96 | | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | (470,809) | (470,809) |
| 106 | | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | (3,720) | (3,720) |
| 107 | | | Total Distribution ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | (474,528) | (474,528) |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | - | - | - | - | - | - | - | - | - | - | - | - | (474,528) | (474,528) |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | | **Total Rate Base** | | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 4,547,333 | $ 4,547,333 |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | | **Return on Rate Base** | | | - | - | - | - | - | - | - | - | - | - | - | - | 26,143 | 26,143 |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | | **O&M** | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 132 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | 217,350 | 217,350 |
| 133 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 134 | | | Total Distribution O&M | | - | - | - | - | - | - | - | - | - | - | - | - | 217,350 | 217,350 |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | 383 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | 383 | - | - | - | - | - | - | - | - | - | - | - | 217,350 | 217,350 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | | **Depreciation Expense** | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 157 | | | | Distribution Depreciation Expense - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 162 | | | | Distribution Depreciation Expense - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 163 | | | Distribution Depreciation Expense Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | | **Property Tax** | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 177 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 178 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 179 | | | Total Distribution Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | | **Federal Income Tax** | | | | | | | | | | | | | | | | |
| 186 | | Return Adjustments | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | - | - | - | - | - | - | - | - | - | - | - | - | (7,835) | (7,835) |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | | Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | Total Permanent Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 194 | | | Depreciation and AFUDC Debt | | - | - | - | - | - | - | - | - | - | - | - | - | (1,652,832) | (1,652,832) |
| 195 | | | Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | 92,084 | 92,084 |
| 196 | | | Total Temporary Differences | | - | - | - | - | - | - | - | - | - | - | - | - | (1,560,748) | (1,560,748) |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | | Deferred Federal Income Taxes | | | - | - | - | - | - | - | - | - | - | - | - | - | 327,757 | 327,757 |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | | Net Taxable Equity Return | | | - | - | - | - | - | - | - | - | - | - | - | - | (1,214,682) | (1,214,682) |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | Total Current Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | (322,891) | (322,891) |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | 327,757 | 327,757 |
| 205 | | Investment Tax Credits | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | 4,867 | 4,867 |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | | **State Income Tax** | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | (1,537,573) | (1,537,573) |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | (90,717) | (90,717) |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | 92,084 | 92,084 |
| 216 | | | | **Total State Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | 1,367 | 1,367 |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | | **Revenue Credits** | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Cybersecurity - Estimated Revenue Requirement Cybersecurity Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | 383 | - | - | - | - | - | - | - | - | - | - | - | 249,727 | 249,727 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | 2 | - | - | - | - | - | - | - | - | - | - | - | 1,270 | 1,270 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ 385** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 250,997** | **$ 250,997** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | - | - | - | - | - | - | - | - | - | - | - | - | 26,143 | 26,143 |
| 230 | | | O&M | | 383 | - | - | - | - | - | - | - | - | - | - | - | 217,350 | 217,350 |
| 231 | | | Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 232 | | | Taxes Other Than Income | | 2 | - | - | - | - | - | - | - | - | - | - | - | 1,270 | 1,270 |
| 233 | | | Net Allowable Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | 4,867 | 4,867 |
| 234 | | | Net Allowable State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | 1,367 | 1,367 |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | **Total Revenue Requirement** | | $ 385 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 250,997 | $ 250,997 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Data Management & Architecture - Estimated Revenue Requirement Data Management & Architecture Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | Distribution Plant - Software | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 3,544,120 | 3,544,120 |
| 26 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | 149,973 | 149,973 |
| 27 | | | Total Distribution Plant | | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 3,694,093 | 3,694,093 |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 2,836,534 | 3,694,093 | 3,694,093 |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 51 | | | | Distribution Plant - Software | (614,582) | (638,219) | (661,857) | (685,495) | (709,133) | (732,771) | (756,408) | (780,046) | (803,684) | (827,322) | (850,959) | (874,597) | (898,235) | (898,235) |
| 56 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 57 | | | Total Distribution Plant | | (614,582) | (638,219) | (661,857) | (685,495) | (709,133) | (732,771) | (756,408) | (780,046) | (803,684) | (827,322) | (850,959) | (874,597) | (898,235) | (898,235) |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | (614,582) | (638,219) | (661,857) | (685,495) | (709,133) | (732,771) | (756,408) | (780,046) | (803,684) | (827,322) | (850,959) | (874,597) | (898,235) | (898,235) |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | | **ADIT** | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 96 | | | | Total Distribution ADIT - Software | (96,306) | (134,762) | (150,597) | (166,432) | (182,267) | (198,102) | (213,937) | (229,772) | (245,607) | (261,442) | (277,277) | (293,112) | (318,328) | (318,328) |
| 106 | | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | (2,907) | (2,907) |
| 107 | | | Total Distribution ADIT | | (96,306) | (134,762) | (150,597) | (166,432) | (182,267) | (198,102) | (213,937) | (229,772) | (245,607) | (261,442) | (277,277) | (293,112) | (321,235) | (321,235) |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | (96,306) | (134,762) | (150,597) | (166,432) | (182,267) | (198,102) | (213,937) | (229,772) | (245,607) | (261,442) | (277,277) | (293,112) | (321,235) | (321,235) |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | | **Total Rate Base** | | | **$ 2,125,646** | **$ 2,063,552** | **$ 2,024,079** | **$ 1,984,607** | **$ 1,945,134** | **$ 1,905,661** | **$ 1,866,188** | **$ 1,826,716** | **$ 1,787,243** | **$ 1,747,770** | **$ 1,708,298** | **$ 1,668,825** | **$ 2,474,623** | **$ 2,474,623** |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | | **Return on Rate Base** | | | 168,019 | 11,864 | 11,637 | 11,410 | 11,183 | 10,956 | 10,729 | 10,502 | 10,275 | 10,048 | 9,821 | 9,594 | 14,227 | 132,246 |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | | **O&M** | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | - | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 96,186 | 1,154,233 |
| 132 | | | | Software | - | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 58,194 | 698,330 |
| 133 | | | | Other | 127,181 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 134 | | | Total Distribution O&M | | 127,181 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 1,852,563 |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | 11,646 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | 138,828 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 1,852,563 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | | **Depreciation Expense** | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 157 | | | | Distribution Depreciation Expense - Software | 567,307 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 283,653 |
| 162 | | | | Distribution Depreciation Expense - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 163 | | | Distribution Depreciation Expense Total | | 567,307 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 283,653 |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | 567,307 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 283,653 |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | | **Property Tax** | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 177 | | | | Software | - | 1,826 | 1,807 | 1,787 | 1,768 | 1,749 | 1,729 | 1,710 | 1,690 | 1,671 | 1,651 | 1,632 | 1,613 | 20,634 |
| 178 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 179 | | | Total Distribution Property Tax | | - | 1,826 | 1,807 | 1,787 | 1,768 | 1,749 | 1,729 | 1,710 | 1,690 | 1,671 | 1,651 | 1,632 | 1,613 | 20,634 |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | 1,826 | 1,807 | 1,787 | 1,768 | 1,749 | 1,729 | 1,710 | 1,690 | 1,671 | 1,651 | 1,632 | 1,613 | 20,634 |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | | **Federal Income Tax** | | | | | | | | | | | | | | | | |
| 186 | | Return Adjustments | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | (50,354) | (3,555) | (3,487) | (3,419) | (3,351) | (3,283) | (3,215) | (3,147) | (3,079) | (3,011) | (2,943) | (2,875) | (4,264) | (39,633) |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | | Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | Total Permanent Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 194 | | | Depreciation and AFUDC Debt | | (335,443) | (133,947) | (55,155) | (55,155) | (55,155) | (55,155) | (55,155) | (55,155) | (55,155) | (55,155) | (55,155) | (55,155) | (97,956) | (783,452) |
| 195 | | | Deferred State Income Tax | | 18,689 | 7,463 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 5,457 | 43,648 |
| 196 | | | Total Temporary Differences | | (316,755) | (126,485) | (52,082) | (52,082) | (52,082) | (52,082) | (52,082) | (52,082) | (52,082) | (52,082) | (52,082) | (52,082) | (92,499) | (739,803) |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | | Deferred Federal Income Taxes | | | 66,519 | 26,562 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 19,425 | 155,359 |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | | Net Taxable Equity Return | | | (132,571) | (91,615) | (32,995) | (33,154) | (33,313) | (33,472) | (33,631) | (33,790) | (33,949) | (34,108) | (34,267) | (34,426) | (63,111) | (491,832) |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | Total Current Federal Income Tax | | (35,240) | (24,353) | (8,771) | (8,813) | (8,855) | (8,898) | (8,940) | (8,982) | (9,024) | (9,067) | (9,109) | (9,151) | (16,776) | (130,740) |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | 66,519 | 26,562 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 10,937 | 19,425 | 155,359 |
| 205 | | Investment Tax Credits | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | 31,278 | 2,208 | 2,166 | 2,124 | 2,082 | 2,040 | 1,997 | 1,955 | 1,913 | 1,871 | 1,828 | 1,786 | 2,648 | 24,619 |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | | **State Income Tax** | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | (167,811) | (115,968) | (41,766) | (41,968) | (42,169) | (42,370) | (42,571) | (42,772) | (42,973) | (43,175) | (43,376) | (43,577) | (79,887) | (622,572) |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | (9,901) | (6,842) | (2,464) | (2,476) | (2,488) | (2,500) | (2,512) | (2,524) | (2,535) | (2,547) | (2,559) | (2,571) | (4,713) | (36,732) |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | 18,689 | 7,463 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 3,073 | 5,457 | 43,648 |
| 216 | | | | **Total State Income Tax** | 8,788 | 620 | 609 | 597 | 585 | 573 | 561 | 549 | 537 | 526 | 514 | 502 | 744 | 6,917 |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | | **Revenue Credits** | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Data Management & Architecture - Estimated Revenue Requirement Data Management & Architecture Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | 914,220 | 194,537 | 194,237 | 193,936 | 193,636 | 193,335 | 193,035 | 192,734 | 192,434 | 192,133 | 191,833 | 191,532 | 197,250 | 2,320,631 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | 4,649 | 989 | 988 | 986 | 985 | 983 | 982 | 980 | 979 | 977 | 976 | 974 | 1,003 | 11,802 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ 918,869** | **$ 195,526** | **$ 195,224** | **$ 194,922** | **$ 194,620** | **$ 194,318** | **$ 194,016** | **$ 193,714** | **$ 193,412** | **$ 193,110** | **$ 192,808** | **$ 192,506** | **$ 198,253** | **$ 2,332,433** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | 168,019 | 11,864 | 11,637 | 11,410 | 11,183 | 10,956 | 10,729 | 10,502 | 10,275 | 10,048 | 9,821 | 9,594 | 14,227 | 132,246 |
| 230 | | | O&M | | 138,828 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 154,380 | 1,852,563 |
| 231 | | | Depreciation Expense | | 567,307 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 23,638 | 283,653 |
| 232 | | | Taxes Other Than Income | | 4,649 | 2,816 | 2,795 | 2,774 | 2,753 | 2,732 | 2,711 | 2,690 | 2,669 | 2,648 | 2,627 | 2,606 | 2,616 | 32,436 |
| 233 | | | Net Allowable Federal Income Tax | | 31,278 | 2,208 | 2,166 | 2,124 | 2,082 | 2,040 | 1,997 | 1,955 | 1,913 | 1,871 | 1,828 | 1,786 | 2,648 | 24,619 |
| 234 | | | Net Allowable State Income Tax | | 8,788 | 620 | 609 | 597 | 585 | 573 | 561 | 549 | 537 | 526 | 514 | 502 | 744 | 6,917 |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | | **Total Revenue Requirement** | $ 918,869 | $ 195,526 | $ 195,224 | $ 194,922 | $ 194,620 | $ 194,318 | $ 194,016 | $ 193,714 | $ 193,412 | $ 193,110 | $ 192,808 | $ 192,506 | $ 198,253 | $ 2,332,433 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Distribution Planning & Engineering - Estimated Revenue Requirement Distribution Planning & Engineering Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 51 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 56 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 57 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | | **ADIT** | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 96 | | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 106 | | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 107 | | | Total Distribution ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | | **Total Rate Base** | | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | | **Return on Rate Base** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | | **O&M** | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 132 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | 22,000 | 22,000 |
| 133 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | 598,905 | 598,905 |
| 134 | | | Total Distribution O&M | | - | - | - | - | - | - | - | - | - | - | - | - | 620,905 | 620,905 |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | - | - | - | - | - | - | - | - | - | - | - | - | 620,905 | 620,905 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | | **Depreciation Expense** | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 157 | | | | Distribution Depreciation Expense - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 162 | | | | Distribution Depreciation Expense - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 163 | | | Distribution Depreciation Expense Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | | **Property Tax** | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 177 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 178 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 179 | | | Total Distribution Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | | **Federal Income Tax** | | | | | | | | | | | | | | | | |
| 186 | | Return Adjustments | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | | Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | Total Permanent Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 194 | | | Depreciation and AFUDC Debt | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 195 | | | Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 196 | | | Total Temporary Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | | Deferred Federal Income Taxes | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | | Net Taxable Equity Return | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | Total Current Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 205 | | Investment Tax Credits | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | | **State Income Tax** | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 216 | | | | **Total State Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | | **Revenue Credits** | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Distribution Planning & Engineering - Estimated Revenue Requirement Distribution Planning & Engineering Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | **Total Revenue Requirement Before Revenue Tax** | | - | - | - | - | - | - | - | - | - | - | - | - | 620,905 | 620,905 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | - | - | - | - | - | - | - | - | - | - | - | - | 3,158 | 3,158 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 624,063** | **$ 624,063** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 230 | | | O&M | | - | - | - | - | - | - | - | - | - | - | - | - | 620,905 | 620,905 |
| 231 | | | Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 232 | | | Taxes Other Than Income | | - | - | - | - | - | - | - | - | - | - | - | - | 3,158 | 3,158 |
| 233 | | | Net Allowable Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 234 | | | Net Allowable State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | | **Total Revenue Requirement** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 624,063 | $ 624,063 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Distribution Automation - Estimated Revenue Requirement Distribution Automation Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | Distribution Plant - Software | - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | - |
| 26 | | | | Distribution Plant - Other | - | $ 5,046 | $ 76,466 | $ 1,726,115 | $ 3,389,320 | $ 5,064,377 | $ 6,520,206 | $ 8,124,591 | $ 10,053,726 | $ 10,080,691 | $ 10,107,656 | $ 10,107,656 | $ 10,119,177 | 10,119,177 |
| 27 | | | Total Distribution Plant | | - | 5,046 | 76,466 | 1,726,115 | 3,389,320 | 5,064,377 | 6,520,206 | 8,124,591 | 10,053,726 | 10,080,691 | 10,107,656 | 10,107,656 | 10,119,177 | 10,119,177 |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | - | 5,046 | 76,466 | 1,726,115 | 3,389,320 | 5,064,377 | 6,520,206 | 8,124,591 | 10,053,726 | 10,080,691 | 10,107,656 | 10,107,656 | 10,119,177 | 10,119,177 |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 51 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 56 | | | | Distribution Plant - Other | - | - | (12) | (199) | (4,418) | (12,702) | (25,079) | (41,015) | (60,871) | (85,443) | (110,081) | (134,784) | (159,488) | (159,488) |
| 57 | | | Total Distribution Plant | | - | - | (12) | (199) | (4,418) | (12,702) | (25,079) | (41,015) | (60,871) | (85,443) | (110,081) | (134,784) | (159,488) | (159,488) |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | - | - | (12) | (199) | (4,418) | (12,702) | (25,079) | (41,015) | (60,871) | (85,443) | (110,081) | (134,784) | (159,488) | (159,488) |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | | **ADIT** | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 96 | | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 106 | | | | Total Distribution ADIT - Other | - | (34) | (519) | (11,691) | (23,737) | (36,654) | (48,886) | (62,812) | (79,691) | (84,647) | (89,615) | (94,414) | (99,291) | (99,291) |
| 107 | | | Total Distribution ADIT | | - | (34) | (519) | (11,691) | (23,737) | (36,654) | (48,886) | (62,812) | (79,691) | (84,647) | (89,615) | (94,414) | (99,291) | (99,291) |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | - | (34) | (519) | (11,691) | (23,737) | (36,654) | (48,886) | (62,812) | (79,691) | (84,647) | (89,615) | (94,414) | (99,291) | (99,291) |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | | **Total Rate Base** | | | **$ -** | **$ 5,012** | **$ 75,935** | **$ 1,714,225** | **$ 3,361,165** | **$ 5,015,022** | **$ 6,446,242** | **$ 8,020,765** | **$ 9,913,163** | **$ 9,910,601** | **$ 9,907,960** | **$ 9,878,457** | **$ 9,860,398** | **$ 9,860,398** |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | | **Return on Rate Base** | | | - | 29 | 437 | 9,855 | 19,324 | 28,832 | 37,060 | 46,113 | 56,992 | 56,977 | 56,962 | 56,793 | 56,689 | 426,063 |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | | **O&M** | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 132 | | | | Software | - | | | | | | | | | | | | | - |
| 133 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | 618,471 | 618,471 |
| 134 | | | Total Distribution O&M | | - | - | - | - | - | - | - | - | - | - | - | - | 618,471 | 618,471 |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | - | - | - | - | - | - | - | - | - | - | - | - | 618,471 | 618,471 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | | **Depreciation Expense** | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 157 | | | | Distribution Depreciation Expense - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 162 | | | | Distribution Depreciation Expense - Other | - | - | 12 | 187 | 4,219 | 8,284 | 12,378 | 15,936 | 19,857 | 24,572 | 24,638 | 24,703 | 24,703 | 159,488 |
| 163 | | | Distribution Depreciation Expense Total | | - | - | 12 | 187 | 4,219 | 8,284 | 12,378 | 15,936 | 19,857 | 24,572 | 24,638 | 24,703 | 24,703 | 159,488 |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | - | - | 12 | 187 | 4,219 | 8,284 | 12,378 | 15,936 | 19,857 | 24,572 | 24,638 | 24,703 | 24,703 | 159,488 |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | | **Property Tax** | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 177 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 178 | | | | Other | - | - | 4 | 63 | 1,419 | 2,782 | 4,152 | 5,339 | 6,644 | 8,214 | 8,216 | 8,218 | 8,197 | 53,247 |
| 179 | | | Total Distribution Property Tax | | - | - | 4 | 63 | 1,419 | 2,782 | 4,152 | 5,339 | 6,644 | 8,214 | 8,216 | 8,218 | 8,197 | 53,247 |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | - | 4 | 63 | 1,419 | 2,782 | 4,152 | 5,339 | 6,644 | 8,214 | 8,216 | 8,218 | 8,197 | 53,247 |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | | **Federal Income Tax** | | | | | | | | | | | | | | | | |
| 186 | | Return Adjustments | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | - | (9) | (131) | (2,954) | (5,791) | (8,641) | (11,107) | (13,819) | (17,080) | (17,076) | (17,071) | (17,020) | (16,989) | (127,687) |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | | Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | 0 | 7 | 169 | 331 | 495 | 637 | 794 | 982 | 985 | 987 | 987 | 6,375 |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | | Total Permanent Differences | - | - | 0 | 7 | 169 | 331 | 495 | 637 | 794 | 982 | 985 | 987 | 987 | 6,375 |
| 194 | | | Depreciation and AFUDC Debt | | - | (119) | (1,688) | (38,913) | (41,960) | (44,989) | (42,605) | (48,505) | (58,794) | (17,261) | (17,305) | (16,716) | (16,987) | (345,842) |
| 195 | | | Deferred State Income Tax | | - | 7 | 94 | 2,168 | 2,338 | 2,506 | 2,374 | 2,702 | 3,276 | 962 | 964 | 931 | 946 | 19,268 |
| 196 | | | | Total Temporary Differences | - | (112) | (1,594) | (36,745) | (39,622) | (42,483) | (40,231) | (45,803) | (55,519) | (16,299) | (16,341) | (15,784) | (16,040) | (326,574) |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | | Deferred Federal Income Taxes | | | - | 24 | 335 | 7,716 | 8,321 | 8,921 | 8,449 | 9,619 | 11,659 | 3,423 | 3,432 | 3,315 | 3,368 | 68,581 |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | | Net Taxable Equity Return | | | - | (68) | (953) | (22,119) | (17,600) | (13,039) | (5,334) | (3,254) | (3,154) | 28,008 | 27,967 | 28,290 | 28,015 | 46,758 |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | | Total Current Federal Income Tax | - | (18) | (253) | (5,880) | (4,679) | (3,466) | (1,418) | (865) | (838) | 7,445 | 7,434 | 7,520 | 7,447 | 12,429 |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | - | 24 | 335 | 7,716 | 8,321 | 8,921 | 8,449 | 9,619 | 11,659 | 3,423 | 3,432 | 3,315 | 3,368 | 68,581 |
| 205 | | Investment Tax Credits | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | - | 5 | 81 | 1,837 | 3,642 | 5,455 | 7,031 | 8,754 | 10,821 | 10,868 | 10,866 | 10,835 | 10,816 | 81,010 |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | | **State Income Tax** | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | - | (86) | (1,206) | (27,999) | (22,279) | (16,505) | (6,752) | (4,119) | (3,992) | 35,453 | 35,401 | 35,810 | 35,463 | 59,187 |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | - | (5) | (71) | (1,652) | (1,314) | (974) | (398) | (243) | (236) | 2,092 | 2,089 | 2,113 | 2,092 | 3,492 |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | - | 7 | 94 | 2,168 | 2,338 | 2,506 | 2,374 | 2,702 | 3,276 | 962 | 964 | 931 | 946 | 19,268 |
| 216 | | | | **Total State Income Tax** | - | 2 | 23 | 516 | 1,023 | 1,533 | 1,975 | 2,459 | 3,040 | 3,053 | 3,053 | 3,044 | 3,039 | 22,760 |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | | **Revenue Credits** | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Distribution Automation - Estimated Revenue Requirement Distribution Automation Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | - | 36 | 557 | 12,458 | 29,626 | 46,886 | 62,596 | 78,600 | 97,354 | 103,684 | 103,734 | 103,593 | 721,914 | 1,361,038 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | - | 0 | 3 | 63 | 151 | 238 | 318 | 400 | 495 | 527 | 528 | 527 | 3,671 | 6,922 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ -** | **$ 36** | **$ 560** | **$ 12,521** | **$ 29,777** | **$ 47,124** | **$ 62,914** | **$ 78,999** | **$ 97,849** | **$ 104,211** | **$ 104,262** | **$ 104,119** | **$ 725,586** | **$ 1,367,960** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | - | 29 | 437 | 9,855 | 19,324 | 28,832 | 37,060 | 46,113 | 56,992 | 56,977 | 56,962 | 56,793 | 56,689 | 426,063 |
| 230 | | | O&M | | - | - | - | - | - | - | - | - | - | - | - | - | 618,471 | 618,471 |
| 231 | | | Depreciation Expense | | - | - | 12 | 187 | 4,219 | 8,284 | 12,378 | 15,936 | 19,857 | 24,572 | 24,638 | 24,703 | 24,703 | 159,488 |
| 232 | | | Taxes Other Than Income | | - | 0 | 7 | 126 | 1,569 | 3,021 | 4,471 | 5,738 | 7,139 | 8,741 | 8,743 | 8,744 | 11,869 | 60,169 |
| 233 | | | Net Allowable Federal Income Tax | | - | 5 | 81 | 1,837 | 3,642 | 5,455 | 7,031 | 8,754 | 10,821 | 10,868 | 10,866 | 10,835 | 10,816 | 81,010 |
| 234 | | | Net Allowable State Income Tax | | - | 2 | 23 | 516 | 1,023 | 1,533 | 1,975 | 2,459 | 3,040 | 3,053 | 3,053 | 3,044 | 3,039 | 22,760 |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | | **Total Revenue Requirement** | $ - | $ 36 | $ 560 | $ 12,521 | $ 29,777 | $ 47,124 | $ 62,914 | $ 78,999 | $ 97,849 | $ 104,211 | $ 104,262 | $ 104,119 | $ 725,586 | $ 1,367,960 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | | |

**PNM Exhibit RNG-2**
**WP Telecommunications - Estimated Revenue Requirement Telecommunications Project**

| | | Year 1 | | | | | | | | | | | | | Year 2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | May-2026 | Jun-2026 | Jul-2026 | Aug-2026 | Sep-2026 | Oct-2026 | Nov-2026 | Dec-2026 | 2026 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Other | | 2,927,147 | 3,083,442 | 3,279,558 | 3,475,675 | 3,671,791 | 6,173,335 | 6,400,819 | 9,501,329 | 9,722,539 | 13,751,174 | 13,959,837 | 13,959,837 | 13,990,041 | 13,990,041 |
| Total Distribution Plant | | 2,927,147 | 3,083,442 | 3,279,558 | 3,475,675 | 3,671,791 | 6,173,335 | 6,400,819 | 9,501,329 | 9,722,539 | 13,751,174 | 13,959,837 | 13,959,837 | 13,990,041 | 13,990,041 |
| Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | | 2,927,147 | 3,083,442 | 3,279,558 | 3,475,675 | 3,671,791 | 6,173,335 | 6,400,819 | 9,501,329 | 9,722,539 | 13,751,174 | 13,959,837 | 13,959,837 | 13,990,041 | 13,990,041 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Other | | (165,016) | (172,170) | (179,706) | (187,721) | (196,216) | (205,190) | (220,278) | (235,922) | (259,143) | (282,906) | (316,514) | (350,632) | (384,751) | (384,751) |
| Total Distribution Plant | | (165,016) | (172,170) | (179,706) | (187,721) | (196,216) | (205,190) | (220,278) | (235,922) | (259,143) | (282,906) | (316,514) | (350,632) | (384,751) | (384,751) |
| Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | | (165,016) | (172,170) | (179,706) | (187,721) | (196,216) | (205,190) | (220,278) | (235,922) | (259,143) | (282,906) | (316,514) | (350,632) | (384,751) | (384,751) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Other | | (27,235) | (29,737) | (32,583) | (35,522) | (38,554) | (57,241) | (61,766) | (85,792) | (91,855) | (123,723) | (131,719) | (138,405) | (145,295) | (145,295) |
| Total Distribution ADIT | | (27,235) | (29,737) | (32,583) | (35,522) | (38,554) | (57,241) | (61,766) | (85,792) | (91,855) | (123,723) | (131,719) | (138,405) | (145,295) | (145,295) |
| Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | | (27,235) | (29,737) | (32,583) | (35,522) | (38,554) | (57,241) | (61,766) | (85,792) | (91,855) | (123,723) | (131,719) | (138,405) | (145,295) | (145,295) |
| **Total Rate Base** | | **$ 2,734,896** | **$ 2,881,535** | **$ 3,067,269** | **$ 3,252,432** | **$ 3,437,021** | **$ 5,910,904** | **$ 6,118,775** | **$ 9,179,615** | **$ 9,371,541** | **$13,344,545** | **$13,511,605** | **$13,470,800** | **$13,459,996** | **$ 13,459,996** |
| **Weighted Average Cost of Capital** | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | | 167,619 | 16,566 | 17,634 | 18,699 | 19,760 | 33,983 | 35,178 | 52,775 | 53,878 | 76,720 | 77,680 | 77,446 | 77,383 | 557,701 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | - | - | - | - | - | - | - | - | - | - | - | 1,364 | 1,364 |
| Other | | 49 | - | - | - | - | - | - | - | - | - | - | - | 398,905 | 398,905 |
| Total Distribution O&M | | 49 | - | - | - | - | - | - | - | - | - | - | - | 400,269 | 400,269 |
| Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total O&M** | | 49 | - | - | - | - | - | - | - | - | - | - | - | 400,269 | 400,269 |
| **Depreciation Expense** | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | | 165,016 | 7,154 | 7,536 | 8,015 | 8,495 | 8,974 | 15,088 | 15,644 | 23,222 | 23,762 | 33,608 | 34,118 | 34,118 | 219,735 |
| Distribution Depreciation Expense Total | | 165,016 | 7,154 | 7,536 | 8,015 | 8,495 | 8,974 | 15,088 | 15,644 | 23,222 | 23,762 | 33,608 | 34,118 | 34,118 | 219,735 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | 165,016 | 7,154 | 7,536 | 8,015 | 8,495 | 8,974 | 15,088 | 15,644 | 23,222 | 23,762 | 33,608 | 34,118 | 34,118 | 219,735 |
| **Property Tax** | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | | - | 2,270 | 2,393 | 2,548 | 2,703 | 2,857 | 4,906 | 5,080 | 7,616 | 7,778 | 11,070 | 11,214 | 11,186 | 71,621 |
| Total Distribution Property Tax | | - | 2,270 | 2,393 | 2,548 | 2,703 | 2,857 | 4,906 | 5,080 | 7,616 | 7,778 | 11,070 | 11,214 | 11,186 | 71,621 |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | 2,270 | 2,393 | 2,548 | 2,703 | 2,857 | 4,906 | 5,080 | 7,616 | 7,778 | 11,070 | 11,214 | 11,186 | 71,621 |
| **Federal Income Tax** | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | |
| Interest | | (50,234) | (4,965) | (5,285) | (5,604) | (5,922) | (10,184) | (10,542) | (15,816) | (16,147) | (22,992) | (23,280) | (23,210) | (23,191) | (167,138) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | - | 15 | 34 | 54 | 73 | 317 | 339 | 642 | 664 | 1,057 | 1,078 | 1,078 | 5,352 |
| R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | - | 15 | 34 | 54 | 73 | 317 | 339 | 642 | 664 | 1,057 | 1,078 | 1,078 | 5,352 |
| Depreciation and AFUDC Debt | | (94,861) | (8,717) | (9,912) | (10,236) | (10,561) | (65,090) | (15,759) | (83,687) | (21,116) | (111,002) | (27,849) | (23,288) | (23,998) | (411,216) |
| Deferred State Income Tax | | 5,285 | 486 | 552 | 570 | 588 | 3,626 | 878 | 4,662 | 1,176 | 6,184 | 1,552 | 1,297 | 1,337 | 22,910 |
| Total Temporary Differences | | (89,576) | (8,232) | (9,360) | (9,666) | (9,972) | (61,464) | (14,881) | (79,024) | (19,939) | (104,818) | (26,297) | (21,991) | (22,661) | (388,306) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | 18,811 | 1,729 | 1,966 | 2,030 | 2,094 | 12,907 | 3,125 | 16,595 | 4,187 | 22,012 | 5,522 | 4,618 | 4,759 | 81,544 |
| Net Taxable Equity Return | | 46,620 | 5,099 | 4,970 | 5,493 | 6,014 | (24,686) | 13,196 | (25,131) | 22,622 | (28,415) | 34,683 | 37,941 | 37,368 | 89,154 |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | 12,393 | 1,355 | 1,321 | 1,460 | 1,599 | (6,562) | 3,508 | (6,680) | 6,013 | (7,553) | 9,219 | 10,086 | 9,933 | 23,699 |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | 18,811 | 1,729 | 1,966 | 2,030 | 2,094 | 12,907 | 3,125 | 16,595 | 4,187 | 22,012 | 5,522 | 4,618 | 4,759 | 81,544 |
| Investment Tax Credits | | | | | | | | | | | | | | | |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | 31,204 | 3,084 | 3,287 | 3,490 | 3,693 | 6,345 | 6,633 | 9,915 | 10,201 | 14,458 | 14,742 | 14,704 | 14,692 | 105,243 |
| **State Income Tax** | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | 59,013 | 6,454 | 6,292 | 6,953 | 7,612 | (31,247) | 16,704 | (31,811) | 28,635 | (35,968) | 43,902 | 48,027 | 47,301 | 112,853 |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | 3,482 | 381 | 371 | 410 | 449 | (1,844) | 986 | (1,877) | 1,689 | (2,122) | 2,590 | 2,834 | 2,791 | 6,658 |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | 5,285 | 486 | 552 | 570 | 588 | 3,626 | 878 | 4,662 | 1,176 | 6,184 | 1,552 | 1,297 | 1,337 | 22,910 |
| **Total State Income Tax** | | 8,767 | 866 | 923 | 981 | 1,037 | 1,783 | 1,864 | 2,786 | 2,866 | 4,062 | 4,142 | 4,131 | 4,128 | 29,568 |
| **Revenue Credits** | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Telecommunications - Estimated Revenue Requirement Telecommunications Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | 372,655 | 29,941 | 31,773 | 33,733 | 35,687 | 53,942 | 63,668 | 86,199 | 97,782 | 126,781 | 141,242 | 141,613 | 541,777 | 1,384,138 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | 1,895 | 152 | 162 | 172 | 181 | 274 | 324 | 438 | 497 | 645 | 718 | 720 | 2,755 | 7,039 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ 374,550** | **$ 30,093** | **$ 31,935** | **$ 33,904** | **$ 35,869** | **$ 54,216** | **$ 63,991** | **$ 86,637** | **$ 98,279** | **$ 127,426** | **$ 141,961** | **$ 142,333** | **$ 544,532** | **$ 1,391,177** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | 167,619 | 16,566 | 17,634 | 18,699 | 19,760 | 33,983 | 35,178 | 52,775 | 53,878 | 76,720 | 77,680 | 77,446 | 77,383 | 557,701 |
| 230 | | | O&M | | 49 | - | - | - | - | - | - | - | - | - | - | - | 400,269 | 400,269 |
| 231 | | | Depreciation Expense | | 165,016 | 7,154 | 7,536 | 8,015 | 8,495 | 8,974 | 15,088 | 15,644 | 23,222 | 23,762 | 33,608 | 34,118 | 34,118 | 219,735 |
| 232 | | | Taxes Other Than Income | | 1,895 | 2,423 | 2,555 | 2,719 | 2,884 | 3,131 | 5,229 | 5,518 | 8,113 | 8,423 | 11,789 | 11,934 | 13,941 | 78,660 |
| 233 | | | Net Allowable Federal Income Tax | | 31,204 | 3,084 | 3,287 | 3,490 | 3,693 | 6,345 | 6,633 | 9,915 | 10,201 | 14,458 | 14,742 | 14,704 | 14,692 | 105,243 |
| 234 | | | Net Allowable State Income Tax | | 8,767 | 866 | 923 | 981 | 1,037 | 1,783 | 1,864 | 2,786 | 2,866 | 4,062 | 4,142 | 4,131 | 4,128 | 29,568 |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | **Total Revenue Requirement** | | $ 374,550 | $ 30,093 | $ 31,935 | $ 33,904 | $ 35,869 | $ 54,216 | $ 63,991 | $ 86,637 | $ 98,279 | $ 127,426 | $ 141,961 | $ 142,333 | $ 544,532 | $ 1,391,177 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Program Oversight - Estimated Revenue Requirement Program Oversight Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | |
| 10 | | | Production Plant | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | - |
| 11 | | | | | | | | | | | | | | | | | | |
| 12 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 16 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | | | | | | | | | | | | | | | | | | |
| 32 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | | | | | |
| 34 | | | | **Total Gross Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | | | | | | | | | | | | | | | | | | |
| 36 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | |
| 40 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | | | | | | | | | | | | | | | | | | |
| 42 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 46 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 51 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 56 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 57 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 58 | | | | | | | | | | | | | | | | | | |
| 62 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total Accumulated Depreciation** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 65 | | | | | | | | | | | | | | | | | | |
| 66 | | **ADIT** | | | | | | | | | | | | | | | | |
| 75 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | | | | | | | | | | | | | | | | | | |
| 77 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 86 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 96 | | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 106 | | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 107 | | | Total Distribution ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 108 | | | | | | | | | | | | | | | | | | |
| 117 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 118 | | | | | | | | | | | | | | | | | | |
| 119 | | | | **Total ADIT** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120 | | | | | | | | | | | | | | | | | | |
| 121 | | **Total Rate Base** | | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 122 | | | | | | | | | | | | | | | | | | |
| 123 | | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 124 | | | | | | | | | | | | | | | | | | |
| 125 | | **Return on Rate Base** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 126 | | | | | | | | | | | | | | | | | | |
| 127 | | **O&M** | | | | | | | | | | | | | | | | |
| 128 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 129 | | | | | | | | | | | | | | | | | | |
| 130 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 131 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 132 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 133 | | | | Other | 1,646,776 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 134 | | | Total Distribution O&M | | 1,646,776 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 135 | | | | | | | | | | | | | | | | | | |
| 136 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 137 | | | | | | | | | | | | | | | | | | |
| 138 | | | A&G | | 1,087,615 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 1,311,310 | 2,149,087 |
| 139 | | | | | | | | | | | | | | | | | | |
| 140 | | | | **Total O&M** | 2,734,391 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 1,311,310 | 2,149,087 |
| 141 | | | | | | | | | | | | | | | | | | |
| 142 | | **Depreciation Expense** | | | | | | | | | | | | | | | | |
| 146 | | | Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | | | Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| 152 | | | | Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 157 | | | | Distribution Depreciation Expense - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 162 | | | | Distribution Depreciation Expense - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 163 | | | Distribution Depreciation Expense Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 164 | | | | | | | | | | | | | | | | | | |
| 168 | | | Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | | | | **Total Depreciation Expense** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | | **Property Tax** | | | | | | | | | | | | | | | | |
| 173 | | | Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | | | Distribution Property Tax | | | | | | | | | | | | | | | |
| 176 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 177 | | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 178 | | | | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 179 | | | Total Distribution Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | | | Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | | | | **Total Property Taxes** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | | **Federal Income Tax** | | | | | | | | | | | | | | | | |
| 186 | | Return Adjustments | | | | | | | | | | | | | | | | |
| 187 | | | Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | | Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| 190 | | | AFUDC Equity Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 191 | | | R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 192 | | | ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | | | Total Permanent Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 194 | | | Depreciation and AFUDC Debt | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 195 | | | Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 196 | | | Total Temporary Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 197 | | | Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | | Deferred Federal Income Taxes | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | | Net Taxable Equity Return | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201 | | | Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | | | Total Current Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 203 | | | | Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | | | | Total Provision for Federal Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 205 | | Investment Tax Credits | | | | | | | | | | | | | | | | |
| 206 | | | Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | | | R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | | | | **Total Federal Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | | **State Income Tax** | | | | | | | | | | | | | | | | |
| 211 | | | Net Current Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 212 | | | State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | | | | Total Current State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 214 | | | Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | | | Total Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 216 | | | | **Total State Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | | **Revenue Credits** | | | | | | | | | | | | | | | | |
| 219 | | | Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 220 | | | | **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 221 | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-2** | | | | | | | | | | | | | | | | | |
| 2 | **WP Program Oversight - Estimated Revenue Requirement Program Oversight Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | | | | | | | | | | | | | **Year 2** |
| 5 | | | | | **2025** | **Jan-2026** | **Feb-2026** | **Mar-2026** | **Apr-2026** | **May-2026** | **Jun-2026** | **Jul-2026** | **Aug-2026** | **Sep-2026** | **Oct-2026** | **Nov-2026** | **Dec-2026** | **2026** |
| 222 | | | | **Total Revenue Requirement Before Revenue Tax** | 2,734,391 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 1,311,310 | 2,149,087 |
| 223 | | | | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | | | | **Revenue Tax** | 13,906 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 6,669 | 10,930 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | | **Total Revenue Requirement** | | | **$ 2,748,297** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 76,549** | **$ 1,317,979** | **$ 2,160,017** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| 229 | | | Return on Rate Base | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 230 | | | O&M | | 2,734,391 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 76,162 | 1,311,310 | 2,149,087 |
| 231 | | | Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 232 | | | Taxes Other Than Income | | 13,906 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 387 | 6,669 | 10,930 |
| 233 | | | Net Allowable Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 234 | | | Net Allowable State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 235 | | | Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 236 | | | | **Total Revenue Requirement** | $ 2,748,297 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 76,549 | $ 1,317,979 | $ 2,160,017 |
| 237 | | | | | | | | | | | | | | | | | | |
| 238 | | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | | | | | | | | | | | |

| PNM Exhibit RNG-2 | | | | | | |
|---|---|---|---|---|---|---|
| WP WACC | | | | | | |
| Approved in NMPRC Case No. 24-00089-UT | | | | | | |
| | | | | | | |
| | | | | | | |
| Line No. | Capital Component | Total Capitalization Test Period | Percentage of Total Capitalization | Capital Component Cost | Weighted Average Cost | |
| | | | | | | |
| | | | | | | |
| 1 | Long Term Debt | | 48.75% | 4.24% | 2.07% | |
| | | | | | | |
| 2 | Preferred Stock | | 0.25% | 4.62% | 0.01% | |
| | | | | | | |
| 3 | Common Equity | | 51.00% | 9.450% | 4.82% | |
| | | | | | | |
| 4 | Total | 0 | 100.00% | | 6.90% | |
| | | | | | | |
| | | | | Tax Rate | 25.40% | |
| | | | | | | |
| | | | | Tax Gross Up: | | |
| | | | | Debt | 2.07% | |
| | | | | Preferred | 0.02% | |
| | | | | Equity | 6.46% | |
| | | | | Total | 8.54% | |

| **PNM Exhibit RNG-2** | | | |
|---|---|---|---|
| **WP Assumption - Rate Assumptions** | | | |
| | | | |
| | | | |
| | **Yearly Rate** | **Monthly Rate** | |
| **Property Tax Rate** | 2.96% | 0.25% | |
| **Advanced Metering (years)** | 20 | | |
| **Composite Production Depr. Rate** | 2.00% | 0.17% | |
| **Composite Transmission Depr. Rate** | 2.65% | 0.22% | |
| **Composite Distribution Depr. Rate** | 2.93% | 0.24% | |
| **Software** | 10.00% | 0.83% | |
| **Composite General Plant Depr. Rate** | 5.64% | 0.47% | |
| **Meters Depreciation Rate** | 5.00% | 0.42% | |
| **AFUDC Equity Rate** | 3.997% | | |
| **AFUDC Debt Rate** | 1.951% | | |
| | | | |
| | | | |
| | 51.82% | Retail Share of Transmission | |
| | | | |

Estimated Rider 60 Grid Modernization Year Three Monthly Revenue Requirement by Project

# PNM Exhibit RNG-3

Is contained in the following 23 pages.

**PNM Exhibit RNG-3**
**Grid Modernization Year Three Monthly Revenue Requirement by Project**

**Table of Contents**


| Title | Description | Page Reference |
|---|---|---|
| Total Estimated Revenue Requirement | Estimated Revenue Requirement Calculation for the total Grid Modernization Rider | Pages 2-3 |
| WP ADMS | Estimated Revenue Requirement Calculation Associated with ADMS Project | Pages 4-5 |
| WP Advanced Metering | Estimated Revenue Requirement Calculation Associated with Advanced Metering Project | Pages 6-7 |
| WP Customer Information & Analytics | Estimated Revenue Requirement Calculation Associated with Customer Information & Analytics Project | Pages 8-9 |
| WP Cybersecurity | Estimated Revenue Requirement Calculation Associated with Cybersecurity Project | Pages 10-11 |
| WP Data Management & Architecture | Estimated Revenue Requirement Calculation Associated with Data Management & Architecture Project | Pages 12-13 |
| WP Distribution Planning & Engineering | Estimated Revenue Requirement Calculation Associated with Distribution Planning & Engineering Project | Pages 14-15 |
| WP Distribution Automation | Estimated Revenue Requirement Calculation Associated with Distribution Automation Project | Pages 16-17 |
| WP Telecommunications | Estimated Revenue Requirement Calculation Associated with Telecommunications Project | Pages 18-19 |
| WP Project Oversight | Estimated Revenue Requirement Calculation Associated with Project Oversight Project | Pages 20-21 |
| WP WACC | PNM Recently Approved Weighted Average Cost of Capital | Page 22 |
| WP Rate Assumption | PNM Assumptions for Depreciation and Property Taxes | Page 23 |

**PNM Exhibit RNG-3**
**Total Estimated Grid Modernization Revenue Requirement**
**All Projects**

| | Year 1 | Year 2 | | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Equity - Production | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Debt Production | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | 16,419,044 | 21,357,212 | 25,107,615 | 33,276,455 | 37,286,627 | 43,716,360 | 48,210,307 | 54,395,368 | 58,145,771 | 63,212,338 | 66,962,741 | 74,501,529 | 81,751,326 | 81,751,326 |
| AFUDC Equity - Dist. Meters | - | 697,811 | 907,683 | 1,067,076 | 1,414,252 | 1,584,684 | 1,857,949 | 2,048,942 | 2,311,807 | 2,471,200 | 2,686,529 | 2,845,921 | 3,166,321 | 3,474,437 | 3,474,437 |
| AFUDC Debt - Dist. Meters | - | 340,630 | 443,078 | 520,884 | 690,355 | 773,551 | 906,942 | 1,000,174 | 1,128,489 | 1,206,296 | 1,311,407 | 1,389,213 | 1,545,613 | 1,696,018 | 1,696,018 |
| Distribution Plant - Meters | - | 17,457,485 | $ 22,707,974 | $ 26,695,575 | $ 35,381,062 | $ 39,644,862 | $ 46,481,251 | $ 51,259,423 | $ 57,835,665 | $ 61,823,266 | $ 67,210,274 | $ 71,197,875 | $ 79,213,462 | $ 86,921,781 | 86,921,781 |
| Distribution Plant - Software | 19,442,371 | 42,679,123 | 42,747,803 | 42,816,483 | 42,885,163 | 42,953,843 | 43,022,523 | 43,091,203 | 43,159,883 | 43,228,562 | 43,297,242 | 43,365,922 | 43,434,602 | 54,908,494 | 54,908,494 |
| AFUDC Equity - Dist. Software | - | 987,564 | 990,483 | 993,401 | 996,320 | 999,239 | 1,002,158 | 1,005,077 | 1,007,996 | 1,010,915 | 1,013,834 | 1,016,753 | 1,019,672 | 1,507,313 | 1,507,313 |
| AFUDC Debt - Dist. Software | 393,784 | 875,855 | 877,280 | 878,705 | 880,130 | 881,555 | 882,980 | 884,404 | 885,829 | 887,254 | 888,679 | 890,104 | 891,529 | 1,129,567 | 1,129,567 |
| Distribution Plant - Software | 19,836,155 | 44,542,542 | 44,615,566 | 44,688,589 | 44,761,613 | 44,834,637 | 44,907,660 | 44,980,684 | 45,053,708 | 45,126,732 | 45,199,755 | 45,272,779 | 45,345,803 | 57,545,373 | 57,545,373 |
| Distribution Plant - Other | 4,127,182 | 30,356,194 | 33,613,314 | 35,531,937 | 39,992,758 | 41,969,592 | 45,929,448 | 47,595,130 | 49,625,693 | 50,375,345 | 51,088,560 | 51,357,388 | 51,357,388 | 51,357,388 | 51,357,388 |
| AFUDC Equity - Dist. Other | - | 1,114,735 | 1,253,163 | 1,334,704 | 1,524,290 | 1,608,305 | 1,776,599 | 1,847,391 | 1,933,690 | 1,965,550 | 1,995,862 | 2,007,287 | 2,007,287 | 2,007,287 | 2,007,287 |
| AFUDC Debt - Dist. Other | 6,221 | 550,370 | 617,942 | 657,746 | 750,291 | 791,302 | 873,454 | 908,010 | 950,136 | 965,688 | 980,485 | 986,062 | 986,062 | 986,062 | 986,062 |
| Distribution Plant - Other | 4,133,404 | 32,021,299 | 35,484,419 | 37,524,388 | 42,267,338 | 44,369,199 | 48,579,501 | 50,350,531 | 52,509,520 | 53,306,584 | 54,064,907 | 54,350,737 | 54,350,737 | 54,350,737 | 54,350,737 |
| Total Distribution Plant | 23,969,559 | 94,021,326 | 102,807,958 | 108,908,552 | 122,410,013 | 128,848,698 | 139,968,412 | 146,590,638 | 155,398,893 | 160,256,582 | 166,474,937 | 170,821,392 | 178,910,002 | 198,817,892 | 198,817,892 |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Equity - Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Debt - Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | 23,969,559 | 94,021,326 | 102,807,958 | 108,908,552 | 122,410,013 | 128,848,698 | 139,968,412 | 146,590,638 | 155,398,893 | 160,256,582 | 166,474,937 | 170,821,392 | 178,910,002 | 198,817,892 | 198,817,892 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Equity - Production | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Debt Production | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | (94,102) | (162,515) | (251,503) | (356,118) | (494,770) | (650,131) | (832,283) | (1,033,159) | (1,259,806) | (1,502,080) | (1,765,465) | (2,044,476) | (2,354,899) | (2,354,899) |
| AFUDC Equity - Dist. Meters | - | (3,999) | (6,907) | (10,689) | (15,135) | (21,028) | (27,631) | (35,372) | (43,909) | (53,542) | (63,839) | (75,032) | (86,890) | (100,083) | (100,083) |
| AFUDC Debt - Dist. Meters | - | (1,952) | (3,372) | (5,218) | (7,388) | (10,265) | (13,488) | (17,267) | (21,434) | (26,136) | (31,162) | (36,626) | (42,415) | (48,855) | (48,855) |
| Distribution Plant - Meters | - | (100,054) | (172,793) | (267,410) | (378,641) | (526,062) | (691,249) | (884,921) | (1,098,502) | (1,339,484) | (1,597,081) | (1,877,124) | (2,173,782) | (2,503,838) | (2,503,838) |
| Distribution Plant - Software | (885,310) | (3,210,031) | (3,565,690) | (3,921,922) | (4,278,726) | (4,636,102) | (4,994,051) | (5,352,572) | (5,711,665) | (6,071,331) | (6,431,569) | (6,792,380) | (7,153,762) | (7,515,717) | (7,515,717) |
| AFUDC Equity - Dist. Software | - | (16,171) | (24,400) | (32,654) | (40,933) | (49,235) | (57,562) | (65,914) | (74,289) | (82,689) | (91,114) | (99,562) | (108,035) | (116,532) | (116,532) |
| AFUDC Debt - Dist. Software | (12,599) | (59,871) | (67,170) | (74,480) | (81,803) | (89,137) | (96,484) | (103,842) | (111,212) | (118,594) | (125,988) | (133,393) | (140,811) | (148,240) | (148,240) |
| Distribution Plant - Software | (897,909) | (3,286,073) | (3,657,260) | (4,029,057) | (4,401,462) | (4,774,475) | (5,148,097) | (5,522,328) | (5,897,167) | (6,272,614) | (6,648,670) | (7,025,335) | (7,402,608) | (7,780,490) | (7,780,490) |
| Distribution Plant - Other | (164,760) | (621,472) | (695,664) | (777,816) | (864,657) | (962,401) | (1,064,976) | (1,177,229) | (1,293,553) | (1,414,840) | (1,537,959) | (1,662,822) | (1,788,341) | (1,913,860) | (1,913,860) |
| AFUDC Equity - Dist. Other | - | (14,266) | (16,990) | (20,053) | (23,315) | (27,041) | (30,971) | (35,313) | (39,829) | (44,555) | (49,358) | (54,236) | (59,142) | (64,048) | (64,048) |
| AFUDC Debt - Dist. Other | (256) | (7,402) | (8,747) | (10,257) | (11,865) | (13,698) | (15,632) | (17,767) | (19,986) | (22,309) | (24,669) | (27,065) | (29,475) | (31,885) | (31,885) |
| Distribution Plant - Other | (165,016) | (643,140) | (721,401) | (808,126) | (899,837) | (1,003,140) | (1,111,580) | (1,230,310) | (1,353,368) | (1,481,703) | (1,611,987) | (1,744,123) | (1,876,958) | (2,009,793) | (2,009,793) |
| Total Distribution Plant | (1,062,925) | (4,029,266) | (4,551,454) | (5,104,593) | (5,679,940) | (6,303,677) | (6,950,926) | (7,637,559) | (8,349,037) | (9,093,802) | (9,857,738) | (10,646,582) | (11,453,348) | (12,294,121) | (12,294,121) |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Equity - Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AFUDC Debt - Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (1,062,925) | (4,029,266) | (4,551,454) | (5,104,593) | (5,679,940) | (6,303,677) | (6,950,926) | (7,637,559) | (8,349,037) | (9,093,802) | (9,857,738) | (10,646,582) | (11,453,348) | (12,294,121) | (12,294,121) |
| **ADIT** | | | | | | | | | | | | | | | |
| Production ADIT | | | | | | | | | | | | | | | |
| Tax Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Flow Through - AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Flow Through - ITC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred Federal Income Taxes (EDFIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred State Income Taxes (EDSIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax - Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Distribution ADIT - Meters | | | | | | | | | | | | | | | |
| Tax Depreciation | - | (663,545) | (1,026,883) | (1,454,025) | (2,020,139) | (2,654,475) | (3,398,197) | (4,218,371) | (5,143,769) | (6,132,970) | (7,208,366) | (8,347,565) | (9,615,017) | (11,005,806) | (11,005,806) |
| Deferred | - | 908,121 | 1,304,075 | 1,718,188 | 2,346,988 | 2,922,991 | 3,641,520 | 4,368,996 | 5,217,666 | 6,053,323 | 6,986,530 | 7,934,686 | 9,073,739 | 10,298,070 | 10,298,070 |
| Flow Through - AFUDC Equity | - | 693,811 | 900,776 | 1,056,387 | 1,399,117 | 1,563,657 | 1,830,318 | 2,013,570 | 2,267,898 | 2,417,658 | 2,622,691 | 2,770,889 | 3,079,430 | 3,374,354 | 3,374,354 |
| Flow Through - ITC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred Federal Income Taxes (EDFIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred State Income Taxes (EDSIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax - Plant | - | (260,722) | (374,400) | (493,292) | (673,820) | (839,191) | (1,045,480) | (1,254,339) | (1,497,992) | (1,737,909) | (2,005,833) | (2,278,048) | (2,605,071) | (2,956,576) | (2,956,576) |
| Total Distribution ADIT - Meters | - | (260,722) | (374,400) | (493,292) | (673,820) | (839,191) | (1,045,480) | (1,254,339) | (1,497,992) | (1,737,909) | (2,005,833) | (2,278,048) | (2,605,071) | (2,956,576) | (2,956,576) |
| Distribution ADIT - Software | | | | | | | | | | | | | | | |
| Tax Depreciation | (6,690,844) | (16,673,176) | (17,884,984) | (19,098,739) | (20,314,441) | (21,532,091) | (22,751,689) | (23,973,233) | (25,196,725) | (26,422,165) | (27,649,551) | (28,878,885) | (30,110,167) | (33,443,586) | (33,443,586) |
| Deferred | 6,107,927 | 14,279,129 | 15,129,404 | 15,981,041 | 16,834,042 | 17,688,406 | 18,544,133 | 19,401,224 | 20,259,677 | 21,119,494 | 21,980,674 | 22,843,216 | 23,707,122 | 26,909,195 | 26,909,195 |
| Flow Through - AFUDC Equity | - | 971,393 | 966,082 | 960,747 | 955,388 | 950,004 | 944,596 | 939,163 | 933,707 | 928,226 | 922,720 | 917,191 | 911,637 | 1,390,780 | 1,390,780 |
| Flow Through - ITC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred Federal Income Taxes (EDFIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred State Income Taxes (EDSIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax - Plant | (1,753,586) | (4,099,538) | (4,343,652) | (4,588,157) | (4,833,054) | (5,078,341) | (5,324,021) | (5,570,091) | (5,816,553) | (6,063,407) | (6,310,651) | (6,558,287) | (6,806,315) | (7,725,630) | (7,725,630) |
| Total Distribution ADIT - Software | (1,753,586) | (4,099,538) | (4,343,652) | (4,588,157) | (4,833,054) | (5,078,341) | (5,324,021) | (5,570,091) | (5,816,553) | (6,063,407) | (6,310,651) | (6,558,287) | (6,806,315) | (7,725,630) | (7,725,630) |
| Distribution ADIT - Other | | | | | | | | | | | | | | | |
| Tax Depreciation | (253,655) | (1,171,052) | (1,313,682) | (1,464,473) | (1,634,235) | (1,812,406) | (2,007,418) | (2,209,514) | (2,420,247) | (2,634,168) | (2,851,122) | (3,069,220) | (3,287,318) | (3,505,415) | (3,505,415) |
| Deferred | 94,861 | 1,092,548 | 1,227,214 | 1,334,146 | 1,508,004 | 1,627,609 | 1,800,263 | 1,922,528 | 2,056,843 | 2,162,707 | 2,268,979 | 2,365,395 | 2,455,564 | 2,545,732 | 2,545,732 |
| Flow Through - AFUDC Equity | - | 1,100,469 | 1,236,172 | 1,314,651 | 1,500,974 | 1,581,265 | 1,745,628 | 1,812,078 | 1,893,862 | 1,920,996 | 1,946,504 | 1,953,051 | 1,948,145 | 1,943,239 | 1,943,239 |
| Flow Through - ITC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred Federal Income Taxes (EDFIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred State Income Taxes (EDSIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax - Plant | (27,235) | (313,671) | (352,333) | (383,033) | (432,948) | (467,286) | (516,856) | (551,958) | (590,520) | (620,913) | (651,424) | (679,105) | (704,992) | (730,880) | (730,880) |
| Total Distribution ADIT - Other | (27,235) | (313,671) | (352,333) | (383,033) | (432,948) | (467,286) | (516,856) | (551,958) | (590,520) | (620,913) | (651,424) | (679,105) | (704,992) | (730,880) | (730,880) |
| Total Distribution ADIT | (1,780,821) | (4,673,930) | (5,070,385) | (5,464,482) | (5,939,822) | (6,384,819) | (6,886,357) | (7,376,388) | (7,905,065) | (8,422,229) | (8,967,908) | (9,515,441) | (10,116,378) | (11,413,086) | (11,413,086) |
| Transmission ADIT | | | | | | | | | | | | | | | |
| Tax Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Flow Through - AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Flow Through - ITC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred Federal Income Taxes (EDFIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Excess Deferred State Income Taxes (EDSIT) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax - Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | (1,780,821) | (4,673,930) | (5,070,385) | (5,464,482) | (5,939,822) | (6,384,819) | (6,886,357) | (7,376,388) | (7,905,065) | (8,422,229) | (8,967,908) | (9,515,441) | (10,116,378) | (11,413,086) | (11,413,086) |
| **Total Rate Base** | **$ 21,125,814** | **$ 85,318,130** | **$ 93,186,119** | **$ 98,339,477** | **$ 110,790,252** | **$ 116,160,202** | **$ 126,131,129** | **$ 131,576,692** | **$ 139,144,791** | **$ 142,740,551** | **$ 147,649,291** | **$ 150,659,369** | **$ 157,340,277** | **$ 175,110,685** | **$ 175,110,685** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 429,150 | 2,945,742 | 535,740 | 565,368 | 636,949 | 667,821 | 725,146 | 756,453 | 799,963 | 820,636 | 848,857 | 866,162 | 904,571 | 1,006,736 | 9,134,401 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | 258,378 | 4,010,796 | 360,466 | 360,466 | 360,466 | 360,466 | 360,466 | 360,466 | 360,466 | 360,466 | 360,466 | 360,466 | 360,466 | 1,756,604 | 5,721,729 |
| Software | 704,238 | 3,537,479 | 1,409,670 | 158,467 | 158,467 | 162,242 | 298,467 | 158,467 | 158,467 | 158,467 | 158,467 | 1,085,655 | 158,467 | 1,021,989 | 5,087,290 |
| Other | 2,591,568 | 1,616,280 | - | - | - | - | - | - | - | - | - | - | - | 2,128,098 | 2,128,098 |
| Total Distribution O&M | 3,554,184 | 9,164,555 | 1,770,136 | 518,933 | 518,933 | 522,708 | 658,933 | 518,933 | 518,933 | 518,933 | 518,933 | 1,446,121 | 518,933 | 4,906,691 | 12,937,118 |
| Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | 2,533,813 | 2,149,087 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 1,329,471 | 1,766,004 |
| **Total O&M** | 6,087,997 | 11,313,642 | 1,809,821 | 558,618 | 558,618 | 562,393 | 698,618 | 558,618 | 558,618 | 558,618 | 558,618 | 1,485,806 | 558,618 | 6,236,162 | 14,703,122 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-3** | | | | | | | | | | | | | | | | | |
| 2 | **Total Estimated Grid Modernization Revenue Requirement** | | | | | | | | | | | | | | | | | |
| 3 | **All Projects** | | | | | | | | | | | | | | | | | |
| 4 | | | | **Year 1** | **Year 2** | | | | | | | | | | | | | **Year 3** |
| 5 | | | | **2025** | **2026** | **Jan-2027** | **Feb-2027** | **Mar-2027** | **Apr-2027** | **May-2027** | **Jun-2027** | **Jul-2027** | **Aug-2027** | **Sep-2027** | **Oct-2027** | **Nov-2027** | **Dec-2027** | **2027** |
| 142 | **Depreciation Expense** | | | | | | | | | | | | | | | | | |
| 143 | Production Depreciation Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 144 | Production AFUDC Equity Depr. Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 145 | Production AFUDC Debt Depr. Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 146 | Production Depreciation Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 147 | | | | | | | | | | | | | | | | | | |
| 148 | Distribution Depreciation Expense | | | | | | | | | | | | | | | | | |
| 149 | Distribution Depreciation Expense - Meters | | | - | 94,102 | 68,413 | 88,988 | 104,615 | 138,652 | 155,361 | 182,151 | 200,876 | 226,647 | 242,274 | 263,385 | 279,011 | 310,423 | 2,260,797 |
| 150 | Dist. AFUDC Equity Depr. Expense - Meters | | | - | 3,999 | 2,908 | 3,782 | 4,446 | 5,893 | 6,603 | 7,741 | 8,537 | 9,633 | 10,297 | 11,194 | 11,858 | 13,193 | 96,084 |
| 151 | Dist. AFUDC Debt Depr. Expense - Meters | | | - | 1,952 | 1,419 | 1,846 | 2,170 | 2,876 | 3,223 | 3,779 | 4,167 | 4,702 | 5,026 | 5,464 | 5,788 | 6,440 | 46,903 |
| 152 | Distribution Depreciation Expense - Meters | | | - | 100,054 | 72,740 | 94,617 | 111,232 | 147,421 | 165,187 | 193,672 | 213,581 | 240,982 | 257,597 | 280,043 | 296,658 | 330,056 | 2,403,784 |
| 153 | | | | | | | | | | | | | | | | | | |
| 154 | Distribution Depreciation Expense - Software | | | 838,035 | 2,324,721 | 355,659 | 356,232 | 356,804 | 357,376 | 357,949 | 358,521 | 359,093 | 359,666 | 360,238 | 360,810 | 361,383 | 361,955 | 4,305,686 |
| 155 | Dist. AFUDC Equity Depr. Expense - Software | | | - | 16,171 | 8,230 | 8,254 | 8,278 | 8,303 | 8,327 | 8,351 | 8,376 | 8,400 | 8,424 | 8,449 | 8,473 | 8,497 | 100,362 |
| 156 | Dist. AFUDC Debt Depr. Expense - Software | | | 12,599 | 47,272 | 7,299 | 7,311 | 7,323 | 7,334 | 7,346 | 7,358 | 7,370 | 7,382 | 7,394 | 7,406 | 7,418 | 7,429 | 88,369 |
| 157 | Distribution Depreciation Expense - Software | | | 850,634 | 2,388,164 | 371,188 | 371,796 | 372,405 | 373,013 | 373,622 | 374,231 | 374,839 | 375,448 | 376,056 | 376,665 | 377,273 | 377,882 | 4,494,417 |
| 158 | | | | | | | | | | | | | | | | | | |
| 159 | Distribution Depreciation Expense - Other | | | 164,760 | 456,712 | 74,192 | 82,152 | 86,841 | 97,744 | 102,575 | 112,253 | 116,324 | 121,287 | 123,119 | 124,862 | 125,519 | 125,519 | 1,292,388 |
| 160 | Dist. AFUDC Equity Depr. Expense - Other | | | - | 14,266 | 2,724 | 3,063 | 3,262 | 3,725 | 3,931 | 4,342 | 4,515 | 4,726 | 4,804 | 4,878 | 4,906 | 4,906 | 49,782 |
| 161 | Dist. AFUDC Debt Depr. Expense - Other | | | 256 | 7,146 | 1,345 | 1,510 | 1,608 | 1,834 | 1,934 | 2,135 | 2,219 | 2,322 | 2,360 | 2,396 | 2,410 | 2,410 | 24,483 |
| 162 | Distribution Depreciation Expense - Other | | | 165,016 | 478,124 | 78,261 | 86,725 | 91,711 | 103,303 | 108,440 | 118,730 | 123,058 | 128,335 | 130,283 | 132,137 | 132,835 | 132,835 | 1,366,654 |
| 163 | Distribution Depreciation Expense Total | | | 1,015,650 | 2,966,341 | 522,189 | 553,138 | 575,347 | 623,737 | 647,249 | 686,632 | 711,478 | 744,765 | 763,936 | 788,844 | 806,766 | 840,773 | 8,264,855 |
| 164 | | | | | | | | | | | | | | | | | | |
| 165 | Transmission Depreciation Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 166 | Transmission AFUDC Equity Depr. Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 167 | Transmission AFUDC Debt Depr. Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 168 | Total Transmission Depreciation Expense | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 169 | | | | | | | | | | | | | | | | | | |
| 170 | **Total Depreciation Expense** | | | 1,015,650 | 2,966,341 | 522,189 | 553,138 | 575,347 | 623,737 | 647,249 | 686,632 | 711,478 | 744,765 | 763,936 | 788,844 | 806,766 | 840,773 | 8,264,855 |
| 171 | | | | | | | | | | | | | | | | | | |
| 172 | **Property Tax** | | | | | | | | | | | | | | | | | |
| 173 | Production Property Tax | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 174 | | | | | | | | | | | | | | | | | | |
| 175 | Distribution Property Tax | | | | | | | | | | | | | | | | | |
| 176 | Meters | | | - | 19,669 | 14,267 | 18,523 | 21,723 | 28,770 | 32,154 | 37,637 | 41,405 | 46,635 | 49,715 | 53,931 | 56,978 | 63,323 | 465,061 |
| 177 | Software | | | - | 217,029 | 33,911 | 33,666 | 33,420 | 33,174 | 32,928 | 32,680 | 32,433 | 32,185 | 31,936 | 31,687 | 31,438 | 31,187 | 390,645 |
| 178 | Other | | | - | 157,788 | 25,791 | 28,574 | 30,179 | 34,002 | 35,645 | 39,016 | 40,374 | 42,048 | 42,598 | 43,114 | 43,240 | 43,131 | 447,712 |
| 179 | Total Distribution Property Tax | | | - | 394,486 | 73,969 | 80,762 | 85,322 | 95,946 | 100,726 | 109,334 | 114,213 | 120,868 | 124,248 | 128,732 | 131,656 | 137,641 | 1,303,418 |
| 180 | | | | | | | | | | | | | | | | | | |
| 181 | Transmission Property Tax | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 182 | | | | | | | | | | | | | | | | | | |
| 183 | **Total Property Taxes** | | | - | 394,486 | 73,969 | 80,762 | 85,322 | 95,946 | 100,726 | 109,334 | 114,213 | 120,868 | 124,248 | 128,732 | 131,656 | 137,641 | 1,303,418 |
| 184 | | | | | | | | | | | | | | | | | | |
| 185 | **Federal Income Tax** | | | | | | | | | | | | | | | | | |
| 186 | Return Adjustments | | | | | | | | | | | | | | | | | |
| 187 | Interest | | | (128,612) | (882,809) | (160,556) | (169,435) | (190,887) | (200,139) | (217,319) | (226,701) | (239,741) | (245,936) | (254,394) | (259,580) | (271,091) | (301,709) | (2,737,489) |
| 188 | | | | | | | | | | | | | | | | | | |
| 189 | Tax/Book Adjustments | | | | | | | | | | | | | | | | | |
| 190 | AFUDC Equity Flow Through | | | - | 34,436 | 13,862 | 15,099 | 15,987 | 17,921 | 18,861 | 20,435 | 21,428 | 22,759 | 23,525 | 24,520 | 25,237 | 26,596 | 246,228 |
| 191 | R&D Credit Flow Through | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 192 | ITC Flow Through | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 193 | Total Permanent Differences | | | - | 34,436 | 13,862 | 15,099 | 15,987 | 17,921 | 18,861 | 20,435 | 21,428 | 22,759 | 23,525 | 24,520 | 25,237 | 26,596 | 246,228 |
| 194 | Depreciation and AFUDC Debt | | | (6,202,788) | (10,077,011) | (1,380,894) | (1,372,683) | (1,655,658) | (1,549,972) | (1,746,911) | (1,706,831) | (1,841,438) | (1,801,339) | (1,900,658) | (1,907,115) | (2,093,127) | (4,516,572) | (23,473,198) |
| 195 | Deferred State Income Tax | | | 345,576 | 561,420 | 76,934 | 76,476 | 92,242 | 86,353 | 97,326 | 95,093 | 102,592 | 100,358 | 105,891 | 106,251 | 116,614 | 251,631 | 1,307,761 |
| 196 | Total Temporary Differences | | | (5,857,213) | (9,515,591) | (1,303,961) | (1,296,207) | (1,563,417) | (1,463,618) | (1,649,585) | (1,611,738) | (1,738,847) | (1,700,981) | (1,794,767) | (1,800,864) | (1,976,513) | (4,264,941) | (22,165,438) |
| 197 | Amortization of EDFIT | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 198 | Deferred Federal Income Taxes | | | 1,230,015 | 1,998,274 | 273,832 | 272,203 | 328,318 | 307,360 | 346,413 | 338,465 | 365,158 | 357,206 | 376,901 | 378,182 | 415,068 | 895,638 | 4,654,742 |
| 199 | | | | | | | | | | | | | | | | | | |
| 200 | Net Taxable Equity Return | | | (4,326,660) | (5,419,948) | (641,083) | (612,972) | (773,051) | (670,656) | (776,485) | (723,087) | (792,039) | (746,317) | (799,878) | (791,581) | (902,728) | (2,637,680) | (10,867,555) |
| 201 | Federal Tax Rate | | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | Total Current Federal Income Tax | | | (1,150,126) | (1,440,747) | (170,415) | (162,942) | (205,495) | (178,276) | (206,408) | (192,213) | (210,542) | (198,388) | (212,626) | (210,420) | (239,966) | (701,156) | (2,888,846) |
| 203 | Amortization of EDFIT | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 204 | Total Provision for Federal Income Tax | | | 1,230,015 | 1,998,274 | 273,832 | 272,203 | 328,318 | 307,360 | 346,413 | 338,465 | 365,158 | 357,206 | 376,901 | 378,182 | 415,068 | 895,638 | 4,654,742 |
| 205 | Investment Tax Credits | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 206 | Investment Tax Credits | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 207 | R&D Credits | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 208 | **Total Federal Income Tax** | | | 79,889 | 557,527 | 103,417 | 109,261 | 122,823 | 129,084 | 140,005 | 146,252 | 154,616 | 158,818 | 164,275 | 167,761 | 175,102 | 194,482 | 1,765,896 |
| 209 | | | | | | | | | | | | | | | | | | |
| 210 | **State Income Tax** | | | | | | | | | | | | | | | | | |
| 211 | Net Current Taxable Equity Return | | | (5,476,786) | (6,860,695) | (811,497) | (775,914) | (978,546) | (848,931) | (982,892) | (915,300) | (1,002,581) | (944,705) | (1,012,504) | (1,002,001) | (1,142,694) | (3,338,835) | (13,756,401) |
| 212 | State Tax Rate | | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | Total Current State Income Tax | | | (323,130) | (404,781) | (47,878) | (45,779) | (57,734) | (50,087) | (57,991) | (54,003) | (59,152) | (55,738) | (59,738) | (59,118) | (67,419) | (196,991) | (811,628) |
| 214 | Amortization of EDSIT | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 215 | Total Deferred State Income Tax | | | 345,576 | 561,420 | 76,934 | 76,476 | 92,242 | 86,353 | 97,326 | 95,093 | 102,592 | 100,358 | 105,891 | 106,251 | 116,614 | 251,631 | 1,307,761 |
| 216 | **Total State Income Tax** | | | 22,445 | 156,639 | 29,055 | 30,697 | 34,507 | 36,267 | 39,335 | 41,090 | 43,440 | 44,620 | 46,153 | 47,133 | 49,195 | 54,640 | 496,133 |
| 217 | | | | | | | | | | | | | | | | | | |
| 218 | **Revenue Credits** | | | | | | | | | | | | | | | | | |
| 219 | Opt-out Fee Revenue | | | - | - | - | - | - | - | - | - | - | - | - | - | - | (13,568) | (13,568) |
| 220 | **Total Revenue Credits** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | (13,568) | (13,568) |
| 221 | | | | | | | | | | | | | | | | | | |
| 222 | **Total Revenue Requirement Before Revenue Tax** | | | 7,635,131 | 18,334,378 | 3,074,191 | 1,897,844 | 2,013,566 | 2,115,249 | 2,351,078 | 2,298,379 | 2,382,327 | 2,448,324 | 2,506,087 | 3,484,437 | 2,625,908 | 8,456,866 | 35,654,257 |
| 223 | Revenue Tax Factor | | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | **Revenue Tax** | | | 38,830 | 93,244 | 15,635 | 9,652 | 10,240 | 10,758 | 11,957 | 11,689 | 12,116 | 12,452 | 12,745 | 17,721 | 13,355 | 43,009 | 181,328 |
| 225 | | | | | | | | | | | | | | | | | | |
| 226 | **Total Revenue Requirement** | | | **$ 7,673,961** | **$ 18,427,622** | **$ 3,089,826** | **$ 1,907,496** | **$ 2,023,806** | **$ 2,126,007** | **$ 2,363,035** | **$ 2,310,068** | **$ 2,394,443** | **$ 2,460,775** | **$ 2,518,833** | **$ 3,502,158** | **$ 2,639,263** | **$ 8,499,875** | **$ 35,835,585** |
| 227 | | | | | | | | | | | | | | | | | | |
| 228 | **Revenue Requirement Summary** | | | | | | | | | | | | | | | | | |
| 229 | Return on Rate Base | | | 429,150 | 2,945,742 | 535,740 | 565,368 | 636,949 | 667,821 | 725,146 | 756,453 | 799,963 | 820,636 | 848,857 | 866,162 | 904,571 | 1,006,736 | 9,134,401 |
| 230 | O&M | | | 6,087,997 | 11,313,642 | 1,809,821 | 558,618 | 558,618 | 562,393 | 698,618 | 558,618 | 558,618 | 558,618 | 558,618 | 1,485,806 | 558,618 | 6,236,162 | 14,703,122 |
| 231 | Depreciation Expense | | | 1,015,650 | 2,966,341 | 522,189 | 553,138 | 575,347 | 623,737 | 647,249 | 686,632 | 711,478 | 744,765 | 763,936 | 788,844 | 806,766 | 840,773 | 8,264,855 |
| 232 | Taxes Other Than Income | | | 38,830 | 487,730 | 89,604 | 90,414 | 95,562 | 106,704 | 112,683 | 121,023 | 126,329 | 133,319 | 136,994 | 146,453 | 145,011 | 180,651 | 1,484,746 |
| 233 | Net Allowable Federal Income Tax | | | 79,889 | 557,527 | 103,417 | 109,261 | 122,823 | 129,084 | 140,005 | 146,252 | 154,616 | 158,818 | 164,275 | 167,761 | 175,102 | 194,482 | 1,765,896 |
| 234 | Net Allowable State Income Tax | | | 22,445 | 156,639 | 29,055 | 30,697 | 34,507 | 36,267 | 39,335 | 41,090 | 43,440 | 44,620 | 46,153 | 47,133 | 49,195 | 54,640 | 496,133 |
| 235 | Revenue Credits | | | - | - | - | - | - | - | - | - | - | - | - | - | - | (13,568) | (13,568) |
| 236 | **Total Revenue Requirement** | | | $ 7,673,961 | $ 18,427,622 | $ 3,089,826 | $ 1,907,496 | $ 2,023,806 | $ 2,126,007 | $ 2,363,035 | $ 2,310,068 | $ 2,394,443 | $ 2,460,775 | $ 2,518,833 | $ 3,502,158 | $ 2,639,263 | $ 8,499,875 | $ 35,835,585 |
| 237 | | | | | | | | | | | | | | | | | | |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-3** | | | | | | | | | | | | | | | | | |
| 2 | **WP ADMS - Estimated Revenue Requirement ADMS Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | **Year 1** | **Year 2** | | | | | | | | | | | | | **Year 3** |
| 5 | | | | **2025** | **2026** | **Jan-2027** | **Feb-2027** | **Mar-2027** | **Apr-2027** | **May-2027** | **Jun-2027** | **Jul-2027** | **Aug-2027** | **Sep-2027** | **Oct-2027** | **Nov-2027** | **Dec-2027** | **2027** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | |
| 7 | | | Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | | | | | | | | | | | | | | | | | | |
| 9 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 10 | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,458,571 | 4,458,571 |
| 12 | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | | | Total Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,458,571 | 4,458,571 |
| 14 | | | | | | | | | | | | | | | | | | |
| 15 | | | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | | | | | | | | | | | | | | | | | | |
| 17 | | | **Total Gross Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,458,571 | 4,458,571 |
| 18 | | | | | | | | | | | | | | | | | | |
| 19 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | |
| 20 | | | Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | | | | | | | | | | | | | | | |
| 22 | | | Distribution Plant | | | | | | | | | | | | | | | |
| 23 | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | | | Total Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | | | | | | | | | | | | | | | | | | |
| 28 | | | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | | | | | | | | | | | | | | | | | | |
| 30 | | | **Total Accumulated Depreciation** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | | | | | | | | | | | | | | | | | | |
| 32 | | **ADIT** | | | | | | | | | | | | | | | | |
| 33 | | | Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | | | | | | | | | | | | | | | | | | |
| 35 | | | Distribution ADIT | | | | | | | | | | | | | | | |
| 36 | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 37 | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | (434,606) | (434,606) |
| 38 | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 39 | | | Total Distribution ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | (434,606) | (434,606) |
| 40 | | | | | | | | | | | | | | | | | | |
| 41 | | | Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 42 | | | | | | | | | | | | | | | | | | |
| 43 | | | **Total ADIT** | - | - | - | - | - | - | - | - | - | - | - | - | - | (434,606) | (434,606) |
| 44 | | | | | | | | | | | | | | | | | | |
| 45 | | **Total Rate Base** | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 4,023,965 | $ 4,023,965 |
| 46 | | | | | | | | | | | | | | | | | | |
| 47 | | **Weighted Average Cost of Capital** | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 48 | | | | | | | | | | | | | | | | | | |
| 49 | | **Return on Rate Base** | | - | - | - | - | - | - | - | - | - | - | - | - | - | 23,134 | 23,134 |
| 50 | | | | | | | | | | | | | | | | | | |
| 51 | | **O&M** | | | | | | | | | | | | | | | | |
| 52 | | | Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 53 | | | | | | | | | | | | | | | | | | |
| 54 | | | Distribution O&M | | | | | | | | | | | | | | | |
| 55 | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 56 | | | Software | - | 355,988 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 57 | | | Other | 2,114 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 58 | | | Total Distribution O&M | 2,114 | 355,988 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 59 | | | | | | | | | | | | | | | | | | |
| 60 | | | Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 61 | | | | | | | | | | | | | | | | | | |
| 62 | | | A&G | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | |
| 64 | | | **Total O&M** | 2,114 | 355,988 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| 65 | | | | | | | | | | | | | | | | | | |

**PNM Exhibit RNG-3**

**WP ADMS - Estimated Revenue Requirement ADMS Project**

| | | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Property Tax** | | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Federal Income Tax** | | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | | |
| Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | (6,933) | (6,933) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation and AFUDC Debt | | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,513,780) | (1,513,780) |
| Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 84,337 | 84,337 |
| Total Temporary Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,429,443) | (1,429,443) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | - | - | - | - | - | - | - | - | - | - | - | - | - | 300,183 | 300,183 |
| Net Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,113,059) | (1,113,059) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | (295,877) | (295,877) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 300,183 | 300,183 |
| Investment Tax Credits | | | | | | | | | | | | | | | | |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,306 | 4,306 |
| **State Income Tax** | | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,408,935) | (1,408,935) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | (83,127) | (83,127) |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 84,337 | 84,337 |
| **Total State Income Tax** | | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,210 | 1,210 |
| **Revenue Credits** | | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | 2,114 | 355,988 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 58,316 | 384,638 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 11 | 1,810 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 297 | 1,956 |
| **Total Revenue Requirement** | | **$ 2,125** | **$ 357,798** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 58,613** | **$ 386,594** |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| Return on Rate Base | | - | - | - | - | - | - | - | - | - | - | - | - | - | 23,134 | 23,134 |
| O&M | | 2,114 | 355,988 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 29,666 | 355,988 |
| Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes Other Than Income | | 11 | 1,810 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 151 | 297 | 1,956 |
| Net Allowable Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,306 | 4,306 |
| Net Allowable State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,210 | 1,210 |
| Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | | **$ 2,125** | **$ 357,798** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 29,816** | **$ 58,613** | **$ 386,594** |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-3**

**WP Advanced Metering - Estimated Revenue Requirement Advanced Metering Project**

| | Year 1 | Year 2 | | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | 17,457,485 | 22,707,974 | 26,695,575 | 35,381,062 | 39,644,862 | 46,481,251 | 51,259,423 | 57,835,665 | 61,823,266 | 67,210,274 | 71,197,875 | 79,213,462 | 86,921,781 | 86,921,781 |
| Distribution Plant - Software | 16,999,622 | 32,235,249 | 32,308,273 | 32,381,297 | 32,454,321 | 32,527,344 | 32,600,368 | 32,673,392 | 32,746,415 | 32,819,439 | 32,892,463 | 32,965,486 | 33,038,510 | 34,451,673 | 34,451,673 |
| Distribution Plant - Other | 1,206,257 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 |
| Total Distribution Plant | 18,205,878 | 57,262,948 | 62,586,460 | 66,647,085 | 75,405,596 | 79,742,420 | 86,651,832 | 91,503,028 | 98,152,294 | 102,212,918 | 107,672,950 | 111,733,575 | 119,822,185 | 128,943,667 | 128,943,667 |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | 18,205,878 | 57,262,948 | 62,586,460 | 66,647,085 | 75,405,596 | 79,742,420 | 86,651,832 | 91,503,028 | 98,152,294 | 102,212,918 | 107,672,950 | 111,733,575 | 119,822,185 | 128,943,667 | 128,943,667 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | (100,054) | (172,793) | (267,410) | (378,641) | (526,062) | (691,249) | (884,921) | (1,098,502) | (1,339,484) | (1,597,081) | (1,877,124) | (2,173,782) | (2,503,838) | (2,503,838) |
| Distribution Plant - Software | (283,327) | (2,197,510) | (2,466,137) | (2,735,373) | (3,005,217) | (3,275,669) | (3,546,731) | (3,818,400) | (4,090,679) | (4,363,565) | (4,637,061) | (4,911,165) | (5,185,877) | (5,461,198) | (5,461,198) |
| Distribution Plant - Other | - | (98,902) | (117,403) | (135,905) | (154,407) | (172,909) | (191,411) | (209,913) | (228,415) | (246,917) | (265,418) | (283,920) | (302,422) | (320,924) | (320,924) |
| Total Distribution Plant | (283,327) | (2,396,465) | (2,756,334) | (3,138,688) | (3,538,265) | (3,974,641) | (4,429,391) | (4,913,234) | (5,417,595) | (5,949,966) | (6,499,560) | (7,072,209) | (7,662,081) | (8,285,960) | (8,285,960) |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (283,327) | (2,396,465) | (2,756,334) | (3,138,688) | (3,538,265) | (3,974,641) | (4,429,391) | (4,913,234) | (5,417,595) | (5,949,966) | (6,499,560) | (7,072,209) | (7,662,081) | (8,285,960) | (8,285,960) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | - | (260,722) | (374,400) | (493,292) | (673,820) | (839,191) | (1,045,480) | (1,254,339) | (1,497,992) | (1,737,909) | (2,005,833) | (2,278,048) | (2,605,071) | (2,956,576) | (2,956,576) |
| Total Distribution ADIT - Software | (1,657,280) | (3,135,851) | (3,313,372) | (3,491,286) | (3,669,590) | (3,848,286) | (4,027,373) | (4,206,851) | (4,386,721) | (4,566,982) | (4,747,635) | (4,928,679) | (5,110,114) | (5,309,709) | (5,309,709) |
| Total Distribution ADIT - Other | - | (62,458) | (66,077) | (69,695) | (73,313) | (76,931) | (80,549) | (84,167) | (87,786) | (91,404) | (95,022) | (98,640) | (102,258) | (105,876) | (105,876) |
| Total Distribution ADIT | (1,657,280) | (3,459,031) | (3,753,849) | (4,054,272) | (4,416,723) | (4,764,407) | (5,153,403) | (5,545,358) | (5,972,499) | (6,396,295) | (6,848,490) | (7,305,368) | (7,817,443) | (8,372,161) | (8,372,161) |
| Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | (1,657,280) | (3,459,031) | (3,753,849) | (4,054,272) | (4,416,723) | (4,764,407) | (5,153,403) | (5,545,358) | (5,972,499) | (6,396,295) | (6,848,490) | (7,305,368) | (7,817,443) | (8,372,161) | (8,372,161) |
| **Total Rate Base** | **$ 16,265,271** | **$ 51,407,452** | **$ 56,076,277** | **$ 59,454,125** | **$ 67,450,608** | **$ 71,003,371** | **$ 77,069,038** | **$ 81,044,436** | **$ 86,762,200** | **$ 89,866,657** | **$ 94,324,900** | **$ 97,355,998** | **$ 104,342,662** | **$ 112,285,546** | **$ 112,285,546** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 93,511 | 1,659,215 | 322,390 | 341,810 | 387,783 | 408,208 | 443,081 | 465,936 | 498,808 | 516,656 | 542,287 | 559,713 | 599,881 | 645,545 | 5,732,100 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | 258,378 | 2,856,563 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 1,719,763 | 5,279,638 |
| Software | 704,238 | 1,254,979 | 1,251,203 | - | - | 3,776 | - | - | - | - | - | - | - | - | 1,254,979 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution O&M | 962,616 | 4,111,542 | 1,574,828 | 323,625 | 323,625 | 327,401 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 1,719,763 | 6,534,617 |
| Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | 1,413,768 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total O&M** | 2,376,384 | 4,111,542 | 1,574,828 | 323,625 | 323,625 | 327,401 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 1,719,763 | 6,534,617 |

**PNM Exhibit RNG-3**

**WP Advanced Metering - Estimated Revenue Requirement Advanced Metering Project**

| | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2025** | **2026** | **Jan-2027** | **Feb-2027** | **Mar-2027** | **Apr-2027** | **May-2027** | **Jun-2027** | **Jul-2027** | **Aug-2027** | **Sep-2027** | **Oct-2027** | **Nov-2027** | **Dec-2027** | **2027** |
| **Depreciation Expense** | | | | | | | | | | | | | | | |
| Production Depreciation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | - | 100,054 | 72,740 | 94,617 | 111,232 | 147,421 | 165,187 | 193,672 | 213,581 | 240,982 | 257,597 | 280,043 | 296,658 | 330,056 | 2,403,784 |
| Distribution Depreciation Expense - Software | 283,327 | 1,914,183 | 268,627 | 269,236 | 269,844 | 270,453 | 271,061 | 271,670 | 272,278 | 272,887 | 273,495 | 274,104 | 274,712 | 275,321 | 3,263,688 |
| Distribution Depreciation Expense - Other | - | 98,902 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 18,502 | 222,022 |
| Distribution Depreciation Expense Total | 283,327 | 2,113,138 | 359,868 | 382,354 | 399,578 | 436,376 | 454,750 | 483,843 | 504,361 | 532,371 | 549,594 | 572,649 | 589,872 | 623,879 | 5,889,494 |
| Total Transmission Depreciation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | 283,327 | 2,113,138 | 359,868 | 382,354 | 399,578 | 436,376 | 454,750 | 483,843 | 504,361 | 532,371 | 549,594 | 572,649 | 589,872 | 623,879 | 5,889,494 |
| **Property Tax** | | | | | | | | | | | | | | | |
| Production Property Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | |
| Meters | - | 19,669 | 14,267 | 18,523 | 21,723 | 28,770 | 32,154 | 37,637 | 41,405 | 46,635 | 49,715 | 53,931 | 56,978 | 63,323 | 465,061 |
| Software | - | 178,119 | 24,690 | 24,529 | 24,368 | 24,206 | 24,043 | 23,881 | 23,717 | 23,554 | 23,389 | 23,225 | 23,059 | 22,894 | 285,554 |
| Other | - | 32,921 | 6,141 | 6,126 | 6,111 | 6,095 | 6,080 | 6,065 | 6,050 | 6,035 | 6,019 | 6,004 | 5,989 | 5,974 | 72,689 |
| Total Distribution Property Tax | - | 230,708 | 45,098 | 49,177 | 52,201 | 59,071 | 62,277 | 67,583 | 71,173 | 76,223 | 79,123 | 83,160 | 86,027 | 92,190 | 823,304 |
| Transmission Property Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | - | 230,708 | 45,098 | 49,177 | 52,201 | 59,071 | 62,277 | 67,583 | 71,173 | 76,223 | 79,123 | 83,160 | 86,027 | 92,190 | 823,304 |
| **Federal Income Tax** | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | |
| Interest | (28,024) | (497,250) | (96,617) | (102,437) | (116,215) | (122,336) | (132,787) | (139,636) | (149,488) | (154,837) | (162,518) | (167,740) | (179,778) | (193,464) | (1,717,853) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | - | 15,101 | 8,604 | 9,503 | 10,191 | 11,662 | 12,397 | 13,560 | 14,380 | 15,500 | 16,188 | 17,109 | 17,798 | 19,157 | 166,050 |
| R&D Credit Flow Through | - | | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Flow Through | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | - | 15,101 | 8,604 | 9,503 | 10,191 | 11,662 | 12,397 | 13,560 | 14,380 | 15,500 | 16,188 | 17,109 | 17,798 | 19,157 | 166,050 |
| Depreciation and AFUDC Debt | (5,772,484) | (6,275,690) | (1,026,883) | (1,046,406) | (1,262,455) | (1,211,022) | (1,354,911) | (1,365,221) | (1,487,778) | (1,476,129) | (1,575,042) | (1,591,354) | (1,783,614) | (1,932,142) | (17,112,958) |
| Deferred State Income Tax | 321,602 | 349,637 | 57,211 | 58,298 | 70,335 | 67,470 | 75,486 | 76,060 | 82,888 | 82,240 | 87,750 | 88,659 | 99,370 | 107,645 | 953,413 |
| Total Temporary Differences | (5,450,882) | (5,926,053) | (969,673) | (988,108) | (1,192,120) | (1,143,553) | (1,279,425) | (1,289,161) | (1,404,890) | (1,393,890) | (1,487,291) | (1,502,695) | (1,684,243) | (1,824,496) | (16,159,545) |
| Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | 1,144,685 | 1,244,471 | 203,631 | 207,503 | 250,345 | 240,146 | 268,679 | 270,724 | 295,027 | 292,717 | 312,331 | 315,566 | 353,691 | 383,144 | 3,393,504 |
| Net Taxable Equity Return | (4,240,710) | (3,504,516) | (531,664) | (531,729) | (660,015) | (605,872) | (688,055) | (678,578) | (746,163) | (723,854) | (779,003) | (778,047) | (892,652) | (970,113) | (8,585,744) |
| Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | (1,127,278) | (931,581) | (141,328) | (141,346) | (175,447) | (161,055) | (182,901) | (180,382) | (198,347) | (192,417) | (207,077) | (206,823) | (237,287) | (257,878) | (2,282,288) |
| Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | 1,144,685 | 1,244,471 | 203,631 | 207,503 | 250,345 | 240,146 | 268,679 | 270,724 | 295,027 | 292,717 | 312,331 | 315,566 | 353,691 | 383,144 | 3,393,504 |
| Investment Tax Credits | | | | | | | | | | | | | | | |
| Investment Tax Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | 17,407 | 312,890 | 62,303 | 66,157 | 74,898 | 79,091 | 85,778 | 90,342 | 96,680 | 100,300 | 105,254 | 108,743 | 116,404 | 125,266 | 1,111,216 |
| **State Income Tax** | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | (5,367,988) | (4,436,097) | (672,992) | (673,075) | (835,462) | (766,926) | (870,956) | (858,959) | (944,510) | (916,271) | (986,080) | (984,870) | (1,129,939) | (1,227,991) | (10,868,032) |
| State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | (316,711) | (261,730) | (39,707) | (39,711) | (49,292) | (45,249) | (51,386) | (50,679) | (55,726) | (54,060) | (58,179) | (58,107) | (66,666) | (72,451) | (641,214) |
| Amortization of EDSIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | 321,602 | 349,637 | 57,211 | 58,298 | 70,335 | 67,470 | 75,486 | 76,060 | 82,888 | 82,240 | 87,750 | 88,659 | 99,370 | 107,645 | 953,413 |
| **Total State Income Tax** | 4,891 | 87,907 | 17,504 | 18,587 | 21,043 | 22,221 | 24,100 | 25,382 | 27,162 | 28,180 | 29,571 | 30,552 | 32,704 | 35,194 | 312,199 |
| **Revenue Credits** | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | (13,568) | (13,568) |
| **Total Revenue Credits** | - | - | - | - | - | - | - | - | - | - | - | - | - | (13,568) | (13,568) |
| **Total Revenue Requirement Before Revenue Tax** | 2,775,520 | 8,515,400 | 2,381,992 | 1,181,710 | 1,259,127 | 1,332,368 | 1,393,611 | 1,456,711 | 1,521,809 | 1,577,354 | 1,629,456 | 1,678,442 | 1,748,512 | 3,228,269 | 20,389,362 |
| Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | 14,116 | 43,307 | 12,114 | 6,010 | 6,404 | 6,776 | 7,088 | 7,408 | 7,740 | 8,022 | 8,287 | 8,536 | 8,892 | 16,418 | 103,695 |
| **Total Revenue Requirement** | **$ 2,789,635** | **$ 8,558,708** | **$ 2,394,106** | **$ 1,187,720** | **$ 1,265,531** | **$ 1,339,145** | **$ 1,400,699** | **$ 1,464,120** | **$ 1,529,548** | **$ 1,585,376** | **$ 1,637,743** | **$ 1,686,978** | **$ 1,757,404** | **$ 3,244,687** | **$ 20,493,057** |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | |
| Return on Rate Base | 93,511 | 1,659,215 | 322,390 | 341,810 | 387,783 | 408,208 | 443,081 | 465,936 | 498,808 | 516,656 | 542,287 | 559,713 | 599,881 | 645,545 | 5,732,100 |
| O&M | 2,376,384 | 4,111,542 | 1,574,828 | 323,625 | 323,625 | 327,401 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 323,625 | 1,719,763 | 6,534,617 |
| Depreciation Expense | 283,327 | 2,113,138 | 359,868 | 382,354 | 399,578 | 436,376 | 454,750 | 483,843 | 504,361 | 532,371 | 549,594 | 572,649 | 589,872 | 623,879 | 5,889,494 |
| Taxes Other Than Income | 14,116 | 274,015 | 57,212 | 55,187 | 58,604 | 65,848 | 69,365 | 74,991 | 78,912 | 84,245 | 87,410 | 91,696 | 94,919 | 108,608 | 926,998 |
| Net Allowable Federal Income Tax | 17,407 | 312,890 | 62,303 | 66,157 | 74,898 | 79,091 | 85,778 | 90,342 | 96,680 | 100,300 | 105,254 | 108,743 | 116,404 | 125,266 | 1,111,216 |
| Net Allowable State Income Tax | 4,891 | 87,907 | 17,504 | 18,587 | 21,043 | 22,221 | 24,100 | 25,382 | 27,162 | 28,180 | 29,571 | 30,552 | 32,704 | 35,194 | 312,199 |
| Revenue Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | (13,568) | (13,568) |
| **Total Revenue Requirement** | **$ 2,789,635** | **$ 8,558,708** | **$ 2,394,106** | **$ 1,187,720** | **$ 1,265,531** | **$ 1,339,145** | **$ 1,400,699** | **$ 1,464,120** | **$ 1,529,548** | **$ 1,585,376** | **$ 1,637,743** | **$ 1,686,978** | **$ 1,757,404** | **$ 3,244,687** | **$ 20,493,057** |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-3**

**WP Customer Information & Analytics - Estimated Revenue Requirement Customer Information & Analytics Project**

| | Year 1 | Year 2 | | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 4,213,764 | 4,213,764 |
| Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution Plant | - | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 4,213,764 | 4,213,764 |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | - | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 3,933,207 | 4,213,764 | 4,213,764 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | (190,328) | (223,104) | (255,881) | (288,658) | (321,434) | (354,211) | (386,988) | (419,765) | (452,541) | (485,318) | (518,095) | (550,872) | (583,648) | (583,648) |
| Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution Plant | - | (190,328) | (223,104) | (255,881) | (288,658) | (321,434) | (354,211) | (386,988) | (419,765) | (452,541) | (485,318) | (518,095) | (550,872) | (583,648) | (583,648) |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | (190,328) | (223,104) | (255,881) | (288,658) | (321,434) | (354,211) | (386,988) | (419,765) | (452,541) | (485,318) | (518,095) | (550,872) | (583,648) | (583,648) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | (174,551) | (195,630) | (216,710) | (237,789) | (258,869) | (279,948) | (301,028) | (322,107) | (343,187) | (364,266) | (385,346) | (406,425) | (431,224) | (431,224) |
| Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT | - | (174,551) | (195,630) | (216,710) | (237,789) | (258,869) | (279,948) | (301,028) | (322,107) | (343,187) | (364,266) | (385,346) | (406,425) | (431,224) | (431,224) |
| Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | - | (174,551) | (195,630) | (216,710) | (237,789) | (258,869) | (279,948) | (301,028) | (322,107) | (343,187) | (364,266) | (385,346) | (406,425) | (431,224) | (431,224) |
| **Total Rate Base** | $ - | $ 3,568,328 | $ 3,514,472 | $ 3,460,616 | $ 3,406,760 | $ 3,352,904 | $ 3,299,048 | $ 3,245,191 | $ 3,191,335 | $ 3,137,479 | $ 3,083,623 | $ 3,029,767 | $ 2,975,910 | $ 3,198,891 | $ 3,198,891 |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | 144,374 | 20,205 | 19,896 | 19,586 | 19,276 | 18,967 | 18,657 | 18,347 | 18,038 | 17,728 | 17,419 | 17,109 | 18,391 | 223,619 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | - | 987,469 | - | - | - | - | 140,000 | - | - | - | - | 927,188 | - | 611,281 | 1,678,469 |
| Other | 815,447 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution O&M | 815,447 | 987,469 | - | - | - | - | 140,000 | - | - | - | - | 927,188 | - | 611,281 | 1,678,469 |
| Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | 20,402 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total O&M** | 835,849 | 987,469 | - | - | - | - | 140,000 | - | - | - | - | 927,188 | - | 611,281 | 1,678,469 |

PNM Exhibit RNG-3

WP Customer Information & Analytics - Estimated Revenue Requirement Customer Information & Analytics Project

| | | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | - | 190,328 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 393,321 |
| Distribution Depreciation Expense - Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense Total | | - | 190,328 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 393,321 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | - | 190,328 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 393,321 |
| **Property Tax** | | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | 18,276 | 3,076 | 3,050 | 3,023 | 2,996 | 2,969 | 2,942 | 2,915 | 2,888 | 2,861 | 2,834 | 2,807 | 2,780 | 35,139 |
| Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution Property Tax | | - | 18,276 | 3,076 | 3,050 | 3,023 | 2,996 | 2,969 | 2,942 | 2,915 | 2,888 | 2,861 | 2,834 | 2,807 | 2,780 | 35,139 |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | 18,276 | 3,076 | 3,050 | 3,023 | 2,996 | 2,969 | 2,942 | 2,915 | 2,888 | 2,861 | 2,834 | 2,807 | 2,780 | 35,139 |
| **Federal Income Tax** | | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | | |
| Interest | | - | (43,267) | (6,055) | (5,963) | (5,870) | (5,777) | (5,684) | (5,591) | (5,499) | (5,406) | (5,313) | (5,220) | (5,127) | (5,512) | (67,016) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | 7,608 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 15,722 |
| R&D Credit Flow Through | | - | | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | 7,608 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 15,722 |
| Depreciation and AFUDC Debt | | - | (607,980) | (73,422) | (73,422) | (73,422) | (73,422) | (73,422) | (73,422) | (73,422) | (73,422) | (73,422) | (73,422) | (73,422) | (86,378) | (894,020) |
| Deferred State Income Tax | | - | 33,872 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,812 | 49,808 |
| Total Temporary Differences | | - | (574,107) | (69,331) | (69,331) | (69,331) | (69,331) | (69,331) | (69,331) | (69,331) | (69,331) | (69,331) | (69,331) | (69,331) | (81,566) | (844,212) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | - | 120,563 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 17,129 | 177,284 |
| Net Taxable Equity Return | | - | (344,830) | (39,312) | (39,529) | (39,745) | (39,962) | (40,179) | (40,396) | (40,613) | (40,830) | (41,046) | (41,263) | (41,480) | (50,247) | (494,603) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | - | (91,664) | (10,450) | (10,508) | (10,565) | (10,623) | (10,681) | (10,738) | (10,796) | (10,853) | (10,911) | (10,969) | (11,026) | (13,357) | (131,477) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | - | 120,563 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 14,560 | 17,129 | 177,284 |
| Investment Tax Credits | | | | | | | | | | | | | | | | |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | - | 28,899 | 4,110 | 4,052 | 3,994 | 3,937 | 3,879 | 3,821 | 3,764 | 3,706 | 3,649 | 3,591 | 3,533 | 3,772 | 45,808 |
| **State Income Tax** | | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | - | (436,494) | (49,762) | (50,036) | (50,311) | (50,585) | (50,860) | (51,134) | (51,409) | (51,683) | (51,958) | (52,232) | (52,507) | (63,604) | (626,080) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | - | (25,753) | (2,936) | (2,952) | (2,968) | (2,985) | (3,001) | (3,017) | (3,033) | (3,049) | (3,065) | (3,082) | (3,098) | (3,753) | (36,939) |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | - | 33,872 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,091 | 4,812 | 49,808 |
| **Total State Income Tax** | | - | 8,119 | 1,155 | 1,138 | 1,122 | 1,106 | 1,090 | 1,074 | 1,057 | 1,041 | 1,025 | 1,009 | 993 | 1,060 | 12,870 |
| **Revenue Credits** | | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | 835,849 | 1,377,465 | 61,323 | 60,912 | 60,502 | 60,091 | 199,681 | 59,271 | 58,860 | 58,450 | 58,039 | 984,817 | 57,219 | 670,060 | 2,389,225 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 4,251 | 7,005 | 312 | 310 | 308 | 306 | 1,016 | 301 | 299 | 297 | 295 | 5,009 | 291 | 3,408 | 12,151 |
| **Total Revenue Requirement** | | **$ 840,100** | **$ 1,384,470** | **$ 61,634** | **$ 61,222** | **$ 60,810** | **$ 60,397** | **$ 200,697** | **$ 59,572** | **$ 59,160** | **$ 58,747** | **$ 58,335** | **$ 989,826** | **$ 57,510** | **$ 673,468** | **$ 2,401,376** |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| Return on Rate Base | | - | 144,374 | 20,205 | 19,896 | 19,586 | 19,276 | 18,967 | 18,657 | 18,347 | 18,038 | 17,728 | 17,419 | 17,109 | 18,391 | 223,619 |
| O&M | | 835,849 | 987,469 | - | - | - | - | 140,000 | - | - | - | - | 927,188 | - | 611,281 | 1,678,469 |
| Depreciation Expense | | - | 190,328 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 32,777 | 393,321 |
| Taxes Other Than Income | | 4,251 | 25,282 | 3,388 | 3,359 | 3,330 | 3,301 | 3,984 | 3,243 | 3,214 | 3,185 | 3,156 | 7,843 | 3,098 | 6,188 | 47,290 |
| Net Allowable Federal Income Tax | | - | 28,899 | 4,110 | 4,052 | 3,994 | 3,937 | 3,879 | 3,821 | 3,764 | 3,706 | 3,649 | 3,591 | 3,533 | 3,772 | 45,808 |
| Net Allowable State Income Tax | | - | 8,119 | 1,155 | 1,138 | 1,122 | 1,106 | 1,090 | 1,074 | 1,057 | 1,041 | 1,025 | 1,009 | 993 | 1,060 | 12,870 |
| Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | | $ 840,100 | $ 1,384,470 | $ 61,634 | $ 61,222 | $ 60,810 | $ 60,397 | $ 200,697 | $ 59,572 | $ 59,160 | $ 58,747 | $ 58,335 | $ 989,826 | $ 57,510 | $ 673,468 | $ 2,401,376 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-3**

**WP Cybersecurity - Estimated Revenue Requirement Cybersecurity Project**

| | Year 1 | Year 2 | | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 4,829,966 | 6,003,759 | 6,003,759 |
| Distribution Plant - Other | - | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 |
| Total Distribution Plant | - | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 6,195,654 | 6,195,654 |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | - | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 5,021,861 | 6,195,654 | 6,195,654 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | (40,250) | (80,499) | (120,749) | (160,999) | (201,249) | (241,498) | (281,748) | (321,998) | (362,247) | (402,497) | (442,747) | (482,997) | (482,997) |
| Distribution Plant - Other | - | - | (469) | (938) | (1,407) | (1,876) | (2,345) | (2,814) | (3,283) | (3,752) | (4,221) | (4,690) | (5,159) | (5,628) | (5,628) |
| Total Distribution Plant | - | - | (40,719) | (81,437) | (122,156) | (162,875) | (203,594) | (244,312) | (285,031) | (325,750) | (366,468) | (407,187) | (447,906) | (488,625) | (488,625) |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | - | (40,719) | (81,437) | (122,156) | (162,875) | (203,594) | (244,312) | (285,031) | (325,750) | (366,468) | (407,187) | (447,906) | (488,625) | (488,625) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | (470,809) | (496,694) | (522,580) | (548,465) | (574,351) | (600,236) | (626,122) | (652,007) | (677,893) | (703,778) | (729,664) | (755,549) | (796,997) | (796,997) |
| Total Distribution ADIT - Other | - | (3,720) | (3,811) | (3,902) | (3,993) | (4,084) | (4,175) | (4,266) | (4,357) | (4,448) | (4,540) | (4,631) | (4,722) | (4,813) | (4,813) |
| Total Distribution ADIT | - | (474,528) | (500,505) | (526,481) | (552,458) | (578,435) | (604,411) | (630,388) | (656,364) | (682,341) | (708,318) | (734,294) | (760,271) | (801,810) | (801,810) |
| Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | - | (474,528) | (500,505) | (526,481) | (552,458) | (578,435) | (604,411) | (630,388) | (656,364) | (682,341) | (708,318) | (734,294) | (760,271) | (801,810) | (801,810) |
| **Total Rate Base** | **$ -** | **$ 4,547,333** | **$ 4,480,638** | **$ 4,413,942** | **$ 4,347,247** | **$ 4,280,552** | **$ 4,213,856** | **$ 4,147,161** | **$ 4,080,466** | **$ 4,013,770** | **$ 3,947,075** | **$ 3,880,380** | **$ 3,813,684** | **$ 4,905,220** | **$ 4,905,220** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | 26,143 | 25,760 | 25,376 | 24,993 | 24,609 | 24,226 | 23,843 | 23,459 | 23,076 | 22,692 | 22,309 | 21,925 | 28,201 | 290,470 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | - | 217,350 | - | - | - | - | - | - | - | - | - | - | - | 228,218 | 228,218 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution O&M | - | 217,350 | - | - | - | - | - | - | - | - | - | - | - | 228,218 | 228,218 |
| Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | 383 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total O&M** | 383 | 217,350 | - | - | - | - | - | - | - | - | - | - | - | 228,218 | 228,218 |

**PNM Exhibit RNG-3**

**WP Cybersecurity - Estimated Revenue Requirement Cybersecurity Project**

| | | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | - | - | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 40,250 | 482,997 |
| Distribution Depreciation Expense - Other | | - | - | 469 | 469 | 469 | 469 | 469 | 469 | 469 | 469 | 469 | 469 | 469 | 469 | 5,628 |
| Distribution Depreciation Expense Total | | - | - | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 488,625 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | - | - | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 488,625 |
| **Property Tax** | | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | - | 3,970 | 3,937 | 3,904 | 3,871 | 3,838 | 3,805 | 3,771 | 3,738 | 3,705 | 3,672 | 3,639 | 3,606 | 45,456 |
| Other | | - | - | 158 | 157 | 157 | 157 | 156 | 156 | 155 | 155 | 155 | 154 | 154 | 153 | 1,867 |
| Total Distribution Property Tax | | - | - | 4,128 | 4,094 | 4,061 | 4,027 | 3,994 | 3,960 | 3,927 | 3,893 | 3,860 | 3,827 | 3,793 | 3,760 | 47,324 |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | - | 4,128 | 4,094 | 4,061 | 4,027 | 3,994 | 3,960 | 3,927 | 3,893 | 3,860 | 3,827 | 3,793 | 3,760 | 47,324 |
| **Federal Income Tax** | | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | | |
| Interest | | - | (7,835) | (7,720) | (7,605) | (7,490) | (7,375) | (7,260) | (7,145) | (7,030) | (6,916) | (6,801) | (6,686) | (6,571) | (8,451) | (87,051) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | - | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 19,531 |
| R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | - | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 1,628 | 19,531 |
| Depreciation and AFUDC Debt | | - | (1,652,832) | (90,479) | (90,479) | (90,479) | (90,479) | (90,479) | (90,479) | (90,479) | (90,479) | (90,479) | (90,479) | (90,479) | (144,684) | (1,139,957) |
| Deferred State Income Tax | | - | 92,084 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 8,061 | 63,510 |
| Total Temporary Differences | | - | (1,560,748) | (85,438) | (85,438) | (85,438) | (85,438) | (85,438) | (85,438) | (85,438) | (85,438) | (85,438) | (85,438) | (85,438) | (136,624) | (1,076,447) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | - | 327,757 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 28,691 | 226,054 |
| Net Taxable Equity Return | | - | (1,214,682) | (47,829) | (48,097) | (48,366) | (48,635) | (48,903) | (49,172) | (49,440) | (49,709) | (49,977) | (50,246) | (50,514) | (86,556) | (627,443) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | - | (322,891) | (12,714) | (12,785) | (12,857) | (12,928) | (13,000) | (13,071) | (13,142) | (13,214) | (13,285) | (13,356) | (13,428) | (23,009) | (166,789) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | - | 327,757 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 17,942 | 28,691 | 226,054 |
| Investment Tax Credits | | | | | | | | | | | | | | | | |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | - | 4,867 | 5,228 | 5,157 | 5,085 | 5,014 | 4,943 | 4,871 | 4,800 | 4,728 | 4,657 | 4,586 | 4,514 | 5,682 | 59,265 |
| **State Income Tax** | | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | - | (1,537,573) | (60,543) | (60,883) | (61,223) | (61,563) | (61,903) | (62,242) | (62,582) | (62,922) | (63,262) | (63,602) | (63,942) | (109,564) | (794,232) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | - | (90,717) | (3,572) | (3,592) | (3,612) | (3,632) | (3,652) | (3,672) | (3,692) | (3,712) | (3,732) | (3,753) | (3,773) | (6,464) | (46,860) |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | - | 92,084 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 5,041 | 8,061 | 63,510 |
| **Total State Income Tax** | | - | 1,367 | 1,469 | 1,449 | 1,429 | 1,409 | 1,389 | 1,369 | 1,349 | 1,328 | 1,308 | 1,288 | 1,268 | 1,597 | 16,651 |
| **Revenue Credits** | | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | 383 | 249,727 | 77,303 | 76,795 | 76,286 | 75,778 | 75,270 | 74,761 | 74,253 | 73,745 | 73,236 | 72,728 | 72,220 | 308,176 | 1,130,551 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 2 | 1,270 | 393 | 391 | 388 | 385 | 383 | 380 | 378 | 375 | 372 | 370 | 367 | 1,567 | 5,750 |
| **Total Revenue Requirement** | | $ 385 | $ 250,997 | $ 77,696 | $ 77,185 | $ 76,674 | $ 76,163 | $ 75,653 | $ 75,142 | $ 74,631 | $ 74,120 | $ 73,609 | $ 73,098 | $ 72,587 | $ 309,743 | $ 1,136,301 |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| Return on Rate Base | | - | 26,143 | 25,760 | 25,376 | 24,993 | 24,609 | 24,226 | 23,843 | 23,459 | 23,076 | 22,692 | 22,309 | 21,925 | 28,201 | 290,470 |
| O&M | | 383 | 217,350 | - | - | - | - | - | - | - | - | - | - | - | 228,218 | 228,218 |
| Depreciation Expense | | - | - | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 40,719 | 488,625 |
| Taxes Other Than Income | | 2 | 1,270 | 4,521 | 4,485 | 4,449 | 4,413 | 4,377 | 4,341 | 4,305 | 4,268 | 4,232 | 4,196 | 4,160 | 5,327 | 53,073 |
| Net Allowable Federal Income Tax | | - | 4,867 | 5,228 | 5,157 | 5,085 | 5,014 | 4,943 | 4,871 | 4,800 | 4,728 | 4,657 | 4,586 | 4,514 | 5,682 | 59,265 |
| Net Allowable State Income Tax | | - | 1,367 | 1,469 | 1,449 | 1,429 | 1,409 | 1,389 | 1,369 | 1,349 | 1,328 | 1,308 | 1,288 | 1,268 | 1,597 | 16,651 |
| Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | | $ 385 | $ 250,997 | $ 77,696 | $ 77,185 | $ 76,674 | $ 76,163 | $ 75,653 | $ 75,142 | $ 74,631 | $ 74,120 | $ 73,609 | $ 73,098 | $ 72,587 | $ 309,743 | $ 1,136,301 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-3**

**WP Data Management & Architecture - Estimated Revenue Requirement Data Management & Architecture Project**

| | Year 1 | Year 2 | | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | 2,836,534 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 3,544,120 | 6,819,060 | 6,819,060 |
| Distribution Plant - Other | - | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 |
| Total Distribution Plant | 2,836,534 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 6,969,034 | 6,969,034 |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | 2,836,534 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 3,694,093 | 6,969,034 | 6,969,034 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | (614,582) | (898,235) | (927,769) | (957,304) | (986,838) | (1,016,372) | (1,045,907) | (1,075,441) | (1,104,975) | (1,134,510) | (1,164,044) | (1,193,578) | (1,223,113) | (1,252,647) | (1,252,647) |
| Distribution Plant - Other | - | - | (367) | (733) | (1,100) | (1,466) | (1,833) | (2,199) | (2,566) | (2,932) | (3,299) | (3,665) | (4,032) | (4,398) | (4,398) |
| Total Distribution Plant | (614,582) | (898,235) | (928,136) | (958,037) | (987,938) | (1,017,839) | (1,047,739) | (1,077,640) | (1,107,541) | (1,137,442) | (1,167,343) | (1,197,244) | (1,227,145) | (1,257,045) | (1,257,045) |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (614,582) | (898,235) | (928,136) | (958,037) | (987,938) | (1,017,839) | (1,047,739) | (1,077,640) | (1,107,541) | (1,137,442) | (1,167,343) | (1,197,244) | (1,227,145) | (1,257,045) | (1,257,045) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Software | (96,306) | (318,328) | (337,955) | (357,582) | (377,209) | (396,836) | (416,464) | (436,091) | (455,718) | (475,345) | (494,972) | (514,599) | (534,226) | (597,273) | (597,273) |
| Total Distribution ADIT - Other | - | (2,907) | (2,978) | (3,049) | (3,121) | (3,192) | (3,263) | (3,334) | (3,405) | (3,477) | (3,548) | (3,619) | (3,690) | (3,761) | (3,761) |
| Total Distribution ADIT | (96,306) | (321,235) | (340,933) | (360,631) | (380,330) | (400,028) | (419,727) | (439,425) | (459,123) | (478,822) | (498,520) | (518,218) | (537,917) | (601,035) | (601,035) |
| Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | (96,306) | (321,235) | (340,933) | (360,631) | (380,330) | (400,028) | (419,727) | (439,425) | (459,123) | (478,822) | (498,520) | (518,218) | (537,917) | (601,035) | (601,035) |
| **Total Rate Base** | **$ 2,125,646** | **$ 2,474,623** | **$ 2,425,024** | **$ 2,375,425** | **$ 2,325,826** | **$ 2,276,226** | **$ 2,226,627** | **$ 2,177,028** | **$ 2,127,429** | **$ 2,077,830** | **$ 2,028,230** | **$ 1,978,631** | **$ 1,929,032** | **$ 5,110,954** | **$ 5,110,954** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 168,019 | 132,246 | 13,942 | 13,657 | 13,372 | 13,086 | 12,801 | 12,516 | 12,231 | 11,946 | 11,661 | 11,375 | 11,090 | 29,384 | 167,060 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | - | 1,154,233 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 36,841 | 442,092 |
| Software | - | 698,330 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 128,801 | 1,545,614 |
| Other | 127,181 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution O&M | 127,181 | 1,852,563 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 1,987,705 |
| Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | 11,646 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total O&M** | 138,828 | 1,852,563 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 1,987,705 |

**PNM Exhibit RNG-3**

**WP Data Management & Architecture - Estimated Revenue Requirement Data Management & Architecture Project**

| | | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | 567,307 | 283,653 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 29,534 | 354,412 |
| Distribution Depreciation Expense - Other | | - | - | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 4,398 |
| Distribution Depreciation Expense Total | | 567,307 | 283,653 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 358,810 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | 567,307 | 283,653 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 358,810 |
| **Property Tax** | | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | 20,634 | 2,175 | 2,151 | 2,126 | 2,102 | 2,078 | 2,053 | 2,029 | 2,005 | 1,981 | 1,956 | 1,932 | 1,908 | 24,495 |
| Other | | - | - | 123 | 123 | 123 | 122 | 122 | 122 | 121 | 121 | 121 | 121 | 120 | 120 | 1,459 |
| Total Distribution Property Tax | | - | 20,634 | 2,298 | 2,273 | 2,249 | 2,224 | 2,200 | 2,175 | 2,151 | 2,126 | 2,101 | 2,077 | 2,052 | 2,028 | 25,955 |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | 20,634 | 2,298 | 2,273 | 2,249 | 2,224 | 2,200 | 2,175 | 2,151 | 2,126 | 2,101 | 2,077 | 2,052 | 2,028 | 25,955 |
| **Federal Income Tax** | | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | | |
| Interest | | (50,354) | (39,633) | (4,178) | (4,093) | (4,007) | (3,922) | (3,836) | (3,751) | (3,665) | (3,580) | (3,495) | (3,409) | (3,324) | (8,806) | (50,066) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | - | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,004 |
| R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | - | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,004 |
| Depreciation and AFUDC Debt | | (335,443) | (783,452) | (68,612) | (68,612) | (68,612) | (68,612) | (68,612) | (68,612) | (68,612) | (68,612) | (68,612) | (68,612) | (68,612) | (219,846) | (974,573) |
| Deferred State Income Tax | | 18,689 | 43,648 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 12,248 | 54,296 |
| Total Temporary Differences | | (316,755) | (739,803) | (64,789) | (64,789) | (64,789) | (64,789) | (64,789) | (64,789) | (64,789) | (64,789) | (64,789) | (64,789) | (64,789) | (207,598) | (920,277) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | 66,519 | 155,359 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 43,596 | 193,258 |
| Net Taxable Equity Return | | (132,571) | (491,832) | (41,169) | (41,369) | (41,569) | (41,768) | (41,968) | (42,168) | (42,368) | (42,567) | (42,767) | (42,967) | (43,166) | (143,175) | (607,021) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | (35,240) | (130,740) | (10,944) | (10,997) | (11,050) | (11,103) | (11,156) | (11,209) | (11,262) | (11,315) | (11,368) | (11,422) | (11,475) | (38,059) | (161,360) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | 66,519 | 155,359 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 13,606 | 43,596 | 193,258 |
| Investment Tax Credits | | | | | | | | | | | | | | | | |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | 31,278 | 24,619 | 2,662 | 2,609 | 2,556 | 2,503 | 2,450 | 2,397 | 2,343 | 2,290 | 2,237 | 2,184 | 2,131 | 5,537 | 31,898 |
| **State Income Tax** | | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | (167,811) | (622,572) | (52,113) | (52,366) | (52,619) | (52,871) | (53,124) | (53,377) | (53,630) | (53,883) | (54,135) | (54,388) | (54,641) | (181,234) | (768,381) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | (9,901) | (36,732) | (3,075) | (3,090) | (3,105) | (3,119) | (3,134) | (3,149) | (3,164) | (3,179) | (3,194) | (3,209) | (3,224) | (10,693) | (45,334) |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | 18,689 | 43,648 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 3,823 | 12,248 | 54,296 |
| **Total State Income Tax** | | 8,788 | 6,917 | 748 | 733 | 718 | 703 | 688 | 673 | 658 | 643 | 629 | 614 | 599 | 1,556 | 8,962 |
| **Revenue Credits** | | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | 914,220 | 2,320,631 | 215,193 | 214,815 | 214,437 | 214,059 | 213,682 | 213,304 | 212,926 | 212,549 | 212,171 | 211,793 | 211,415 | 234,046 | 2,580,390 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 4,649 | 11,802 | 1,094 | 1,092 | 1,091 | 1,089 | 1,087 | 1,085 | 1,083 | 1,081 | 1,079 | 1,077 | 1,075 | 1,190 | 13,123 |
| **Total Revenue Requirement** | | **$ 918,869** | **$ 2,332,433** | **$ 216,287** | **$ 215,907** | **$ 215,528** | **$ 215,148** | **$ 214,768** | **$ 214,389** | **$ 214,009** | **$ 213,630** | **$ 213,250** | **$ 212,870** | **$ 212,491** | **$ 235,237** | **$ 2,593,514** |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| Return on Rate Base | | 168,019 | 132,246 | 13,942 | 13,657 | 13,372 | 13,086 | 12,801 | 12,516 | 12,231 | 11,946 | 11,661 | 11,375 | 11,090 | 29,384 | 167,060 |
| O&M | | 138,828 | 1,852,563 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 165,642 | 1,987,705 |
| Depreciation Expense | | 567,307 | 283,653 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 29,901 | 358,810 |
| Taxes Other Than Income | | 4,649 | 32,436 | 3,392 | 3,366 | 3,339 | 3,313 | 3,286 | 3,260 | 3,233 | 3,207 | 3,180 | 3,154 | 3,127 | 3,218 | 39,078 |
| Net Allowable Federal Income Tax | | 31,278 | 24,619 | 2,662 | 2,609 | 2,556 | 2,503 | 2,450 | 2,397 | 2,343 | 2,290 | 2,237 | 2,184 | 2,131 | 5,537 | 31,898 |
| Net Allowable State Income Tax | | 8,788 | 6,917 | 748 | 733 | 718 | 703 | 688 | 673 | 658 | 643 | 629 | 614 | 599 | 1,556 | 8,962 |
| Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | | $ 918,869 | $ 2,332,433 | $ 216,287 | $ 215,907 | $ 215,528 | $ 215,148 | $ 214,768 | $ 214,389 | $ 214,009 | $ 213,630 | $ 213,250 | $ 212,870 | $ 212,491 | $ 235,237 | $ 2,593,514 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PNM Exhibit RNG-3** | | | | | | | | | | | | | | | | | |
| 2 | **WP Distribution Planning & Engineering - Estimated Revenue Requirement Distribution Planning & Engineering Project** | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | |
| 4 | | | | | **Year 1** | **Year 2** | | | | | | | | | | | | **Year 3** |
| 5 | | | | | **2025** | **2026** | **Jan-2027** | **Feb-2027** | **Mar-2027** | **Apr-2027** | **May-2027** | **Jun-2027** | **Jul-2027** | **Aug-2027** | **Sep-2027** | **Oct-2027** | **Nov-2027** | **Dec-2027** | **2027** |
| 6 | | **Gross Plant** | | | | | | | | | | | | | | | | | |
| 7 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | | | | | | | | | | | | | | | | | | | |
| 9 | | | Distribution Plant | | | | | | | | | | | | | | | | |
| 10 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,598,547 | 1,598,547 |
| 12 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,598,547 | 1,598,547 |
| 14 | | | | | | | | | | | | | | | | | | | |
| 15 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | | | | | | | | | | | | | | | | | | | |
| 17 | | | | **Total Gross Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,598,547 | 1,598,547 |
| 18 | | | | | | | | | | | | | | | | | | | |
| 19 | | **Accumulated Depreciation** | | | | | | | | | | | | | | | | | |
| 20 | | | Production Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | | | | | | | | | | | | | | | | | | | |
| 22 | | | Distribution Plant | | | | | | | | | | | | | | | | |
| 23 | | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | | | Total Distribution Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | | | | | | | | | | | | | | | | | | | |
| 28 | | | Transmission Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | | | | | | | | | | | | | | | | | | | |
| 30 | | | | **Total Accumulated Depreciation** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | | | | | | | | | | | | | | | | | | | |
| 32 | | **ADIT** | | | | | | | | | | | | | | | | | |
| 33 | | | Total Production ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | | | | | | | | | | | | | | | | | | | |
| 35 | | | Distribution ADIT | | | | | | | | | | | | | | | | |
| 36 | | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 37 | | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | (155,821) | (155,821) |
| 38 | | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 39 | | | Total Distribution ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | (155,821) | (155,821) |
| 40 | | | | | | | | | | | | | | | | | | | |
| 41 | | | Total Transmission ADIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 42 | | | | | | | | | | | | | | | | | | | |
| 43 | | | | **Total ADIT** | - | - | - | - | - | - | - | - | - | - | - | - | - | (155,821) | (155,821) |
| 44 | | | | | | | | | | | | | | | | | | | |
| 45 | | **Total Rate Base** | | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,442,726 | $ 1,442,726 |
| 46 | | | | | | | | | | | | | | | | | | | |
| 47 | | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| 48 | | | | | | | | | | | | | | | | | | | |
| 49 | | **Return on Rate Base** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,294 | 8,294 |
| 50 | | | | | | | | | | | | | | | | | | | |
| 51 | | **O&M** | | | | | | | | | | | | | | | | | |
| 52 | | | Production O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 53 | | | | | | | | | | | | | | | | | | | |
| 54 | | | Distribution O&M | | | | | | | | | | | | | | | | |
| 55 | | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 56 | | | | Software | - | 22,000 | - | - | - | - | - | - | - | - | - | - | - | 22,660 | 22,660 |
| 57 | | | | Other | - | 598,905 | - | - | - | - | - | - | - | - | - | - | - | 622,563 | 622,563 |
| 58 | | | Total Distribution O&M | | - | 620,905 | - | - | - | - | - | - | - | - | - | - | - | 645,223 | 645,223 |
| 59 | | | | | | | | | | | | | | | | | | | |
| 60 | | | Transmission O&M | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 61 | | | | | | | | | | | | | | | | | | | |
| 62 | | | A&G | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 63 | | | | | | | | | | | | | | | | | | | |
| 64 | | | | **Total O&M** | - | 620,905 | - | - | - | - | - | - | - | - | - | - | - | 645,223 | 645,223 |
| 65 | | | | | | | | | | | | | | | | | | | |

**PNM Exhibit RNG-3**

**WP Distribution Planning & Engineering - Estimated Revenue Requirement Distribution Planning & Engineering Project**

| | | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Property Tax** | | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Federal Income Tax** | | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | | |
| Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | (2,486) | (2,486) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credit Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation and AFUDC Debt | | - | - | - | - | - | - | - | - | - | - | - | - | - | (542,741) | (542,741) |
| Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 30,238 | 30,238 |
| Total Temporary Differences | | - | - | - | - | - | - | - | - | - | - | - | - | - | (512,503) | (512,503) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | - | - | - | - | - | - | - | - | - | - | - | - | - | 107,626 | 107,626 |
| Net Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | - | (399,069) | (399,069) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | (106,082) | (106,082) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 107,626 | 107,626 |
| Investment Tax Credits | | | | | | | | | | | | | | | | |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,544 | 1,544 |
| **State Income Tax** | | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | - | - | - | - | - | - | - | - | - | - | - | - | - | (505,151) | (505,151) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | (29,804) | (29,804) |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 30,238 | 30,238 |
| **Total State Income Tax** | | - | - | - | - | - | - | - | - | - | - | - | - | - | 434 | 434 |
| **Revenue Credits** | | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | - | 620,905 | - | - | - | - | - | - | - | - | - | - | - | 655,495 | 655,495 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | - | 3,158 | - | - | - | - | - | - | - | - | - | - | - | 3,334 | 3,334 |
| **Total Revenue Requirement** | | $ - | $ 624,063 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 658,829 | $ 658,829 |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| Return on Rate Base | | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,294 | 8,294 |
| O&M | | - | 620,905 | - | - | - | - | - | - | - | - | - | - | - | 645,223 | 645,223 |
| Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes Other Than Income | | - | 3,158 | - | - | - | - | - | - | - | - | - | - | - | 3,334 | 3,334 |
| Net Allowable Federal Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,544 | 1,544 |
| Net Allowable State Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | 434 | 434 |
| Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | | $ - | $ 624,063 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 658,829 | $ 658,829 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-3**

**WP Distribution Automation - Estimated Revenue Requirement Distribution Automation Project**

| | Year 1 | Year 2 | | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Other | - | 10,119,177 | 13,107,813 | 15,000,458 | 17,113,923 | 19,068,460 | 20,938,069 | 22,537,998 | 23,162,993 | 23,794,901 | 24,399,956 | 24,532,519 | 24,532,519 | 24,532,519 | 24,532,519 |
| Total Distribution Plant | - | 10,119,177 | 13,107,813 | 15,000,458 | 17,113,923 | 19,068,460 | 20,938,069 | 22,537,998 | 23,162,993 | 23,794,901 | 24,399,956 | 24,532,519 | 24,532,519 | 24,532,519 | 24,532,519 |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | - | 10,119,177 | 13,107,813 | 15,000,458 | 17,113,923 | 19,068,460 | 20,938,069 | 22,537,998 | 23,162,993 | 23,794,901 | 24,399,956 | 24,532,519 | 24,532,519 | 24,532,519 | 24,532,519 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Other | - | (159,488) | (184,219) | (216,255) | (252,917) | (294,744) | (341,348) | (392,521) | (447,605) | (504,216) | (562,372) | (622,006) | (681,964) | (741,923) | (741,923) |
| Total Distribution Plant | - | (159,488) | (184,219) | (216,255) | (252,917) | (294,744) | (341,348) | (392,521) | (447,605) | (504,216) | (562,372) | (622,006) | (681,964) | (741,923) | (741,923) |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | (159,488) | (184,219) | (216,255) | (252,917) | (294,744) | (341,348) | (392,521) | (447,605) | (504,216) | (562,372) | (622,006) | (681,964) | (741,923) | (741,923) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Other | - | (99,291) | (124,270) | (143,270) | (164,658) | (185,978) | (207,652) | (228,393) | (243,313) | (258,577) | (273,959) | (286,439) | (298,087) | (309,735) | (309,735) |
| Total Distribution ADIT | - | (99,291) | (124,270) | (143,270) | (164,658) | (185,978) | (207,652) | (228,393) | (243,313) | (258,577) | (273,959) | (286,439) | (298,087) | (309,735) | (309,735) |
| Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | - | (99,291) | (124,270) | (143,270) | (164,658) | (185,978) | (207,652) | (228,393) | (243,313) | (258,577) | (273,959) | (286,439) | (298,087) | (309,735) | (309,735) |
| **Total Rate Base** | **$ -** | **$ 9,860,398** | **$ 12,799,324** | **$ 14,640,934** | **$ 16,696,347** | **$ 18,587,739** | **$ 20,389,069** | **$ 21,917,083** | **$ 22,472,075** | **$ 23,032,108** | **$ 23,563,626** | **$ 23,624,074** | **$ 23,552,468** | **$ 23,480,861** | **$ 23,480,861** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | 426,063 | 73,585 | 84,173 | 95,990 | 106,864 | 117,220 | 126,004 | 129,195 | 132,415 | 135,471 | 135,818 | 135,406 | 134,995 | 1,407,135 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 618,471 | - | - | - | - | - | - | - | - | - | - | - | 741,521 | 741,521 |
| Total Distribution O&M | - | 618,471 | - | - | - | - | - | - | - | - | - | - | - | 741,521 | 741,521 |
| Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total O&M** | - | 618,471 | - | - | - | - | - | - | - | - | - | - | - | 741,521 | 741,521 |

**PNM Exhibit RNG-3**

**WP Distribution Automation - Estimated Revenue Requirement Distribution Automation Project**

| | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | |
| Production Depreciation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | - | 159,488 | 24,732 | 32,036 | 36,662 | 41,827 | 46,604 | 51,173 | 55,084 | 56,611 | 58,156 | 59,634 | 59,958 | 59,958 | 582,435 |
| Distribution Depreciation Expense Total | - | 159,488 | 24,732 | 32,036 | 36,662 | 41,827 | 46,604 | 51,173 | 55,084 | 56,611 | 58,156 | 59,634 | 59,958 | 59,958 | 582,435 |
| Total Transmission Depreciation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | - | 159,488 | 24,732 | 32,036 | 36,662 | 41,827 | 46,604 | 51,173 | 55,084 | 56,611 | 58,156 | 59,634 | 59,958 | 59,958 | 582,435 |
| **Property Tax** | | | | | | | | | | | | | | | |
| Production Property Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | |
| Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 53,247 | 8,186 | 10,623 | 12,152 | 13,859 | 15,431 | 16,930 | 18,203 | 18,671 | 19,144 | 19,593 | 19,653 | 19,604 | 192,048 |
| Total Distribution Property Tax | - | 53,247 | 8,186 | 10,623 | 12,152 | 13,859 | 15,431 | 16,930 | 18,203 | 18,671 | 19,144 | 19,593 | 19,653 | 19,604 | 192,048 |
| Transmission Property Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | - | 53,247 | 8,186 | 10,623 | 12,152 | 13,859 | 15,431 | 16,930 | 18,203 | 18,671 | 19,144 | 19,593 | 19,653 | 19,604 | 192,048 |
| **Federal Income Tax** | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | |
| Interest | - | (127,687) | (22,053) | (25,226) | (28,767) | (32,026) | (35,130) | (37,762) | (38,718) | (39,683) | (40,599) | (40,703) | (40,580) | (40,457) | (421,704) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | - | 6,375 | 989 | 1,281 | 1,465 | 1,672 | 1,863 | 2,046 | 2,202 | 2,263 | 2,325 | 2,384 | 2,397 | 2,397 | 23,281 |
| R&D Credit Flow Through | - | | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Flow Through | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | - | 6,375 | 989 | 1,281 | 1,465 | 1,672 | 1,863 | 2,046 | 2,202 | 2,263 | 2,325 | 2,384 | 2,397 | 2,397 | 23,281 |
| Depreciation and AFUDC Debt | - | (345,842) | (87,004) | (66,177) | (74,499) | (74,258) | (75,493) | (72,245) | (51,968) | (53,164) | (53,578) | (43,469) | (40,571) | (40,571) | (732,997) |
| Deferred State Income Tax | - | 19,268 | 4,847 | 3,687 | 4,151 | 4,137 | 4,206 | 4,025 | 2,895 | 2,962 | 2,985 | 2,422 | 2,260 | 2,260 | 40,837 |
| Total Temporary Differences | - | (326,574) | (82,157) | (62,491) | (70,349) | (70,121) | (71,287) | (68,220) | (49,072) | (50,202) | (50,593) | (41,047) | (38,311) | (38,311) | (692,160) |
| Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | - | 68,581 | 17,253 | 13,123 | 14,773 | 14,725 | 14,970 | 14,326 | 10,305 | 10,542 | 10,624 | 8,620 | 8,045 | 8,045 | 145,354 |
| Net Taxable Equity Return | - | 46,758 | (12,383) | 10,860 | 13,112 | 21,114 | 27,636 | 36,394 | 53,911 | 55,335 | 57,228 | 65,071 | 66,958 | 66,669 | 461,906 |
| Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | - | 12,429 | (3,292) | 2,887 | 3,486 | 5,613 | 7,346 | 9,674 | 14,331 | 14,709 | 15,212 | 17,297 | 17,799 | 17,722 | 122,785 |
| Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | - | 68,581 | 17,253 | 13,123 | 14,773 | 14,725 | 14,970 | 14,326 | 10,305 | 10,542 | 10,624 | 8,620 | 8,045 | 8,045 | 145,354 |
| Investment Tax Credits | | | | | | | | | | | | | | | |
| Investment Tax Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | - | 81,010 | 13,961 | 16,010 | 18,259 | 20,338 | 22,317 | 24,001 | 24,636 | 25,252 | 25,837 | 25,917 | 25,844 | 25,768 | 268,139 |
| **State Income Tax** | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | - | 59,187 | (15,675) | 13,747 | 16,598 | 26,727 | 34,982 | 46,069 | 68,242 | 70,044 | 72,440 | 82,369 | 84,756 | 84,391 | 584,691 |
| State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | - | 3,492 | (925) | 811 | 979 | 1,577 | 2,064 | 2,718 | 4,026 | 4,133 | 4,274 | 4,860 | 5,001 | 4,979 | 34,497 |
| Amortization of EDSIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | - | 19,268 | 4,847 | 3,687 | 4,151 | 4,137 | 4,206 | 4,025 | 2,895 | 2,962 | 2,985 | 2,422 | 2,260 | 2,260 | 40,837 |
| **Total State Income Tax** | - | 22,760 | 3,922 | 4,498 | 5,130 | 5,714 | 6,270 | 6,743 | 6,922 | 7,095 | 7,259 | 7,282 | 7,261 | 7,239 | 75,334 |
| **Revenue Credits** | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | - | 1,361,038 | 124,387 | 147,339 | 168,192 | 188,601 | 207,841 | 224,851 | 234,039 | 240,043 | 245,866 | 248,245 | 248,123 | 989,085 | 3,266,612 |
| Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | - | 6,922 | 633 | 749 | 855 | 959 | 1,057 | 1,144 | 1,190 | 1,221 | 1,250 | 1,263 | 1,262 | 5,030 | 16,613 |
| **Total Revenue Requirement** | **$ -** | **$ 1,367,960** | **$ 125,019** | **$ 148,089** | **$ 169,047** | **$ 189,561** | **$ 208,898** | **$ 225,994** | **$ 235,229** | **$ 241,264** | **$ 247,116** | **$ 249,507** | **$ 249,385** | **$ 994,115** | **$ 3,283,225** |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | |
| Return on Rate Base | - | 426,063 | 73,585 | 84,173 | 95,990 | 106,864 | 117,220 | 126,004 | 129,195 | 132,415 | 135,471 | 135,818 | 135,406 | 134,995 | 1,407,135 |
| O&M | - | 618,471 | - | - | - | - | - | - | - | - | - | - | - | 741,521 | 741,521 |
| Depreciation Expense | - | 159,488 | 24,732 | 32,036 | 36,662 | 41,827 | 46,604 | 51,173 | 55,084 | 56,611 | 58,156 | 59,634 | 59,958 | 59,958 | 582,435 |
| Taxes Other Than Income | - | 60,169 | 8,819 | 11,372 | 13,007 | 14,818 | 16,488 | 18,073 | 19,393 | 19,892 | 20,394 | 20,856 | 20,915 | 24,634 | 208,661 |
| Net Allowable Federal Income Tax | - | 81,010 | 13,961 | 16,010 | 18,259 | 20,338 | 22,317 | 24,001 | 24,636 | 25,252 | 25,837 | 25,917 | 25,844 | 25,768 | 268,139 |
| Net Allowable State Income Tax | - | 22,760 | 3,922 | 4,498 | 5,130 | 5,714 | 6,270 | 6,743 | 6,922 | 7,095 | 7,259 | 7,282 | 7,261 | 7,239 | 75,334 |
| Revenue Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | **$ -** | **$ 1,367,960** | **$ 125,019** | **$ 148,089** | **$ 169,047** | **$ 189,561** | **$ 208,898** | **$ 225,994** | **$ 235,229** | **$ 241,264** | **$ 247,116** | **$ 249,507** | **$ 249,385** | **$ 994,115** | **$ 3,283,225** |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-3**

**WP Telecommunications - Estimated Revenue Requirement Telecommunications Project**

| | Year 1 | Year 2 | | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Gross Plant** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Other | 2,927,147 | 13,990,041 | 14,464,524 | 14,611,848 | 17,241,333 | 17,388,657 | 19,729,350 | 19,900,451 | 21,434,445 | 21,599,601 | 21,752,869 | 21,906,137 | 21,906,137 | 21,906,137 | 21,906,137 |
| Total Distribution Plant | 2,927,147 | 13,990,041 | 14,464,524 | 14,611,848 | 17,241,333 | 17,388,657 | 19,729,350 | 19,900,451 | 21,434,445 | 21,599,601 | 21,752,869 | 21,906,137 | 21,906,137 | 21,906,137 | 21,906,137 |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Gross Plant** | 2,927,147 | 13,990,041 | 14,464,524 | 14,611,848 | 17,241,333 | 17,388,657 | 19,729,350 | 19,900,451 | 21,434,445 | 21,599,601 | 21,752,869 | 21,906,137 | 21,906,137 | 21,906,137 | 21,906,137 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | |
| Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant | | | | | | | | | | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Plant - Other | (165,016) | (384,751) | (418,943) | (454,294) | (490,006) | (532,145) | (574,643) | (622,863) | (671,500) | (723,886) | (776,677) | (829,841) | (883,381) | (936,920) | (936,920) |
| Total Distribution Plant | (165,016) | (384,751) | (418,943) | (454,294) | (490,006) | (532,145) | (574,643) | (622,863) | (671,500) | (723,886) | (776,677) | (829,841) | (883,381) | (936,920) | (936,920) |
| Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (165,016) | (384,751) | (418,943) | (454,294) | (490,006) | (532,145) | (574,643) | (622,863) | (671,500) | (723,886) | (776,677) | (829,841) | (883,381) | (936,920) | (936,920) |
| **ADIT** | | | | | | | | | | | | | | | |
| Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution ADIT | | | | | | | | | | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution ADIT - Other | (27,235) | (145,295) | (155,198) | (163,118) | (187,863) | (197,102) | (221,216) | (231,797) | (251,658) | (263,008) | (274,356) | (285,777) | (296,235) | (306,694) | (306,694) |
| Total Distribution ADIT | (27,235) | (145,295) | (155,198) | (163,118) | (187,863) | (197,102) | (221,216) | (231,797) | (251,658) | (263,008) | (274,356) | (285,777) | (296,235) | (306,694) | (306,694) |
| Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ADIT** | (27,235) | (145,295) | (155,198) | (163,118) | (187,863) | (197,102) | (221,216) | (231,797) | (251,658) | (263,008) | (274,356) | (285,777) | (296,235) | (306,694) | (306,694) |
| **Total Rate Base** | **$ 2,734,896** | **$ 13,459,996** | **$ 13,890,384** | **$ 13,994,436** | **$ 16,563,464** | **$ 16,659,410** | **$ 18,933,491** | **$ 19,045,792** | **$ 20,511,286** | **$ 20,612,707** | **$ 20,701,837** | **$ 20,790,519** | **$ 20,726,521** | **$ 20,662,523** | **$ 20,662,523** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 167,619 | 557,701 | 79,858 | 80,456 | 95,226 | 95,777 | 108,851 | 109,497 | 117,922 | 118,505 | 119,018 | 119,528 | 119,160 | 118,792 | 1,282,590 |
| **O&M** | | | | | | | | | | | | | | | |
| Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution O&M | | | | | | | | | | | | | | | |
| Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | - | 1,364 | - | - | - | - | - | - | - | - | - | - | - | 1,364 | 1,364 |
| Other | 49 | 398,905 | - | - | - | - | - | - | - | - | - | - | - | 764,014 | 764,014 |
| Total Distribution O&M | 49 | 400,269 | - | - | - | - | - | - | - | - | - | - | - | 765,378 | 765,378 |
| Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| A&G | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total O&M** | 49 | 400,269 | - | - | - | - | - | - | - | - | - | - | - | 765,378 | 765,378 |

**PNM Exhibit RNG-3**

**WP Telecommunications - Estimated Revenue Requirement Telecommunications Project**

| | | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | | 165,016 | 219,735 | 34,192 | 35,352 | 35,712 | 42,138 | 42,498 | 48,219 | 48,637 | 52,387 | 52,790 | 53,165 | 53,539 | 53,539 | 552,170 |
| Distribution Depreciation Expense Total | | 165,016 | 219,735 | 34,192 | 35,352 | 35,712 | 42,138 | 42,498 | 48,219 | 48,637 | 52,387 | 52,790 | 53,165 | 53,539 | 53,539 | 552,170 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | | 165,016 | 219,735 | 34,192 | 35,352 | 35,712 | 42,138 | 42,498 | 48,219 | 48,637 | 52,387 | 52,790 | 53,165 | 53,539 | 53,539 | 552,170 |
| **Property Tax** | | | | | | | | | | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | | |
| Meters | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | | - | 71,621 | 11,183 | 11,545 | 11,637 | 13,769 | 13,855 | 15,744 | 15,845 | 17,066 | 17,159 | 17,241 | 17,324 | 17,280 | 179,648 |
| Total Distribution Property Tax | | - | 71,621 | 11,183 | 11,545 | 11,637 | 13,769 | 13,855 | 15,744 | 15,845 | 17,066 | 17,159 | 17,241 | 17,324 | 17,280 | 179,648 |
| Transmission Property Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | | - | 71,621 | 11,183 | 11,545 | 11,637 | 13,769 | 13,855 | 15,744 | 15,845 | 17,066 | 17,159 | 17,241 | 17,324 | 17,280 | 179,648 |
| **Federal Income Tax** | | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | | |
| Interest | | (50,234) | (167,138) | (23,933) | (24,112) | (28,538) | (28,703) | (32,622) | (32,815) | (35,340) | (35,515) | (35,668) | (35,821) | (35,711) | (35,601) | (384,379) |
| Tax/Book Adjustments | | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | | - | 5,352 | 1,081 | 1,127 | 1,142 | 1,398 | 1,413 | 1,641 | 1,658 | 1,808 | 1,824 | 1,839 | 1,854 | 1,854 | 18,640 |
| R&D Credit Flow Through | | - | | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Flow Through | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | | - | 5,352 | 1,081 | 1,127 | 1,142 | 1,398 | 1,413 | 1,641 | 1,658 | 1,808 | 1,824 | 1,839 | 1,854 | 1,854 | 18,640 |
| Depreciation and AFUDC Debt | | (94,861) | (411,216) | (34,494) | (27,587) | (86,191) | (32,179) | (83,993) | (36,852) | (69,180) | (39,532) | (39,526) | (39,780) | (36,429) | (36,429) | (562,172) |
| Deferred State Income Tax | | 5,285 | 22,910 | 1,922 | 1,537 | 4,802 | 1,793 | 4,680 | 2,053 | 3,854 | 2,202 | 2,202 | 2,216 | 2,030 | 2,030 | 31,320 |
| Total Temporary Differences | | (89,576) | (388,306) | (32,572) | (26,050) | (81,389) | (30,386) | (79,314) | (34,799) | (65,326) | (37,330) | (37,324) | (37,563) | (34,400) | (34,400) | (530,852) |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | 18,811 | 81,544 | 6,840 | 5,470 | 17,092 | 6,381 | 16,656 | 7,308 | 13,718 | 7,839 | 7,838 | 7,888 | 7,224 | 7,224 | 111,479 |
| Net Taxable Equity Return | | 46,620 | 89,154 | 31,274 | 36,892 | 3,532 | 44,467 | 14,985 | 50,832 | 32,633 | 55,308 | 55,688 | 55,871 | 58,127 | 57,869 | 497,477 |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | 12,393 | 23,699 | 8,313 | 9,807 | 939 | 11,820 | 3,983 | 13,512 | 8,675 | 14,702 | 14,803 | 14,852 | 15,451 | 15,383 | 132,241 |
| Amortization of EDFIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | 18,811 | 81,544 | 6,840 | 5,470 | 17,092 | 6,381 | 16,656 | 7,308 | 13,718 | 7,839 | 7,838 | 7,888 | 7,224 | 7,224 | 111,479 |
| Investment Tax Credits | | | | | | | | | | | | | | | | |
| Investment Tax Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | | 31,204 | 105,243 | 15,153 | 15,277 | 18,031 | 18,201 | 20,639 | 20,820 | 22,393 | 22,541 | 22,641 | 22,740 | 22,675 | 22,607 | 243,720 |
| **State Income Tax** | | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | | 59,013 | 112,853 | 39,587 | 46,699 | 4,470 | 56,288 | 18,968 | 64,344 | 41,308 | 70,010 | 70,491 | 70,722 | 73,579 | 73,252 | 629,718 |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | 3,482 | 6,658 | 2,336 | 2,755 | 264 | 3,321 | 1,119 | 3,796 | 2,437 | 4,131 | 4,159 | 4,173 | 4,341 | 4,322 | 37,153 |
| Amortization of EDSIT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | | 5,285 | 22,910 | 1,922 | 1,537 | 4,802 | 1,793 | 4,680 | 2,053 | 3,854 | 2,202 | 2,202 | 2,216 | 2,030 | 2,030 | 31,320 |
| **Total State Income Tax** | | 8,767 | 29,568 | 4,257 | 4,292 | 5,066 | 5,114 | 5,799 | 5,849 | 6,291 | 6,333 | 6,361 | 6,389 | 6,371 | 6,351 | 68,474 |
| **Revenue Credits** | | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | 372,655 | 1,384,138 | 144,644 | 146,922 | 165,671 | 175,000 | 191,643 | 200,130 | 211,089 | 216,832 | 217,969 | 219,063 | 219,069 | 983,947 | 3,091,979 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 1,895 | 7,039 | 736 | 747 | 843 | 890 | 975 | 1,018 | 1,074 | 1,103 | 1,109 | 1,114 | 1,114 | 5,004 | 15,725 |
| **Total Revenue Requirement** | | $ 374,550 | $ 1,391,177 | $ 145,379 | $ 147,669 | $ 166,513 | $ 175,890 | $ 192,617 | $ 201,148 | $ 212,163 | $ 217,935 | $ 219,077 | $ 220,177 | $ 220,183 | $ 988,952 | $ 3,107,704 |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | | |
| Return on Rate Base | | 167,619 | 557,701 | 79,858 | 80,456 | 95,226 | 95,777 | 108,851 | 109,497 | 117,922 | 118,505 | 119,018 | 119,528 | 119,160 | 118,792 | 1,282,590 |
| O&M | | 49 | 400,269 | - | - | - | - | - | - | - | - | - | - | - | 765,378 | 765,378 |
| Depreciation Expense | | 165,016 | 219,735 | 34,192 | 35,352 | 35,712 | 42,138 | 42,498 | 48,219 | 48,637 | 52,387 | 52,790 | 53,165 | 53,539 | 53,539 | 552,170 |
| Taxes Other Than Income | | 1,895 | 78,660 | 11,919 | 12,292 | 12,479 | 14,659 | 14,830 | 16,762 | 16,919 | 18,169 | 18,267 | 18,356 | 18,438 | 22,284 | 195,373 |
| Net Allowable Federal Income Tax | | 31,204 | 105,243 | 15,153 | 15,277 | 18,031 | 18,201 | 20,639 | 20,820 | 22,393 | 22,541 | 22,641 | 22,740 | 22,675 | 22,607 | 243,720 |
| Net Allowable State Income Tax | | 8,767 | 29,568 | 4,257 | 4,292 | 5,066 | 5,114 | 5,799 | 5,849 | 6,291 | 6,333 | 6,361 | 6,389 | 6,371 | 6,351 | 68,474 |
| Revenue Credits | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | | $ 374,550 | $ 1,391,177 | $ 145,379 | $ 147,669 | $ 166,513 | $ 175,890 | $ 192,617 | $ 201,148 | $ 212,163 | $ 217,935 | $ 219,077 | $ 220,177 | $ 220,183 | $ 988,952 | $ 3,107,704 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PNM Exhibit RNG-3** | | | | | | | | | | | | | | | | | | |
| **WP Program Oversight - Estimated Revenue Requirement Program Oversight Project** | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | **Year 1** | **Year 2** | | | | | | | | | | | | | **Year 3** |
| | | | | **2025** | **2026** | **Jan-2027** | **Feb-2027** | **Mar-2027** | **Apr-2027** | **May-2027** | **Jun-2027** | **Jul-2027** | **Aug-2027** | **Sep-2027** | **Oct-2027** | **Nov-2027** | **Dec-2027** | **2027** |
| | **Gross Plant** | | | | | | | | | | | | | | | | | |
| | | | Production Plant | $ - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Distribution Plant | | | | | | | | | | | | | | | |
| | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Total Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | **Total Gross Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | **Accumulated Depreciation** | | | | | | | | | | | | | | | | | |
| | | | Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Distribution Plant | | | | | | | | | | | | | | | |
| | | | Distribution Plant - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Distribution Plant - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Distribution Plant - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Total Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | **Total Accumulated Depreciation** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | **ADIT** | | | | | | | | | | | | | | | | | |
| | | | Total Production ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Distribution ADIT | | | | | | | | | | | | | | | |
| | | | Total Distribution ADIT - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Total Distribution ADIT - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Total Distribution ADIT - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Total Distribution ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Total Transmission ADIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | **Total ADIT** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | **Total Rate Base** | | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | | | | | | | | | | | | | | | | |
| | **Weighted Average Cost of Capital** | | | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| | | | | | | | | | | | | | | | | | | |
| | **Return on Rate Base** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | **O&M** | | | | | | | | | | | | | | | | | |
| | | | Production O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Distribution O&M | | | | | | | | | | | | | | | |
| | | | Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Other | 1,646,776 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | Total Distribution O&M | 1,646,776 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | Transmission O&M | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | |
| | | | A&G | 1,087,615 | 2,149,087 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 1,329,471 | 1,766,004 |
| | | | | | | | | | | | | | | | | | | |
| | | | **Total O&M** | 2,734,391 | 2,149,087 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 1,329,471 | 1,766,004 |
| | | | | | | | | | | | | | | | | | | |

**PNM Exhibit RNG-3**

**WP Program Oversight - Estimated Revenue Requirement Program Oversight Project**

| | Year 1 | Year 2 | | | | | | | | | | | | Year 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | Jan-2027 | Feb-2027 | Mar-2027 | Apr-2027 | May-2027 | Jun-2027 | Jul-2027 | Aug-2027 | Sep-2027 | Oct-2027 | Nov-2027 | Dec-2027 | 2027 |
| **Depreciation Expense** | | | | | | | | | | | | | | | |
| Production Depreciation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | | | | | | | | | |
| Distribution Depreciation Expense - Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Depreciation Expense Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Transmission Depreciation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Depreciation Expense** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Property Tax** | | | | | | | | | | | | | | | |
| Production Property Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | | | | | | | | | |
| Meters | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Software | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Distribution Property Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transmission Property Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Property Taxes** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Federal Income Tax** | | | | | | | | | | | | | | | |
| Return Adjustments | | | | | | | | | | | | | | | |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax/Book Adjustments | | | | | | | | | | | | | | | |
| AFUDC Equity Flow Through | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credit Flow Through | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ITC Flow Through | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Permanent Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation and AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Temporary Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Federal Income Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Taxable Equity Return | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Amortization of EDFIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment Tax Credits | | | | | | | | | | | | | | | |
| Investment Tax Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&D Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Federal Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **State Income Tax** | | | | | | | | | | | | | | | |
| Net Current Taxable Equity Return | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Amortization of EDSIT | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total State Income Tax** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Revenue Credits** | | | | | | | | | | | | | | | |
| Opt-out Fee Revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Credits** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | 2,734,391 | 2,149,087 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 1,329,471 | 1,766,004 |
| Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | 13,906 | 10,930 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 6,761 | 8,981 |
| **Total Revenue Requirement** | **$ 2,748,297** | **$ 2,160,017** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 1,336,233** | **$ 1,774,986** |
| **Revenue Requirement Summary** | | | | | | | | | | | | | | | |
| Return on Rate Base | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| O&M | 2,734,391 | 2,149,087 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 39,685 | 1,329,471 | 1,766,004 |
| Depreciation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes Other Than Income | 13,906 | 10,930 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 6,761 | 8,981 |
| Net Allowable Federal Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Allowable State Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Credits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Revenue Requirement** | **$ 2,748,297** | **$ 2,160,017** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 39,887** | **$ 1,336,233** | **$ 1,774,986** |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

| PNM Exhibit RNG-3 | | | | | | |
|---|---|---|---|---|---|---|
| WP WACC | | | | | | |
| Approved in NMPRC Case No. 24-00089-UT | | | | | | |
| | | | | | | |
| | | | | | | |
| Line No. | Capital Component | Total Capitalization Test Period | Percentage of Total Capitalization | Capital Component Cost | Weighted Average Cost | |
| | | | | | | |
| | | | | | | |
| 1 | Long Term Debt | | 48.75% | 4.24% | 2.07% | |
| | | | | | | |
| 2 | Preferred Stock | | 0.25% | 4.62% | 0.01% | |
| | | | | | | |
| 3 | Common Equity | | 51.00% | 9.450% | 4.82% | |
| | | | | | | |
| 4 | Total | 0 | 100.00% | | 6.90% | |
| | | | | | | |
| | | | | Tax Rate | 25.40% | |
| | | | | | | |
| | | | | Tax Gross Up: | | |
| | | | | Debt | 2.07% | |
| | | | | Preferred | 0.02% | |
| | | | | Equity | 6.46% | |
| | | | | Total | 8.54% | |

| **PNM Exhibit RNG-3** | | | |
|---|---|---|---|
| **WP Assumption - Rate Assumptions** | | | |
| | | | |
| | | | |
| | **Yearly Rate** | **Monthly Rate** | |
| **Property Tax Rate** | 2.96% | 0.25% | |
| **Advanced Metering (years)** | 20 | | |
| **Composite Production Depr. Rate** | 2.00% | 0.17% | |
| **Composite Transmission Depr. Rate** | 2.65% | 0.22% | |
| **Composite Distribution Depr. Rate** | 2.93% | 0.24% | |
| **Software** | 10.00% | 0.83% | |
| **Composite General Plant Depr. Rate** | 5.64% | 0.47% | |
| **Meters Depreciation Rate** | 5.00% | 0.42% | |
| **AFUDC Equity Rate** | 3.997% | | |
| **AFUDC Debt Rate** | 1.951% | | |
| | | | |
| | | | |
| | 51.82% | Retail Share of Transmission | |
| | | | |

Estimated Rider 60 Grid Modernization Years One through Six Revenue Requirement by Project

# PNM Exhibit RNG-4

Is contained in the following 23 pages.

**PNM Exhibit RNG-4**
**Grid Modernization Years One through Six Revenue Requirement by Project**

**Table of Contents**


| Title | Description | Page Reference |
|---|---|---|
| Total Estimated Revenue Requirement | Estimated Revenue Requirement Calculation for the total Grid Modernization Rider | Pages 2-3 |
| WP ADMS | Estimated Revenue Requirement Calculation Associated with ADMS Project | Pages 4-5 |
| WP Advanced Metering | Estimated Revenue Requirement Calculation Associated with Advanced Metering Project | Pages 6-7 |
| WP Customer Information & Analytics | Estimated Revenue Requirement Calculation Associated with Customer Information & Analytics Project | Pages 8-9 |
| WP Cybersecurity | Estimated Revenue Requirement Calculation Associated with Cybersecurity Project | Pages 10-11 |
| WP Data Management & Architecture | Estimated Revenue Requirement Calculation Associated with Data Management & Architecture Project | Pages 12-13 |
| WP Distribution Planning & Engineering | Estimated Revenue Requirement Calculation Associated with Distribution Planning & Engineering Project | Pages 14-15 |
| WP Distribution Automation | Estimated Revenue Requirement Calculation Associated with Distribution Automation Project | Pages 16-17 |
| WP Telecommunications | Estimated Revenue Requirement Calculation Associated with Telecommunications Project | Pages 18-19 |
| WP Project Oversight | Estimated Revenue Requirement Calculation Associated with Project Oversight Project | Pages 20-21 |
| WP WACC | PNM Recently Approved Weighted Average Cost of Capital | Page 22 |
| WP Rate Assumption | PNM Assumptions for Depreciation and Property Taxes | Page 23 |

**PNM Exhibit RNG-4**
**Total Estimated Grid Modernization Revenue Requirement**
**All Projects**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | 17,457,485 | 86,921,781 | 129,629,906 | 130,711,901 | 130,711,901 |
| Distribution Plant - Software | 19,836,155 | 44,542,542 | 57,545,373 | 84,858,142 | 109,473,384 | 112,506,083 |
| Distribution Plant - Other | 4,133,404 | 32,021,299 | 54,350,737 | 85,950,399 | 109,753,512 | 139,654,051 |
| Total Distribution Plant | 23,969,559 | 94,021,326 | 198,817,892 | 300,438,447 | 349,938,796 | 382,872,035 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | 23,969,559 | 94,021,326 | 198,817,892 | 300,438,447 | 349,938,796 | 382,872,035 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | (100,054) | (2,503,838) | (6,849,927) | (13,331,422) | (19,867,017) |
| Distribution Plant - Software | (897,909) | (3,286,073) | (7,780,490) | (13,535,027) | (22,020,841) | (32,968,180) |
| Distribution Plant - Other | (165,016) | (643,140) | (2,009,793) | (3,603,815) | (6,124,605) | (9,343,503) |
| Total Distribution Plant | (1,062,925) | (4,029,266) | (12,294,121) | (23,988,769) | (41,476,868) | (62,178,699) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (1,062,925) | (4,029,266) | (12,294,121) | (23,988,769) | (41,476,868) | (62,178,699) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | (260,722) | (2,956,576) | (9,143,759) | (14,568,833) | (19,972,934) |
| Total Distribution ADIT - Software | (1,753,586) | (4,099,538) | (7,725,630) | (14,060,632) | (21,342,130) | (27,183,839) |
| Total Distribution ADIT - Other | (27,235) | (313,671) | (730,880) | (1,654,027) | (2,606,095) | (3,811,971) |
| Total Distribution ADIT | (1,780,821) | (4,673,930) | (11,413,086) | (24,858,418) | (38,517,059) | (50,968,745) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | (1,780,821) | (4,673,930) | (11,413,086) | (24,858,418) | (38,517,059) | (50,968,745) |
| **Total Rate Base** | **$ 21,125,814** | **$ 85,318,130** | **$ 175,110,685** | **$ 251,591,260** | **$ 269,944,869** | **$ 269,724,591** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 429,150 | 2,945,742 | 9,134,401 | 17,357,204 | 18,623,414 | 18,608,217 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | 258,378 | 4,010,796 | 5,721,729 | 3,886,376 | (1,841,695) | (5,679,713) |
| Software | 704,238 | 3,537,479 | 5,087,290 | 5,527,161 | 6,455,791 | 6,262,919 |
| Other | 2,591,568 | 1,616,280 | 2,128,098 | 2,407,861 | 2,588,950 | 2,894,152 |
| Total Distribution O&M | 3,554,184 | 9,164,555 | 12,937,118 | 11,821,398 | 7,203,046 | 3,477,358 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | 2,533,813 | 2,149,087 | 1,766,004 | 1,346,884 | 1,406,550 | 1,468,902 |
| **Total O&M** | 6,087,997 | 11,313,642 | 14,703,122 | 13,168,282 | 8,609,596 | 4,946,260 |

**PNM Exhibit RNG-4**
**Total Estimated Grid Modernization Revenue Requirement**
**All Projects**

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Depreciation Expense** | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | 100,054 | 2,403,784 | 4,346,089 | 6,481,495 | 6,535,595 |
| Distribution Depreciation Expense - Software | | 850,634 | 2,388,164 | 4,494,417 | 5,754,537 | 8,485,814 | 10,947,338 |
| Distribution Depreciation Expense - Other | | 165,016 | 478,124 | 1,366,654 | 1,594,022 | 2,520,790 | 3,218,898 |
| Distribution Depreciation Expense Total | | 1,015,650 | 2,966,341 | 8,264,855 | 11,694,648 | 17,488,099 | 20,701,831 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - |
| **Total Depreciation Expense** | | 1,015,650 | 2,966,341 | 8,264,855 | 11,694,648 | 17,488,099 | 20,701,831 |
| **Property Tax** | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | |
| Meters | | - | 19,669 | 465,061 | 832,650 | 1,211,030 | 1,157,773 |
| Software | | - | 217,029 | 390,645 | 490,852 | 703,490 | 862,581 |
| Other | | - | 157,788 | 447,712 | 516,261 | 812,219 | 1,022,135 |
| Total Distribution Property Tax | | - | 394,486 | 1,303,418 | 1,839,762 | 2,726,739 | 3,042,489 |
| Transmission Property Tax | | - | - | - | - | - | - |
| **Total Property Taxes** | | - | 394,486 | 1,303,418 | 1,839,762 | 2,726,739 | 3,042,489 |
| **Federal Income Tax** | | | | | | | |
| Return Adjustments | | | | | | | |
| Interest | | (128,612) | (882,809) | (2,737,489) | (5,201,780) | (5,581,251) | (5,576,696) |
| Tax/Book Adjustments | | | | | | | |
| AFUDC Equity Flow Through | | - | 34,436 | 246,228 | 383,324 | 614,900 | 743,359 |
| R&D Credit Flow Through | | - | - | - | - | - | - |
| ITC Flow Through | | - | - | - | - | - | - |
| Total Permanent Differences | | - | 34,436 | 246,228 | 383,324 | 614,900 | 743,359 |
| Depreciation and AFUDC Debt | | (6,202,788) | (10,077,011) | (23,473,198) | (46,831,532) | (47,574,506) | (43,370,553) |
| Deferred State Income Tax | | 345,576 | 561,420 | 1,307,761 | 2,609,122 | 2,650,515 | 2,416,301 |
| Total Temporary Differences | | (5,857,213) | (9,515,591) | (22,165,438) | (44,222,410) | (44,923,990) | (40,954,252) |
| Amortization of EDFIT | | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | 1,230,015 | 1,998,274 | 4,654,742 | 9,286,706 | 9,434,038 | 8,600,393 |
| Net Taxable Equity Return | | (4,326,660) | (5,419,948) | (10,867,555) | (22,396,956) | (21,832,889) | (18,578,979) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | (1,150,126) | (1,440,747) | (2,888,846) | (5,953,626) | (5,803,684) | (4,938,720) |
| Amortization of EDFIT | | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | 1,230,015 | 1,998,274 | 4,654,742 | 9,286,706 | 9,434,038 | 8,600,393 |
| Investment Tax Credits | | - | - | - | - | - | - |
| Investment Tax Credits | | - | - | - | - | - | - |
| R&D Credits | | - | - | - | - | - | - |
| **Total Federal Income Tax** | | 79,889 | 557,527 | 1,765,896 | 3,333,080 | 3,630,354 | 3,661,673 |
| **State Income Tax** | | | | | | | |
| Net Current Taxable Equity Return | | (5,476,786) | (6,860,695) | (13,756,401) | (28,350,581) | (27,636,573) | (23,517,699) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | (323,130) | (404,781) | (811,628) | (1,672,684) | (1,630,558) | (1,387,544) |
| Amortization of EDSIT | | - | - | - | - | - | - |
| Total Deferred State Income Tax | | 345,576 | 561,420 | 1,307,761 | 2,609,122 | 2,650,515 | 2,416,301 |
| **Total State Income Tax** | | 22,445 | 156,639 | 496,133 | 936,438 | 1,019,958 | 1,028,757 |
| **Revenue Credits** | | | | | | | |
| Opt-out Fee Revenue | | - | - | (13,568) | (12,281) | (591,395) | (591,395) |
| **Total Revenue Credits** | | - | - | (13,568) | (12,281) | (591,395) | (591,395) |
| **Total Revenue Requirement Before Revenue Tax** | | 7,635,131 | 18,334,378 | 35,654,257 | 48,317,133 | 51,506,765 | 51,397,833 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 38,830 | 93,244 | 181,328 | 245,728 | 261,950 | 261,396 |
| **Total Revenue Requirement** | | **$ 7,673,961** | **$ 18,427,622** | **$ 35,835,585** | **$ 48,562,861** | **$ 51,768,715** | **$ 51,659,228** |
| **Revenue Requirement Summary** | | | | | | | |
| Return on Rate Base | | 429,150 | 2,945,742 | 9,134,401 | 17,357,204 | 18,623,414 | 18,608,217 |
| O&M | | 6,087,997 | 11,313,642 | 14,703,122 | 13,168,282 | 8,609,596 | 4,946,260 |
| Depreciation Expense | | 1,015,650 | 2,966,341 | 8,264,855 | 11,694,648 | 17,488,099 | 20,701,831 |
| Taxes Other Than Income | | 38,830 | 487,730 | 1,484,746 | 2,085,490 | 2,988,689 | 3,303,885 |
| Net Allowable Federal Income Tax | | 79,889 | 557,527 | 1,765,896 | 3,333,080 | 3,630,354 | 3,661,673 |
| Net Allowable State Income Tax | | 22,445 | 156,639 | 496,133 | 936,438 | 1,019,958 | 1,028,757 |
| Revenue Credits | | - | - | (13,568) | (12,281) | (591,395) | (591,395) |
| **Total Revenue Requirement** | | $ 7,673,961 | $ 18,427,622 | $ 35,835,585 | $ 48,562,861 | $ 51,768,715 | $ 51,659,228 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP ADMS - Estimated Revenue Requirement ADMS Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | 4,458,571 | 20,432,577 | 32,345,055 | 32,345,055 |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | - | 4,458,571 | 20,432,577 | 32,345,055 | 32,345,055 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | - | - | 4,458,571 | 20,432,577 | 32,345,055 | 32,345,055 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | (445,857) | (2,489,115) | (5,723,620) |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | - | - | (445,857) | (2,489,115) | (5,723,620) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | - | - | (445,857) | (2,489,115) | (5,723,620) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | - | (434,606) | (2,278,438) | (4,753,692) | (6,833,876) |
| Total Distribution ADIT - Other | - | - | - | - | - | - |
| Total Distribution ADIT | - | - | (434,606) | (2,278,438) | (4,753,692) | (6,833,876) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | - | - | (434,606) | (2,278,438) | (4,753,692) | (6,833,876) |
| **Total Rate Base** | **$ -** | **$ -** | **$ 4,023,965** | **$ 17,708,281** | **$ 25,102,249** | **$ 19,787,559** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | - | 23,134 | 1,221,689 | 1,731,797 | 1,365,138 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | 355,988 | 355,988 | 698,685 | 1,526,511 | 1,229,049 |
| Other | 2,114 | - | - | - | - | - |
| Total Distribution O&M | 2,114 | 355,988 | 355,988 | 698,685 | 1,526,511 | 1,229,049 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | - | - | - | - | - | - |
| **Total O&M** | 2,114 | 355,988 | 355,988 | 698,685 | 1,526,511 | 1,229,049 |

**PNM Exhibit RNG-4**

**WP ADMS - Estimated Revenue Requirement ADMS Project**

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| 142 | **Depreciation Expense** | | | | | | |
| 146 | Production Depreciation Expense | - | - | - | - | - | - |
| 147 | | | | | | | |
| 148 | Distribution Depreciation Expense | | | | | | |
| 152 | Distribution Depreciation Expense - Meters | - | - | - | - | - | - |
| 157 | Distribution Depreciation Expense - Software | - | - | - | 445,857 | 2,043,258 | 3,234,506 |
| 162 | Distribution Depreciation Expense - Other | - | - | - | - | - | - |
| 163 | Distribution Depreciation Expense Total | - | - | - | 445,857 | 2,043,258 | 3,234,506 |
| 164 | | | | | | | |
| 168 | Total Transmission Depreciation Expense | - | - | - | - | - | - |
| 169 | | | | | | | |
| 170 | **Total Depreciation Expense** | - | - | - | 445,857 | 2,043,258 | 3,234,506 |
| 171 | | | | | | | |
| 172 | **Property Tax** | | | | | | |
| 173 | Production Property Tax | - | - | - | - | - | - |
| 174 | | | | | | | |
| 175 | Distribution Property Tax | | | | | | |
| 176 | Meters | - | - | - | - | - | - |
| 177 | Software | - | - | - | 43,977 | 197,137 | 294,482 |
| 178 | Other | - | - | - | - | - | - |
| 179 | Total Distribution Property Tax | - | - | - | 43,977 | 197,137 | 294,482 |
| 180 | | | | | | | |
| 181 | Transmission Property Tax | - | - | - | - | - | - |
| 182 | | | | | | | |
| 183 | **Total Property Taxes** | - | - | - | 43,977 | 197,137 | 294,482 |
| 184 | | | | | | | |
| 185 | **Federal Income Tax** | | | | | | |
| 186 | Return Adjustments | | | | | | |
| 187 | Interest | - | - | (6,933) | (366,128) | (519,002) | (409,118) |
| 188 | | | | | | | |
| 189 | Tax/Book Adjustments | | | | | | |
| 190 | AFUDC Equity Flow Through | - | - | - | 17,822 | 81,673 | 129,290 |
| 191 | R&D Credit Flow Through | - | - | - | - | - | - |
| 192 | ITC Flow Through | - | - | - | - | - | - |
| 193 | Total Permanent Differences | - | - | - | 17,822 | 81,673 | 129,290 |
| 194 | Depreciation and AFUDC Debt | - | - | (1,513,780) | (6,422,265) | (8,621,571) | (7,245,504) |
| 195 | Deferred State Income Tax | - | - | 84,337 | 357,803 | 480,333 | 403,668 |
| 196 | Total Temporary Differences | - | - | (1,429,443) | (6,064,462) | (8,141,238) | (6,841,835) |
| 197 | Amortization of EDFIT | - | - | - | - | - | - |
| 198 | Deferred Federal Income Taxes | - | - | 300,183 | 1,273,537 | 1,709,660 | 1,436,785 |
| 199 | | | | | | | |
| 200 | Net Taxable Equity Return | - | - | (1,113,059) | (3,917,542) | (5,137,111) | (4,319,741) |
| 201 | Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | Total Current Federal Income Tax | - | - | (295,877) | (1,041,373) | (1,365,562) | (1,148,286) |
| 203 | Amortization of EDFIT | - | - | - | - | - | - |
| 204 | Total Provision for Federal Income Tax | - | - | 300,183 | 1,273,537 | 1,709,660 | 1,436,785 |
| 205 | Investment Tax Credits | | | | | | |
| 206 | Investment Tax Credits | - | - | - | | | |
| 207 | R&D Credits | - | - | - | | | |
| 208 | **Total Federal Income Tax** | - | - | 4,306 | 232,164 | 344,098 | 288,499 |
| 209 | | | | | | | |
| 210 | **State Income Tax** | | | | | | |
| 211 | Net Current Taxable Equity Return | - | - | (1,408,935) | (4,958,914) | (6,502,673) | (5,468,027) |
| 212 | State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | Total Current State Income Tax | - | - | (83,127) | (292,576) | (383,658) | (322,614) |
| 214 | Amortization of EDSIT | - | - | - | | | |
| 215 | Total Deferred State Income Tax | - | - | 84,337 | 357,803 | 480,333 | 403,668 |
| 216 | **Total State Income Tax** | - | - | 1,210 | 65,227 | 96,675 | 81,055 |
| 217 | | | | | | | |
| 218 | **Revenue Credits** | | | | | | |
| 219 | Opt-out Fee Revenue | - | - | - | - | - | - |
| 220 | **Total Revenue Credits** | | - | - | - | - | - |
| 221 | | | | | | | |
| 222 | **Total Revenue Requirement Before Revenue Tax** | 2,114 | 355,988 | 384,638 | 2,707,599 | 5,939,476 | 6,492,728 |
| 223 | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | **Revenue Tax** | 11 | 1,810 | 1,956 | 13,770 | 30,207 | 33,020 |
| 225 | | | | | | | |
| 226 | **Total Revenue Requirement** | **$ 2,125** | **$ 357,798** | **$ 386,594** | **$ 2,721,369** | **$ 5,969,682** | **$ 6,525,748** |
| 227 | | | | | | | |
| 228 | **Revenue Requirement Summary** | | | | | | |
| 229 | Return on Rate Base | - | - | 23,134 | 1,221,689 | 1,731,797 | 1,365,138 |
| 230 | O&M | 2,114 | 355,988 | 355,988 | 698,685 | 1,526,511 | 1,229,049 |
| 231 | Depreciation Expense | - | - | - | 445,857 | 2,043,258 | 3,234,506 |
| 232 | Taxes Other Than Income | 11 | 1,810 | 1,956 | 57,747 | 227,344 | 327,502 |
| 233 | Net Allowable Federal Income Tax | - | - | 4,306 | 232,164 | 344,098 | 288,499 |
| 234 | Net Allowable State Income Tax | - | - | 1,210 | 65,227 | 96,675 | 81,055 |
| 235 | Revenue Credits | - | - | - | - | - | - |
| 236 | **Total Revenue Requirement** | $ 2,125 | $ 357,798 | $ 386,594 | $ 2,721,369 | $ 5,969,682 | $ 6,525,748 |
| 237 | | | | | | | |

238 *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Advanced Metering - Estimated Revenue Requirement Advanced Metering Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | 17,457,485 | 86,921,781 | 129,629,906 | 130,711,901 | 130,711,901 |
| Distribution Plant - Software | 16,999,622 | 32,235,249 | 34,451,673 | 37,753,262 | 45,704,257 | 46,659,509 |
| Distribution Plant - Other | 1,206,257 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 | 7,570,213 |
| Total Distribution Plant | 18,205,878 | 57,262,948 | 128,943,667 | 174,953,382 | 183,986,371 | 184,941,623 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | 18,205,878 | 57,262,948 | 128,943,667 | 174,953,382 | 183,986,371 | 184,941,623 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | (100,054) | (2,503,838) | (6,849,927) | (13,331,422) | (19,867,017) |
| Distribution Plant - Software | (283,327) | (2,197,510) | (5,461,198) | (8,906,365) | (12,681,691) | (17,252,117) |
| Distribution Plant - Other | - | (98,902) | (320,924) | (542,946) | (764,969) | (986,991) |
| Total Distribution Plant | (283,327) | (2,396,465) | (8,285,960) | (16,299,238) | (26,778,082) | (38,106,126) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (283,327) | (2,396,465) | (8,285,960) | (16,299,238) | (26,778,082) | (38,106,126) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | (260,722) | (2,956,576) | (9,143,759) | (14,568,833) | (19,972,934) |
| Total Distribution ADIT - Software | (1,657,280) | (3,135,851) | (5,309,709) | (7,811,379) | (10,431,486) | (11,961,960) |
| Total Distribution ADIT - Other | - | (62,458) | (105,876) | (149,295) | (192,713) | (236,131) |
| Total Distribution ADIT | (1,657,280) | (3,459,031) | (8,372,161) | (17,104,433) | (25,193,032) | (32,171,025) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | (1,657,280) | (3,459,031) | (8,372,161) | (17,104,433) | (25,193,032) | (32,171,025) |
| **Total Rate Base** | **$ 16,265,271** | **$ 51,407,452** | **$ 112,285,546** | **$ 141,549,710** | **$ 132,015,256** | **$ 114,664,472** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 93,511 | 1,659,215 | 5,732,100 | 9,765,471 | 9,107,692 | 7,910,667 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | 258,378 | 2,856,563 | 5,279,638 | 3,424,683 | (2,323,872) | (6,183,296) |
| Software | 704,238 | 1,254,979 | 1,254,979 | 1,254,979 | 1,254,979 | 1,254,979 |
| Other | - | - | - | 69,390 | - | - |
| Total Distribution O&M | 962,616 | 4,111,542 | 6,534,617 | 4,749,052 | (1,068,893) | (4,928,317) |
| Transmission O&M | - | - | - | - | - | - |
| A&G | 1,413,768 | - | - | - | - | - |
| **Total O&M** | 2,376,384 | 4,111,542 | 6,534,617 | 4,749,052 | (1,068,893) | (4,928,317) |

**PNM Exhibit RNG-4**

**WP Advanced Metering - Estimated Revenue Requirement Advanced Metering Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Depreciation Expense** | | | | | | |
| Production Depreciation Expense | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | |
| Distribution Depreciation Expense - Meters | - | 100,054 | 2,403,784 | 4,346,089 | 6,481,495 | 6,535,595 |
| Distribution Depreciation Expense - Software | 283,327 | 1,914,183 | 3,263,688 | 3,445,167 | 3,775,326 | 4,570,426 |
| Distribution Depreciation Expense - Other | - | 98,902 | 222,022 | 222,022 | 222,022 | 222,022 |
| Distribution Depreciation Expense Total | 283,327 | 2,113,138 | 5,889,494 | 8,013,279 | 10,478,844 | 11,328,043 |
| Total Transmission Depreciation Expense | - | - | - | - | - | - |
| **Total Depreciation Expense** | 283,327 | 2,113,138 | 5,889,494 | 8,013,279 | 10,478,844 | 11,328,043 |
| **Property Tax** | | | | | | |
| Production Property Tax | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | |
| Meters | - | 19,669 | 465,061 | 832,650 | 1,211,030 | 1,157,773 |
| Software | - | 178,119 | 285,554 | 285,945 | 284,529 | 325,715 |
| Other | - | 32,921 | 72,689 | 71,503 | 69,313 | 67,123 |
| Total Distribution Property Tax | - | 230,708 | 823,304 | 1,190,098 | 1,564,872 | 1,550,611 |
| Transmission Property Tax | - | - | - | - | - | - |
| **Total Property Taxes** | - | 230,708 | 823,304 | 1,190,098 | 1,564,872 | 1,550,611 |
| **Federal Income Tax** | | | | | | |
| Return Adjustments | | | | | | |
| Interest | (28,024) | (497,250) | (1,717,853) | (2,926,614) | (2,729,484) | (2,370,748) |
| Tax/Book Adjustments | | | | | | |
| AFUDC Equity Flow Through | - | 15,101 | 166,050 | 250,942 | 349,495 | 383,440 |
| R&D Credit Flow Through | - | | | - | - | - |
| ITC Flow Through | - | - | - | - | - | - |
| Total Permanent Differences | - | 15,101 | 166,050 | 250,942 | 349,495 | 383,440 |
| Depreciation and AFUDC Debt | (5,772,484) | (6,275,690) | (17,112,958) | (30,415,436) | (28,173,456) | (24,305,095) |
| Deferred State Income Tax | 321,602 | 349,637 | 953,413 | 1,694,533 | 1,569,626 | 1,354,108 |
| Total Temporary Differences | (5,450,882) | (5,926,053) | (16,159,545) | (28,720,903) | (26,603,830) | (22,950,987) |
| Amortization of EDFIT | - | - | - | - | - | - |
| Deferred Federal Income Taxes | 1,144,685 | 1,244,471 | 3,393,504 | 6,031,390 | 5,586,804 | 4,819,707 |
| Net Taxable Equity Return | (4,240,710) | (3,504,516) | (8,585,744) | (15,599,714) | (14,289,322) | (12,207,921) |
| Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | (1,127,278) | (931,581) | (2,282,288) | (4,146,763) | (3,798,431) | (3,245,146) |
| Amortization of EDFIT | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | 1,144,685 | 1,244,471 | 3,393,504 | 6,031,390 | 5,586,804 | 4,819,707 |
| Investment Tax Credits | | | | | | |
| Investment Tax Credits | - | - | - | | | |
| R&D Credits | - | - | - | | | |
| **Total Federal Income Tax** | 17,407 | 312,890 | 1,111,216 | 1,884,627 | 1,788,374 | 1,574,561 |
| **State Income Tax** | | | | | | |
| Net Current Taxable Equity Return | (5,367,988) | (4,436,097) | (10,868,032) | (19,746,477) | (18,087,753) | (15,453,067) |
| State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | (316,711) | (261,730) | (641,214) | (1,165,042) | (1,067,177) | (911,731) |
| Amortization of EDSIT | - | - | - | | | |
| Total Deferred State Income Tax | 321,602 | 349,637 | 953,413 | 1,694,533 | 1,569,626 | 1,354,108 |
| **Total State Income Tax** | 4,891 | 87,907 | 312,199 | 529,491 | 502,449 | 442,377 |
| **Revenue Credits** | | | | | | |
| Opt-out Fee Revenue | - | - | (13,568) | (12,281) | (591,395) | (591,395) |
| **Total Revenue Credits** | | - | (13,568) | (12,281) | (591,395) | (591,395) |
| **Total Revenue Requirement Before Revenue Tax** | 2,775,520 | 8,515,400 | 20,389,362 | 26,119,737 | 21,781,943 | 17,286,548 |
| Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | 14,116 | 43,307 | 103,695 | 132,838 | 110,777 | 87,915 |
| **Total Revenue Requirement** | **$ 2,789,635** | **$ 8,558,708** | **$ 20,493,057** | **$ 26,252,575** | **$ 21,892,720** | **$ 17,374,463** |
| **Revenue Requirement Summary** | | | | | | |
| Return on Rate Base | 93,511 | 1,659,215 | 5,732,100 | 9,765,471 | 9,107,692 | 7,910,667 |
| O&M | 2,376,384 | 4,111,542 | 6,534,617 | 4,749,052 | (1,068,893) | (4,928,317) |
| Depreciation Expense | 283,327 | 2,113,138 | 5,889,494 | 8,013,279 | 10,478,844 | 11,328,043 |
| Taxes Other Than Income | 14,116 | 274,015 | 926,998 | 1,322,936 | 1,675,650 | 1,638,526 |
| Net Allowable Federal Income Tax | 17,407 | 312,890 | 1,111,216 | 1,884,627 | 1,788,374 | 1,574,561 |
| Net Allowable State Income Tax | 4,891 | 87,907 | 312,199 | 529,491 | 502,449 | 442,377 |
| Revenue Credits | - | - | (13,568) | (12,281) | (591,395) | (591,395) |
| **Total Revenue Requirement** | $ 2,789,635 | $ 8,558,708 | $ 20,493,057 | $ 26,252,575 | $ 21,892,720 | $ 17,374,463 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Customer Information & Analystics - Estimated Revenue Requirement Customer Information & Analytics Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | 3,933,207 | 4,213,764 | 5,845,425 | 5,845,425 | 5,845,425 |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | 3,933,207 | 4,213,764 | 5,845,425 | 5,845,425 | 5,845,425 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | - | 3,933,207 | 4,213,764 | 5,845,425 | 5,845,425 | 5,845,425 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | (190,328) | (583,648) | (1,005,025) | (1,589,567) | (2,174,110) |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | (190,328) | (583,648) | (1,005,025) | (1,589,567) | (2,174,110) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | (190,328) | (583,648) | (1,005,025) | (1,589,567) | (2,174,110) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | (174,551) | (431,224) | (861,270) | (1,237,202) | (1,613,135) |
| Total Distribution ADIT - Other | - | - | - | - | - | - |
| Total Distribution ADIT | - | (174,551) | (431,224) | (861,270) | (1,237,202) | (1,613,135) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | - | (174,551) | (431,224) | (861,270) | (1,237,202) | (1,613,135) |
| **Total Rate Base** | **$ -** | **$ 3,568,328** | **$ 3,198,891** | **$ 3,979,131** | **$ 3,018,656** | **$ 2,058,181** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | 144,374 | 223,619 | 274,519 | 208,256 | 141,993 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | 987,469 | 1,678,469 | 1,704,691 | 1,731,599 | 1,759,222 |
| Other | 815,447 | - | - | - | - | - |
| Total Distribution O&M | 815,447 | 987,469 | 1,678,469 | 1,704,691 | 1,731,599 | 1,759,222 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | 20,402 | - | - | - | - | - |
| **Total O&M** | 835,849 | 987,469 | 1,678,469 | 1,704,691 | 1,731,599 | 1,759,222 |

**PNM Exhibit RNG-4**

**WP Customer Information & Analystics - Estimated Revenue Requirement Customer Information & Analytics Project**

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Depreciation Expense** | | | | | | | |
| Production Depreciation Expense | | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | | |
| Distribution Depreciation Expense - Meters | | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | | - | 190,328 | 393,321 | 421,376 | 584,543 | 584,543 |
| Distribution Depreciation Expense - Other | | - | - | - | - | - | - |
| Distribution Depreciation Expense Total | | - | 190,328 | 393,321 | 421,376 | 584,543 | 584,543 |
| Total Transmission Depreciation Expense | | - | - | - | - | - | - |
| **Total Depreciation Expense** | | - | 190,328 | 393,321 | 421,376 | 584,543 | 584,543 |
| **Property Tax** | | | | | | | |
| Production Property Tax | | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | | |
| Meters | | - | - | - | - | - | - |
| Software | | - | 18,276 | 35,139 | 35,805 | 47,743 | 41,977 |
| Other | | - | - | - | - | - | - |
| Total Distribution Property Tax | | - | 18,276 | 35,139 | 35,805 | 47,743 | 41,977 |
| Transmission Property Tax | | - | - | - | - | - | - |
| **Total Property Taxes** | | - | 18,276 | 35,139 | 35,805 | 47,743 | 41,977 |
| **Federal Income Tax** | | | | | | | |
| Return Adjustments | | | | | | | |
| Interest | | - | (43,267) | (67,016) | (82,271) | (62,412) | (42,554) |
| Tax/Book Adjustments | | | | | | | |
| AFUDC Equity Flow Through | | - | 7,608 | 15,722 | 16,843 | 23,365 | 23,365 |
| R&D Credit Flow Through | | - | | | - | - | - |
| ITC Flow Through | | - | - | - | - | - | - |
| Total Permanent Differences | | - | 7,608 | 15,722 | 16,843 | 23,365 | 23,365 |
| Depreciation and AFUDC Debt | | - | (607,980) | (894,020) | (1,497,894) | (1,309,413) | (1,309,413) |
| Deferred State Income Tax | | - | 33,872 | 49,808 | 83,452 | 72,951 | 72,951 |
| Total Temporary Differences | | - | (574,107) | (844,212) | (1,414,442) | (1,236,462) | (1,236,462) |
| Amortization of EDFIT | | - | - | - | - | - | - |
| Deferred Federal Income Taxes | | - | 120,563 | 177,284 | 297,033 | 259,657 | 259,657 |
| Net Taxable Equity Return | | - | (344,830) | (494,603) | (908,318) | (807,596) | (854,000) |
| Federal Tax Rate | | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | | - | (91,664) | (131,477) | (241,452) | (214,678) | (227,013) |
| Amortization of EDFIT | | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | | - | 120,563 | 177,284 | 297,033 | 259,657 | 259,657 |
| Investment Tax Credits | | | | | | | |
| Investment Tax Credits | | - | - | - | | | |
| R&D Credits | | - | - | - | | | |
| **Total Federal Income Tax** | | - | 28,899 | 45,808 | 55,581 | 44,979 | 32,644 |
| **State Income Tax** | | | | | | | |
| Net Current Taxable Equity Return | | - | (436,494) | (626,080) | (1,149,770) | (1,022,273) | (1,081,013) |
| State Tax Rate | | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | | - | (25,753) | (36,939) | (67,836) | (60,314) | (63,780) |
| Amortization of EDSIT | | - | - | - | | | |
| Total Deferred State Income Tax | | - | 33,872 | 49,808 | 83,452 | 72,951 | 72,951 |
| **Total State Income Tax** | | - | 8,119 | 12,870 | 15,616 | 12,637 | 9,171 |
| **Revenue Credits** | | | | | | | |
| Opt-out Fee Revenue | | - | - | - | | | |
| **Total Revenue Credits** | | | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | | 835,849 | 1,377,465 | 2,389,225 | 2,507,589 | 2,629,757 | 2,569,551 |
| Revenue Tax Factor | | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | | 4,251 | 7,005 | 12,151 | 12,753 | 13,374 | 13,068 |
| **Total Revenue Requirement** | | **$ 840,100** | **$ 1,384,470** | **$ 2,401,376** | **$ 2,520,342** | **$ 2,643,131** | **$ 2,582,619** |
| **Revenue Requirement Summary** | | | | | | | |
| Return on Rate Base | | - | 144,374 | 223,619 | 274,519 | 208,256 | 141,993 |
| O&M | | 835,849 | 987,469 | 1,678,469 | 1,704,691 | 1,731,599 | 1,759,222 |
| Depreciation Expense | | - | 190,328 | 393,321 | 421,376 | 584,543 | 584,543 |
| Taxes Other Than Income | | 4,251 | 25,282 | 47,290 | 48,558 | 61,117 | 55,045 |
| Net Allowable Federal Income Tax | | - | 28,899 | 45,808 | 55,581 | 44,979 | 32,644 |
| Net Allowable State Income Tax | | - | 8,119 | 12,870 | 15,616 | 12,637 | 9,171 |
| Revenue Credits | | - | - | - | - | - | - |
| **Total Revenue Requirement** | | $ 840,100 | $ 1,384,470 | $ 2,401,376 | $ 2,520,342 | $ 2,643,131 | $ 2,582,619 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Cybersecurity - Estimated Revenue Requirement Cybersecurity Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | 4,829,966 | 6,003,759 | 7,155,945 | 7,155,945 | 7,155,945 |
| Distribution Plant - Other | - | 191,895 | 191,895 | 191,895 | 191,895 | 191,895 |
| Total Distribution Plant | - | 5,021,861 | 6,195,654 | 7,347,840 | 7,347,840 | 7,347,840 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | - | 5,021,861 | 6,195,654 | 7,347,840 | 7,347,840 | 7,347,840 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | (482,997) | (1,083,372) | (1,798,967) | (2,514,561) |
| Distribution Plant - Other | - | - | (5,628) | (11,256) | (16,884) | (22,512) |
| Total Distribution Plant | - | - | (488,625) | (1,094,628) | (1,815,851) | (2,537,073) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | - | (488,625) | (1,094,628) | (1,815,851) | (2,537,073) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | (470,809) | (796,997) | (1,295,423) | (1,755,638) | (2,215,854) |
| Total Distribution ADIT - Other | - | (3,720) | (4,813) | (5,906) | (7,000) | (8,093) |
| Total Distribution ADIT | - | (474,528) | (801,810) | (1,301,330) | (1,762,638) | (2,223,946) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | - | (474,528) | (801,810) | (1,301,330) | (1,762,638) | (2,223,946) |
| **Total Rate Base** | **$ -** | **$ 4,547,333** | **$ 4,905,220** | **$ 4,951,882** | **$ 3,769,351** | **$ 2,586,820** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | 26,143 | 290,470 | 341,629 | 260,046 | 178,464 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | 217,350 | 228,218 | 239,628 | 251,610 | 264,190 |
| Other | - | - | - | - | - | - |
| Total Distribution O&M | - | 217,350 | 228,218 | 239,628 | 251,610 | 264,190 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | 383 | - | - | - | - | - |
| **Total O&M** | 383 | 217,350 | 228,218 | 239,628 | 251,610 | 264,190 |

**PNM Exhibit RNG-4**

**WP Cybersecurity - Estimated Revenue Requirement Cybersecurity Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Depreciation Expense** | | | | | | |
| Production Depreciation Expense | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | |
| Distribution Depreciation Expense - Meters | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | - | - | 482,997 | 600,376 | 715,594 | 715,594 |
| Distribution Depreciation Expense - Other | - | - | 5,628 | 5,628 | 5,628 | 5,628 |
| Distribution Depreciation Expense Total | - | - | 488,625 | 606,004 | 721,222 | 721,222 |
| Total Transmission Depreciation Expense | - | - | - | - | - | - |
| **Total Depreciation Expense** | - | - | 488,625 | 606,004 | 721,222 | 721,222 |
| **Property Tax** | | | | | | |
| Production Property Tax | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | - | 45,456 | 54,454 | 59,896 | 52,838 |
| Other | - | - | 1,867 | 1,837 | 1,782 | 1,726 |
| Total Distribution Property Tax | - | - | 47,324 | 56,291 | 61,678 | 54,564 |
| Transmission Property Tax | - | - | - | - | - | - |
| **Total Property Taxes** | - | - | 47,324 | 56,291 | 61,678 | 54,564 |
| **Federal Income Tax** | | | | | | |
| Return Adjustments | | | | | | |
| Interest | - | (7,835) | (87,051) | (102,383) | (77,933) | (53,484) |
| Tax/Book Adjustments | | | | | | |
| AFUDC Equity Flow Through | - | - | 19,531 | 24,223 | 28,829 | 28,829 |
| R&D Credit Flow Through | - | | | - | - | - |
| ITC Flow Through | - | - | - | - | - | - |
| Total Permanent Differences | - | - | 19,531 | 24,223 | 28,829 | 28,829 |
| Depreciation and AFUDC Debt | - | (1,652,832) | (1,139,957) | (1,739,881) | (1,606,787) | (1,606,787) |
| Deferred State Income Tax | - | 92,084 | 63,510 | 96,934 | 89,519 | 89,519 |
| Total Temporary Differences | - | (1,560,748) | (1,076,447) | (1,642,947) | (1,517,268) | (1,517,268) |
| Amortization of EDFIT | - | - | - | - | - | - |
| Deferred Federal Income Taxes | - | 327,757 | 226,054 | 345,019 | 318,626 | 318,626 |
| Net Taxable Equity Return | - | (1,214,682) | (627,443) | (1,034,459) | (987,700) | (1,044,833) |
| Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | - | (322,891) | (166,789) | (274,983) | (262,553) | (277,741) |
| Amortization of EDFIT | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | - | 327,757 | 226,054 | 345,019 | 318,626 | 318,626 |
| Investment Tax Credits | | | | | | |
| Investment Tax Credits | - | - | - | | | |
| R&D Credits | - | - | - | | | |
| **Total Federal Income Tax** | - | 4,867 | 59,265 | 70,036 | 56,073 | 40,886 |
| **State Income Tax** | | | | | | |
| Net Current Taxable Equity Return | - | (1,537,573) | (794,232) | (1,309,442) | (1,250,253) | (1,322,573) |
| State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | - | (90,717) | (46,860) | (77,257) | (73,765) | (78,032) |
| Amortization of EDSIT | - | - | - | | | |
| Total Deferred State Income Tax | - | 92,084 | 63,510 | 96,934 | 89,519 | 89,519 |
| **Total State Income Tax** | - | 1,367 | 16,651 | 19,677 | 15,754 | 11,487 |
| **Revenue Credits** | | | | | | |
| Opt-out Fee Revenue | - | - | - | | | |
| **Total Revenue Credits** | | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | 383 | 249,727 | 1,130,551 | 1,333,265 | 1,366,383 | 1,270,814 |
| Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | 2 | 1,270 | 5,750 | 6,781 | 6,949 | 6,463 |
| **Total Revenue Requirement** | **$ 385** | **$ 250,997** | **$ 1,136,301** | **$ 1,340,045** | **$ 1,373,333** | **$ 1,277,277** |
| **Revenue Requirement Summary** | | | | | | |
| Return on Rate Base | - | 26,143 | 290,470 | 341,629 | 260,046 | 178,464 |
| O&M | 383 | 217,350 | 228,218 | 239,628 | 251,610 | 264,190 |
| Depreciation Expense | - | - | 488,625 | 606,004 | 721,222 | 721,222 |
| Taxes Other Than Income | 2 | 1,270 | 53,073 | 63,071 | 68,627 | 61,027 |
| Net Allowable Federal Income Tax | - | 4,867 | 59,265 | 70,036 | 56,073 | 40,886 |
| Net Allowable State Income Tax | - | 1,367 | 16,651 | 19,677 | 15,754 | 11,487 |
| Revenue Credits | - | - | - | - | - | - |
| **Total Revenue Requirement** | $ 385 | $ 250,997 | $ 1,136,301 | $ 1,340,045 | $ 1,373,333 | $ 1,277,277 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Data Management & Architecture - Estimated Revenue Requirement Data Management & Architecture Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | 2,836,534 | 3,544,120 | 6,819,060 | 8,704,883 | 11,663,997 | 11,663,997 |
| Distribution Plant - Other | - | 149,973 | 149,973 | 149,973 | 149,973 | 149,973 |
| Total Distribution Plant | 2,836,534 | 3,694,093 | 6,969,034 | 8,854,857 | 11,813,970 | 11,813,970 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | 2,836,534 | 3,694,093 | 6,969,034 | 8,854,857 | 11,813,970 | 11,813,970 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | (614,582) | (898,235) | (1,252,647) | (1,934,553) | (2,805,041) | (3,971,441) |
| Distribution Plant - Other | - | - | (4,398) | (8,797) | (13,195) | (17,594) |
| Total Distribution Plant | (614,582) | (898,235) | (1,257,045) | (1,943,350) | (2,818,237) | (3,989,035) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (614,582) | (898,235) | (1,257,045) | (1,943,350) | (2,818,237) | (3,989,035) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | (96,306) | (318,328) | (597,273) | (1,227,242) | (2,083,112) | (2,840,846) |
| Total Distribution ADIT - Other | - | (2,907) | (3,761) | (4,616) | (5,470) | (6,325) |
| Total Distribution ADIT | (96,306) | (321,235) | (601,035) | (1,231,857) | (2,088,582) | (2,847,171) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | (96,306) | (321,235) | (601,035) | (1,231,857) | (2,088,582) | (2,847,171) |
| **Total Rate Base** | **$ 2,125,646** | **$ 2,474,623** | **$ 5,110,954** | **$ 5,679,649** | **$ 6,907,151** | **$ 4,977,765** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 168,019 | 132,246 | 167,060 | 391,837 | 476,522 | 343,414 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | 1,154,233 | 442,092 | 461,693 | 482,177 | 503,582 |
| Software | - | 698,330 | 1,545,614 | 1,604,474 | 1,665,688 | 1,729,354 |
| Other | 127,181 | - | - | - | - | - |
| Total Distribution O&M | 127,181 | 1,852,563 | 1,987,705 | 2,066,167 | 2,147,865 | 2,232,936 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | 11,646 | - | - | - | - | - |
| **Total O&M** | 138,828 | 1,852,563 | 1,987,705 | 2,066,167 | 2,147,865 | 2,232,936 |

**PNM Exhibit RNG-4**

**WP Data Management & Architecture - Estimated Revenue Requirement Data Management & Architecture Project**

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| 142 | **Depreciation Expense** | | | | | | |
| 146 | Production Depreciation Expense | - | - | - | - | - | - |
| 147 | | | | | | | |
| 148 | Distribution Depreciation Expense | | | | | | |
| 152 | Distribution Depreciation Expense - Meters | - | - | - | - | - | - |
| 157 | Distribution Depreciation Expense - Software | 567,307 | 283,653 | 354,412 | 681,906 | 870,488 | 1,166,400 |
| 162 | Distribution Depreciation Expense - Other | - | - | 4,398 | 4,398 | 4,398 | 4,398 |
| 163 | Distribution Depreciation Expense Total | 567,307 | 283,653 | 358,810 | 686,305 | 874,887 | 1,170,798 |
| 164 | | | | | | | |
| 168 | Total Transmission Depreciation Expense | - | - | - | - | - | - |
| 169 | | | | | | | |
| 170 | **Total Depreciation Expense** | 567,307 | 283,653 | 358,810 | 686,305 | 874,887 | 1,170,798 |
| 171 | | | | | | | |
| 172 | **Property Tax** | | | | | | |
| 173 | Production Property Tax | - | - | - | - | - | - |
| 174 | | | | | | | |
| 175 | Distribution Property Tax | | | | | | |
| 176 | Meters | - | - | - | - | - | - |
| 177 | Software | - | 20,634 | 24,495 | 54,904 | 66,779 | 87,380 |
| 178 | Other | - | - | 1,459 | 1,436 | 1,392 | 1,349 |
| 179 | Total Distribution Property Tax | - | 20,634 | 25,955 | 56,340 | 68,171 | 88,729 |
| 180 | | | | | | | |
| 181 | Transmission Property Tax | - | - | - | - | - | - |
| 182 | | | | | | | |
| 183 | **Total Property Taxes** | - | 20,634 | 25,955 | 56,340 | 68,171 | 88,729 |
| 184 | | | | | | | |
| 185 | **Federal Income Tax** | | | | | | |
| 186 | Return Adjustments | | | | | | |
| 187 | Interest | (50,354) | (39,633) | (50,066) | (117,430) | (142,809) | (102,918) |
| 188 | | | | | | | |
| 189 | Tax/Book Adjustments | | | | | | |
| 190 | AFUDC Equity Flow Through | - | - | 3,004 | 16,095 | 23,633 | 35,461 |
| 191 | R&D Credit Flow Through | - | | | - | - | - |
| 192 | ITC Flow Through | - | - | - | - | - | - |
| 193 | Total Permanent Differences | - | - | 3,004 | 16,095 | 23,633 | 35,461 |
| 194 | Depreciation and AFUDC Debt | (335,443) | (783,452) | (974,573) | (2,197,223) | (2,984,065) | (2,642,244) |
| 195 | Deferred State Income Tax | 18,689 | 43,648 | 54,296 | 122,414 | 166,251 | 147,207 |
| 196 | Total Temporary Differences | (316,755) | (739,803) | (920,277) | (2,074,810) | (2,817,814) | (2,495,036) |
| 197 | Amortization of EDFIT | - | - | - | - | - | - |
| 198 | Deferred Federal Income Taxes | 66,519 | 155,359 | 193,258 | 435,710 | 591,741 | 523,958 |
| 199 | | | | | | | |
| 200 | Net Taxable Equity Return | (132,571) | (491,832) | (607,021) | (1,348,597) | (1,868,727) | (1,695,121) |
| 201 | Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | Total Current Federal Income Tax | (35,240) | (130,740) | (161,360) | (358,488) | (496,751) | (450,602) |
| 203 | Amortization of EDFIT | - | - | - | - | - | - |
| 204 | Total Provision for Federal Income Tax | 66,519 | 155,359 | 193,258 | 435,710 | 591,741 | 523,958 |
| 205 | Investment Tax Credits | | | | | | |
| 206 | Investment Tax Credits | - | - | - | | | |
| 207 | R&D Credits | - | - | - | | | |
| 208 | **Total Federal Income Tax** | 31,278 | 24,619 | 31,898 | 77,222 | 94,990 | 73,355 |
| 209 | | | | | | | |
| 210 | **State Income Tax** | | | | | | |
| 211 | Net Current Taxable Equity Return | (167,811) | (622,572) | (768,381) | (1,707,085) | (2,365,478) | (2,145,723) |
| 212 | State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | Total Current State Income Tax | (9,901) | (36,732) | (45,334) | (100,718) | (139,563) | (126,598) |
| 214 | Amortization of EDSIT | - | - | - | | | |
| 215 | Total Deferred State Income Tax | 18,689 | 43,648 | 54,296 | 122,414 | 166,251 | 147,207 |
| 216 | **Total State Income Tax** | 8,788 | 6,917 | 8,962 | 21,696 | 26,688 | 20,609 |
| 217 | | | | | | | |
| 218 | **Revenue Credits** | | | | | | |
| 219 | Opt-out Fee Revenue | - | - | - | | | |
| 220 | **Total Revenue Credits** | | - | - | - | - | - |
| 221 | | | | | | | |
| 222 | **Total Revenue Requirement Before Revenue Tax** | 914,220 | 2,320,631 | 2,580,390 | 3,299,566 | 3,689,123 | 3,929,842 |
| 223 | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | **Revenue Tax** | 4,649 | 11,802 | 13,123 | 16,781 | 18,762 | 19,986 |
| 225 | | | | | | | |
| 226 | **Total Revenue Requirement** | **$ 918,869** | **$ 2,332,433** | **$ 2,593,514** | **$ 3,316,347** | **$ 3,707,885** | **$ 3,949,828** |
| 227 | | | | | | | |
| 228 | **Revenue Requirement Summary** | | | | | | |
| 229 | Return on Rate Base | 168,019 | 132,246 | 167,060 | 391,837 | 476,522 | 343,414 |
| 230 | O&M | 138,828 | 1,852,563 | 1,987,705 | 2,066,167 | 2,147,865 | 2,232,936 |
| 231 | Depreciation Expense | 567,307 | 283,653 | 358,810 | 686,305 | 874,887 | 1,170,798 |
| 232 | Taxes Other Than Income | 4,649 | 32,436 | 39,078 | 73,120 | 86,933 | 108,715 |
| 233 | Net Allowable Federal Income Tax | 31,278 | 24,619 | 31,898 | 77,222 | 94,990 | 73,355 |
| 234 | Net Allowable State Income Tax | 8,788 | 6,917 | 8,962 | 21,696 | 26,688 | 20,609 |
| 235 | Revenue Credits | - | - | - | - | - | - |
| 236 | **Total Revenue Requirement** | $ 918,869 | $ 2,332,433 | $ 2,593,514 | $ 3,316,347 | $ 3,707,885 | $ 3,949,828 |
| 237 | | | | | | | |

238 *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Distribution Planning & Engineering - Estimated Revenue Requirement Distribution Planning & Engineering Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | 1,598,547 | 4,966,050 | 6,758,705 | 8,836,152 |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | - | 1,598,547 | 4,966,050 | 6,758,705 | 8,836,152 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | - | - | 1,598,547 | 4,966,050 | 6,758,705 | 8,836,152 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | (159,855) | (656,460) | (1,332,330) |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | - | - | (159,855) | (656,460) | (1,332,330) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | - | - | (159,855) | (656,460) | (1,332,330) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | - | (155,821) | (586,880) | (1,081,000) | (1,718,170) |
| Total Distribution ADIT - Other | - | - | - | - | - | - |
| Total Distribution ADIT | - | - | (155,821) | (586,880) | (1,081,000) | (1,718,170) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | - | - | (155,821) | (586,880) | (1,081,000) | (1,718,170) |
| **Total Rate Base** | **$ -** | **$ -** | **$ 1,442,726** | **$ 4,219,315** | **$ 5,021,246** | **$ 5,785,652** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | - | 8,294 | 291,089 | 346,414 | 399,150 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | 22,000 | 22,660 | 23,340 | 24,040 | 24,761 |
| Other | - | 598,905 | 622,563 | 647,196 | 672,845 | 699,552 |
| Total Distribution O&M | - | 620,905 | 645,223 | 670,536 | 696,885 | 724,313 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | - | - | - | - | - | - |
| **Total O&M** | - | 620,905 | 645,223 | 670,536 | 696,885 | 724,313 |

**PNM Exhibit RNG-4**

**WP Distribution Planning & Engineering - Estimated Revenue Requirement Distribution Planning & Engineering Project**

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| 142 | **Depreciation Expense** | | | | | | |
| 146 | Production Depreciation Expense | - | - | - | - | - | - |
| 147 | | | | | | | |
| 148 | Distribution Depreciation Expense | | | | | | |
| 152 | Distribution Depreciation Expense - Meters | - | - | - | - | - | - |
| 157 | Distribution Depreciation Expense - Software | - | - | - | 159,855 | 496,605 | 675,871 |
| 162 | Distribution Depreciation Expense - Other | - | - | - | - | - | - |
| 163 | Distribution Depreciation Expense Total | - | - | - | 159,855 | 496,605 | 675,871 |
| 164 | | | | | | | |
| 168 | Total Transmission Depreciation Expense | - | - | - | - | - | - |
| 169 | | | | | | | |
| 170 | **Total Depreciation Expense** | - | - | - | 159,855 | 496,605 | 675,871 |
| 171 | | | | | | | |
| 172 | **Property Tax** | | | | | | |
| 173 | Production Property Tax | - | - | - | - | - | - |
| 174 | | | | | | | |
| 175 | Distribution Property Tax | | | | | | |
| 176 | Meters | - | - | - | - | - | - |
| 177 | Software | - | - | - | 15,767 | 47,406 | 60,189 |
| 178 | Other | - | - | - | - | - | - |
| 179 | Total Distribution Property Tax | - | - | - | 15,767 | 47,406 | 60,189 |
| 180 | | | | | | | |
| 181 | Transmission Property Tax | - | - | - | - | - | - |
| 182 | | | | | | | |
| 183 | **Total Property Taxes** | - | - | - | 15,767 | 47,406 | 60,189 |
| 184 | | | | | | | |
| 185 | **Federal Income Tax** | | | | | | |
| 186 | Return Adjustments | | | | | | |
| 187 | Interest | - | - | (2,486) | (87,237) | (103,817) | (119,621) |
| 188 | | | | | | | |
| 189 | Tax/Book Adjustments | | | | | | |
| 190 | AFUDC Equity Flow Through | - | - | - | 6,390 | 19,850 | 27,016 |
| 191 | R&D Credit Flow Through | - | - | - | - | - | - |
| 192 | ITC Flow Through | - | - | - | - | - | - |
| 193 | Total Permanent Differences | - | - | - | 6,390 | 19,850 | 27,016 |
| 194 | Depreciation and AFUDC Debt | - | - | (542,741) | (1,501,424) | (1,721,072) | (2,219,332) |
| 195 | Deferred State Income Tax | - | - | 30,238 | 83,649 | 95,886 | 123,645 |
| 196 | Total Temporary Differences | - | - | (512,503) | (1,417,775) | (1,625,186) | (2,095,686) |
| 197 | Amortization of EDFIT | - | - | - | - | - | - |
| 198 | Deferred Federal Income Taxes | - | - | 107,626 | 297,733 | 341,289 | 440,094 |
| 199 | | | | | | | |
| 200 | Net Taxable Equity Return | - | - | (399,069) | (909,800) | (1,021,450) | (1,349,047) |
| 201 | Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | Total Current Federal Income Tax | - | - | (106,082) | (241,846) | (271,525) | (358,608) |
| 203 | Amortization of EDFIT | - | - | - | - | - | - |
| 204 | Total Provision for Federal Income Tax | - | - | 107,626 | 297,733 | 341,289 | 440,094 |
| 205 | Investment Tax Credits | | | | | | |
| 206 | Investment Tax Credits | - | - | - | | | |
| 207 | R&D Credits | - | - | - | | | |
| 208 | **Total Federal Income Tax** | - | - | 1,544 | 55,887 | 69,764 | 81,486 |
| 209 | | | | | | | |
| 210 | **State Income Tax** | | | | | | |
| 211 | Net Current Taxable Equity Return | - | - | (505,151) | (1,151,646) | (1,292,974) | (1,707,655) |
| 212 | State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | Total Current State Income Tax | - | - | (29,804) | (67,947) | (76,285) | (100,752) |
| 214 | Amortization of EDSIT | - | - | - | | | |
| 215 | Total Deferred State Income Tax | - | - | 30,238 | 83,649 | 95,886 | 123,645 |
| 216 | **Total State Income Tax** | - | - | 434 | 15,702 | 19,601 | 22,894 |
| 217 | | | | | | | |
| 218 | **Revenue Credits** | | | | | | |
| 219 | Opt-out Fee Revenue | - | - | - | | | |
| 220 | **Total Revenue Credits** | | - | - | - | - | - |
| 221 | | | | | | | |
| 222 | **Total Revenue Requirement Before Revenue Tax** | - | 620,905 | 655,495 | 1,208,836 | 1,676,674 | 1,963,903 |
| 223 | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | **Revenue Tax** | - | 3,158 | 3,334 | 6,148 | 8,527 | 9,988 |
| 225 | | | | | | | |
| 226 | **Total Revenue Requirement** | **$ -** | **$ 624,063** | **$ 658,829** | **$ 1,214,983** | **$ 1,685,201** | **$ 1,973,891** |
| 227 | | | | | | | |
| 228 | **Revenue Requirement Summary** | | | | | | |
| 229 | Return on Rate Base | - | - | 8,294 | 291,089 | 346,414 | 399,150 |
| 230 | O&M | - | 620,905 | 645,223 | 670,536 | 696,885 | 724,313 |
| 231 | Depreciation Expense | - | - | - | 159,855 | 496,605 | 675,871 |
| 232 | Taxes Other Than Income | - | 3,158 | 3,334 | 21,915 | 55,933 | 70,177 |
| 233 | Net Allowable Federal Income Tax | - | - | 1,544 | 55,887 | 69,764 | 81,486 |
| 234 | Net Allowable State Income Tax | - | - | 434 | 15,702 | 19,601 | 22,894 |
| 235 | Revenue Credits | - | - | - | - | - | - |
| 236 | **Total Revenue Requirement** | $ - | $ 624,063 | $ 658,829 | $ 1,214,983 | $ 1,685,201 | $ 1,973,891 |
| 237 | | | | | | | |

238 *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Distribution Automation - Estimated Revenue Requirement Distribution Automation Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - |
| Distribution Plant - Other | - | 10,119,177 | 24,532,519 | 45,630,249 | 67,127,919 | 90,477,022 |
| Total Distribution Plant | - | 10,119,177 | 24,532,519 | 45,630,249 | 67,127,919 | 90,477,022 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | - | 10,119,177 | 24,532,519 | 45,630,249 | 67,127,919 | 90,477,022 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - |
| Distribution Plant - Other | - | (159,488) | (741,923) | (1,461,423) | (2,799,686) | (4,768,442) |
| Total Distribution Plant | - | (159,488) | (741,923) | (1,461,423) | (2,799,686) | (4,768,442) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | (159,488) | (741,923) | (1,461,423) | (2,799,686) | (4,768,442) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | - | - | - | - | - |
| Total Distribution ADIT - Other | - | (99,291) | (309,735) | (858,450) | (1,535,124) | (2,370,168) |
| Total Distribution ADIT | - | (99,291) | (309,735) | (858,450) | (1,535,124) | (2,370,168) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | - | (99,291) | (309,735) | (858,450) | (1,535,124) | (2,370,168) |
| **Total Rate Base** | **$ -** | **$ 9,860,398** | **$ 23,480,861** | **$ 43,310,376** | **$ 62,793,109** | **$ 83,338,411** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | 426,063 | 1,407,135 | 2,987,970 | 4,332,077 | 5,749,492 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | - | - | - | - | - |
| Other | - | 618,471 | 741,521 | 893,465 | 1,082,979 | 1,324,568 |
| Total Distribution O&M | - | 618,471 | 741,521 | 893,465 | 1,082,979 | 1,324,568 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | - | - | - | - | - | - |
| **Total O&M** | - | 618,471 | 741,521 | 893,465 | 1,082,979 | 1,324,568 |

**PNM Exhibit RNG-4**

**WP Distribution Automation - Estimated Revenue Requirement Distribution Automation Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Depreciation Expense** | | | | | | |
| Production Depreciation Expense | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | |
| Distribution Depreciation Expense - Meters | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | - | 159,488 | 582,435 | 719,500 | 1,338,263 | 1,968,756 |
| Distribution Depreciation Expense Total | - | 159,488 | 582,435 | 719,500 | 1,338,263 | 1,968,756 |
| Total Transmission Depreciation Expense | - | - | - | - | - | - |
| **Total Depreciation Expense** | - | 159,488 | 582,435 | 719,500 | 1,338,263 | 1,968,756 |
| **Property Tax** | | | | | | |
| Production Property Tax | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | - | - | - | - | - |
| Other | - | 53,247 | 192,048 | 234,657 | 435,656 | 634,496 |
| Total Distribution Property Tax | - | 53,247 | 192,048 | 234,657 | 435,656 | 634,496 |
| Transmission Property Tax | - | - | - | - | - | - |
| **Total Property Taxes** | - | 53,247 | 192,048 | 234,657 | 435,656 | 634,496 |
| **Federal Income Tax** | | | | | | |
| Return Adjustments | | | | | | |
| Interest | - | (127,687) | (421,704) | (895,465) | (1,298,280) | (1,723,065) |
| Tax/Book Adjustments | | | | | | |
| AFUDC Equity Flow Through | - | 6,375 | 23,281 | 28,760 | 53,493 | 78,695 |
| R&D Credit Flow Through | - | | | - | - | - |
| ITC Flow Through | - | - | - | - | - | - |
| Total Permanent Differences | - | 6,375 | 23,281 | 28,760 | 53,493 | 78,695 |
| Depreciation and AFUDC Debt | - | (345,842) | (732,997) | (1,911,234) | (2,356,926) | (2,908,550) |
| Deferred State Income Tax | - | 19,268 | 40,837 | 106,480 | 131,311 | 162,044 |
| Total Temporary Differences | - | (326,574) | (692,160) | (1,804,754) | (2,225,615) | (2,746,506) |
| Amortization of EDFIT | - | - | - | - | - | - |
| Deferred Federal Income Taxes | - | 68,581 | 145,354 | 378,998 | 467,379 | 576,766 |
| Net Taxable Equity Return | - | 46,758 | 461,906 | 695,509 | 1,329,054 | 1,935,382 |
| Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | - | 12,429 | 122,785 | 184,882 | 353,293 | 514,469 |
| Amortization of EDFIT | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | - | 68,581 | 145,354 | 378,998 | 467,379 | 576,766 |
| Investment Tax Credits | | | | | | |
| Investment Tax Credits | - | - | - | | | |
| R&D Credits | - | - | - | | | |
| **Total Federal Income Tax** | - | 81,010 | 268,139 | 563,881 | 820,672 | 1,091,235 |
| **State Income Tax** | | | | | | |
| Net Current Taxable Equity Return | - | 59,187 | 584,691 | 880,392 | 1,682,348 | 2,449,851 |
| State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | - | 3,492 | 34,497 | 51,943 | 99,259 | 144,541 |
| Amortization of EDSIT | - | - | - | | | |
| Total Deferred State Income Tax | - | 19,268 | 40,837 | 106,480 | 131,311 | 162,044 |
| **Total State Income Tax** | - | 22,760 | 75,334 | 158,424 | 230,570 | 306,585 |
| **Revenue Credits** | | | | | | |
| Opt-out Fee Revenue | - | - | - | | | |
| **Total Revenue Credits** | | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | - | 1,361,038 | 3,266,612 | 5,557,896 | 8,240,218 | 11,075,133 |
| Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | - | 6,922 | 16,613 | 28,266 | 41,908 | 56,325 |
| **Total Revenue Requirement** | **$ -** | **$ 1,367,960** | **$ 3,283,225** | **$ 5,586,162** | **$ 8,282,125** | **$ 11,131,458** |
| **Revenue Requirement Summary** | | | | | | |
| Return on Rate Base | - | 426,063 | 1,407,135 | 2,987,970 | 4,332,077 | 5,749,492 |
| O&M | - | 618,471 | 741,521 | 893,465 | 1,082,979 | 1,324,568 |
| Depreciation Expense | - | 159,488 | 582,435 | 719,500 | 1,338,263 | 1,968,756 |
| Taxes Other Than Income | - | 60,169 | 208,661 | 262,923 | 477,563 | 690,822 |
| Net Allowable Federal Income Tax | - | 81,010 | 268,139 | 563,881 | 820,672 | 1,091,235 |
| Net Allowable State Income Tax | - | 22,760 | 75,334 | 158,424 | 230,570 | 306,585 |
| Revenue Credits | - | - | - | - | - | - |
| **Total Revenue Requirement** | $ - | $ 1,367,960 | $ 3,283,225 | $ 5,586,162 | $ 8,282,125 | $ 11,131,458 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Telecommunications - Estimated Revenue Requirement Telecommunications Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - |
| Distribution Plant - Other | 2,927,147 | 13,990,041 | 21,906,137 | 32,408,068 | 34,713,511 | 41,264,948 |
| Total Distribution Plant | 2,927,147 | 13,990,041 | 21,906,137 | 32,408,068 | 34,713,511 | 41,264,948 |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | 2,927,147 | 13,990,041 | 21,906,137 | 32,408,068 | 34,713,511 | 41,264,948 |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - |
| Distribution Plant - Other | (165,016) | (384,751) | (936,920) | (1,579,393) | (2,529,870) | (3,547,963) |
| Total Distribution Plant | (165,016) | (384,751) | (936,920) | (1,579,393) | (2,529,870) | (3,547,963) |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | (165,016) | (384,751) | (936,920) | (1,579,393) | (2,529,870) | (3,547,963) |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | - | - | - | - | - |
| Total Distribution ADIT - Other | (27,235) | (145,295) | (306,694) | (635,761) | (865,789) | (1,191,254) |
| Total Distribution ADIT | (27,235) | (145,295) | (306,694) | (635,761) | (865,789) | (1,191,254) |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | (27,235) | (145,295) | (306,694) | (635,761) | (865,789) | (1,191,254) |
| **Total Rate Base** | **$ 2,734,896** | **$ 13,459,996** | **$ 20,662,523** | **$ 30,192,915** | **$ 31,317,852** | **$ 36,525,731** |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | 167,619 | 557,701 | 1,282,590 | 2,083,000 | 2,160,609 | 2,519,899 |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | 1,364 | 1,364 | 1,364 | 1,364 | 1,364 |
| Other | 49 | 398,905 | 764,014 | 797,810 | 833,126 | 870,032 |
| Total Distribution O&M | 49 | 400,269 | 765,378 | 799,174 | 834,490 | 871,396 |
| Transmission O&M | - | - | - | - | - | - |
| A&G | - | - | - | - | - | - |
| **Total O&M** | 49 | 400,269 | 765,378 | 799,174 | 834,490 | 871,396 |

**PNM Exhibit RNG-4**

**WP Telecommunications - Estimated Revenue Requirement Telecommunications Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Depreciation Expense** | | | | | | |
| Production Depreciation Expense | - | - | - | - | - | - |
| Distribution Depreciation Expense | | | | | | |
| Distribution Depreciation Expense - Meters | - | - | - | - | - | - |
| Distribution Depreciation Expense - Software | - | - | - | - | - | - |
| Distribution Depreciation Expense - Other | 165,016 | 219,735 | 552,170 | 642,473 | 950,478 | 1,018,093 |
| Distribution Depreciation Expense Total | 165,016 | 219,735 | 552,170 | 642,473 | 950,478 | 1,018,093 |
| Total Transmission Depreciation Expense | - | - | - | - | - | - |
| **Total Depreciation Expense** | 165,016 | 219,735 | 552,170 | 642,473 | 950,478 | 1,018,093 |
| **Property Tax** | | | | | | |
| Production Property Tax | - | - | - | - | - | - |
| Distribution Property Tax | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | - | - | - | - | - |
| Other | - | 71,621 | 179,648 | 206,828 | 304,076 | 317,441 |
| Total Distribution Property Tax | - | 71,621 | 179,648 | 206,828 | 304,076 | 317,441 |
| Transmission Property Tax | - | - | - | - | - | - |
| **Total Property Taxes** | - | 71,621 | 179,648 | 206,828 | 304,076 | 317,441 |
| **Federal Income Tax** | | | | | | |
| Return Adjustments | | | | | | |
| Interest | (50,234) | (167,138) | (384,379) | (624,254) | (647,513) | (755,188) |
| Tax/Book Adjustments | | | | | | |
| AFUDC Equity Flow Through | - | 5,352 | 18,640 | 22,249 | 34,561 | 37,264 |
| R&D Credit Flow Through | - | | | - | - | - |
| ITC Flow Through | - | - | - | - | - | - |
| Total Permanent Differences | - | 5,352 | 18,640 | 22,249 | 34,561 | 37,264 |
| Depreciation and AFUDC Debt | (94,861) | (411,216) | (562,172) | (1,146,173) | (801,214) | (1,133,628) |
| Deferred State Income Tax | 5,285 | 22,910 | 31,320 | 63,857 | 44,638 | 63,158 |
| Total Temporary Differences | (89,576) | (388,306) | (530,852) | (1,082,317) | (756,576) | (1,070,470) |
| Amortization of EDFIT | - | - | - | - | - | - |
| Deferred Federal Income Taxes | 18,811 | 81,544 | 111,479 | 227,287 | 158,881 | 224,799 |
| Net Taxable Equity Return | 46,620 | 89,154 | 497,477 | 625,965 | 949,962 | 956,303 |
| Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| Total Current Federal Income Tax | 12,393 | 23,699 | 132,241 | 166,396 | 252,522 | 254,207 |
| Amortization of EDFIT | - | - | - | - | - | - |
| Total Provision for Federal Income Tax | 18,811 | 81,544 | 111,479 | 227,287 | 158,881 | 224,799 |
| Investment Tax Credits | | | | | | |
| Investment Tax Credits | - | - | - | | | |
| R&D Credits | - | - | - | | | |
| **Total Federal Income Tax** | 31,204 | 105,243 | 243,720 | 393,682 | 411,403 | 479,006 |
| **State Income Tax** | | | | | | |
| Net Current Taxable Equity Return | 59,013 | 112,853 | 629,718 | 792,361 | 1,202,483 | 1,210,510 |
| State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Total Current State Income Tax | 3,482 | 6,658 | 37,153 | 46,749 | 70,947 | 71,420 |
| Amortization of EDSIT | - | - | - | | | |
| Total Deferred State Income Tax | 5,285 | 22,910 | 31,320 | 63,857 | 44,638 | 63,158 |
| **Total State Income Tax** | 8,767 | 29,568 | 68,474 | 110,606 | 115,585 | 134,578 |
| **Revenue Credits** | | | | | | |
| Opt-out Fee Revenue | - | - | - | - | - | - |
| **Total Revenue Credits** | | - | - | - | - | - |
| **Total Revenue Requirement Before Revenue Tax** | 372,655 | 1,384,138 | 3,091,979 | 4,235,763 | 4,776,640 | 5,340,412 |
| Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| **Revenue Tax** | 1,895 | 7,039 | 15,725 | 21,542 | 24,293 | 27,160 |
| **Total Revenue Requirement** | **$ 374,550** | **$ 1,391,177** | **$ 3,107,704** | **$ 4,257,305** | **$ 4,800,933** | **$ 5,367,572** |
| **Revenue Requirement Summary** | | | | | | |
| Return on Rate Base | 167,619 | 557,701 | 1,282,590 | 2,083,000 | 2,160,609 | 2,519,899 |
| O&M | 49 | 400,269 | 765,378 | 799,174 | 834,490 | 871,396 |
| Depreciation Expense | 165,016 | 219,735 | 552,170 | 642,473 | 950,478 | 1,018,093 |
| Taxes Other Than Income | 1,895 | 78,660 | 195,373 | 228,370 | 328,369 | 344,601 |
| Net Allowable Federal Income Tax | 31,204 | 105,243 | 243,720 | 393,682 | 411,403 | 479,006 |
| Net Allowable State Income Tax | 8,767 | 29,568 | 68,474 | 110,606 | 115,585 | 134,578 |
| Revenue Credits | - | - | - | - | - | - |
| **Total Revenue Requirement** | $ 374,550 | $ 1,391,177 | $ 3,107,704 | $ 4,257,305 | $ 4,800,933 | $ 5,367,572 |

*Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3.

**PNM Exhibit RNG-4**

**WP Program Oversight - Estimated Revenue Requirement Program Oversight Project**

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **Gross Plant** | | | | | | |
| Production Plant | $ - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | - | - | - | - | - |
| Transmission Plant | - | - | - | - | - | - |
| **Total Gross Plant** | - | - | - | - | - | - |
| **Accumulated Depreciation** | | | | | | |
| Production Plant | - | - | - | - | - | - |
| Distribution Plant | | | | | | |
| Distribution Plant - Meters | - | - | - | - | - | - |
| Distribution Plant - Software | - | - | - | - | - | - |
| Distribution Plant - Other | - | - | - | - | - | - |
| Total Distribution Plant | - | - | - | - | - | - |
| Transmission Plant | - | - | - | - | - | - |
| **Total Accumulated Depreciation** | - | - | - | - | - | - |
| **ADIT** | | | | | | |
| Total Production ADIT | - | - | - | - | - | - |
| Distribution ADIT | | | | | | |
| Total Distribution ADIT - Meters | - | - | - | - | - | - |
| Total Distribution ADIT - Software | - | - | - | - | - | - |
| Total Distribution ADIT - Other | - | - | - | - | - | - |
| Total Distribution ADIT | - | - | - | - | - | - |
| Total Transmission ADIT | - | - | - | - | - | - |
| **Total ADIT** | - | - | - | - | - | - |
| **Total Rate Base** | $ - | $ - | $ - | $ - | $ - | $ - |
| **Weighted Average Cost of Capital** | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% | 6.90% |
| **Return on Rate Base** | - | - | - | - | - | - |
| **O&M** | | | | | | |
| Production O&M | - | - | - | - | - | - |
| Distribution O&M | | | | | | |
| Meters | - | - | - | - | - | - |
| Software | - | - | - | - | - | - |
| Other | 1,646,776 | - | - | - | - | - |
| Total Distribution O&M | 1,646,776 | - | - | - | - | - |
| Transmission O&M | - | - | - | - | - | - |
| A&G | 1,087,615 | 2,149,087 | 1,766,004 | 1,346,884 | 1,406,550 | 1,468,902 |
| **Total O&M** | 2,734,391 | 2,149,087 | 1,766,004 | 1,346,884 | 1,406,550 | 1,468,902 |

**PNM Exhibit RNG-4**

**WP Program Oversight - Estimated Revenue Requirement Program Oversight Project**

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| 142 | **Depreciation Expense** | | | | | | |
| 146 | Production Depreciation Expense | - | - | - | - | - | - |
| 147 | | | | | | | |
| 148 | Distribution Depreciation Expense | | | | | | |
| 152 | Distribution Depreciation Expense - Meters | - | - | - | - | - | - |
| 157 | Distribution Depreciation Expense - Software | - | - | - | - | - | - |
| 162 | Distribution Depreciation Expense - Other | - | - | - | - | - | - |
| 163 | Distribution Depreciation Expense Total | - | - | - | - | - | - |
| 164 | | | | | | | |
| 168 | Total Transmission Depreciation Expense | - | - | - | - | - | - |
| 169 | | | | | | | |
| 170 | **Total Depreciation Expense** | - | - | - | - | - | - |
| 171 | | | | | | | |
| 172 | **Property Tax** | | | | | | |
| 173 | Production Property Tax | - | - | - | - | - | - |
| 174 | | | | | | | |
| 175 | Distribution Property Tax | | | | | | |
| 176 | Meters | - | - | - | - | - | - |
| 177 | Software | - | - | - | - | - | - |
| 178 | Other | - | - | - | - | - | - |
| 179 | Total Distribution Property Tax | - | - | - | - | - | - |
| 180 | | | | | | | |
| 181 | Transmission Property Tax | - | - | - | - | - | - |
| 182 | | | | | | | |
| 183 | **Total Property Taxes** | - | - | - | - | - | - |
| 184 | | | | | | | |
| 185 | **Federal Income Tax** | | | | | | |
| 186 | Return Adjustments | | | | | | |
| 187 | Interest | - | - | - | - | - | - |
| 188 | | | | | | | |
| 189 | Tax/Book Adjustments | | | | | | |
| 190 | AFUDC Equity Flow Through | - | - | - | - | - | - |
| 191 | R&D Credit Flow Through | - | - | - | - | - | - |
| 192 | ITC Flow Through | - | - | - | - | - | - |
| 193 | Total Permanent Differences | - | - | - | - | - | - |
| 194 | Depreciation and AFUDC Debt | - | - | - | - | - | - |
| 195 | Deferred State Income Tax | - | - | - | - | - | - |
| 196 | Total Temporary Differences | - | - | - | - | - | - |
| 197 | Amortization of EDFIT | - | - | - | - | - | - |
| 198 | Deferred Federal Income Taxes | - | - | - | - | - | - |
| 199 | | | | | | | |
| 200 | Net Taxable Equity Return | - | - | - | - | - | - |
| 201 | Federal Tax Rate | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% | 26.58% |
| 202 | Total Current Federal Income Tax | - | - | - | - | - | - |
| 203 | Amortization of EDFIT | - | - | - | - | - | - |
| 204 | Total Provision for Federal Income Tax | - | - | - | - | - | - |
| 205 | Investment Tax Credits | | | | | | |
| 206 | Investment Tax Credits | - | - | - | | | |
| 207 | R&D Credits | - | - | - | | | |
| 208 | **Total Federal Income Tax** | - | - | - | - | - | - |
| 209 | | | | | | | |
| 210 | **State Income Tax** | | | | | | |
| 211 | Net Current Taxable Equity Return | - | - | - | - | - | - |
| 212 | State Tax Rate | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| 213 | Total Current State Income Tax | - | - | - | - | - | - |
| 214 | Amortization of EDSIT | - | - | - | | | |
| 215 | Total Deferred State Income Tax | - | - | - | - | - | - |
| 216 | **Total State Income Tax** | - | - | - | - | - | - |
| 217 | | | | | | | |
| 218 | **Revenue Credits** | | | | | | |
| 219 | Opt-out Fee Revenue | - | - | - | | | |
| 220 | **Total Revenue Credits** | | - | - | - | - | - |
| 221 | | | | | | | |
| 222 | **Total Revenue Requirement Before Revenue Tax** | 2,734,391 | 2,149,087 | 1,766,004 | 1,346,884 | 1,406,550 | 1,468,902 |
| 223 | Revenue Tax Factor | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% | 0.508573% |
| 224 | **Revenue Tax** | 13,906 | 10,930 | 8,981 | 6,850 | 7,153 | 7,470 |
| 225 | | | | | | | |
| 226 | **Total Revenue Requirement** | **$ 2,748,297** | **$ 2,160,017** | **$ 1,774,986** | **$ 1,353,734** | **$ 1,413,704** | **$ 1,476,372** |
| 227 | | | | | | | |
| 228 | **Revenue Requirement Summary** | | | | | | |
| 229 | Return on Rate Base | - | - | - | - | - | - |
| 230 | O&M | 2,734,391 | 2,149,087 | 1,766,004 | 1,346,884 | 1,406,550 | 1,468,902 |
| 231 | Depreciation Expense | - | - | - | - | - | - |
| 232 | Taxes Other Than Income | 13,906 | 10,930 | 8,981 | 6,850 | 7,153 | 7,470 |
| 233 | Net Allowable Federal Income Tax | - | - | - | - | - | - |
| 234 | Net Allowable State Income Tax | - | - | - | - | - | - |
| 235 | Revenue Credits | - | - | - | - | - | - |
| 236 | **Total Revenue Requirement** | $ 2,748,297 | $ 2,160,017 | $ 1,774,986 | $ 1,353,734 | $ 1,413,704 | $ 1,476,372 |
| 237 | | | | | | | |
| 238 | *Note: Year 2 and 3 Revenue Requirements reflect the sum of monthly totals. The electronic version of this worksheet uses the Microsoft Excel outline function. This function groups the monthly columns for print formatting purposes. For year 2 and 3 monthly activity, please refer to PNM Exhibits RNG-2 and RNG-3. | | | | | | |

**PNM Exhibit RNG-4**
**WP WACC**
**Approved in NMPRC Case No. 24-00089-UT**

| Line No. | Capital Component | Total Capitalization Test Period | Percentage of Total Capitalization | Capital Component Cost | Weighted Average Cost |
|---|---|---|---|---|---|
| 1 | Long Term Debt | | 48.75% | 4.24% | 2.07% |
| 2 | Preferred Stock | | 0.25% | 4.62% | 0.01% |
| 3 | Common Equity | | 51.00% | 9.450% | 4.82% |
| 4 | Total | 0 | 100.00% | | 6.90% |
| | | | | Tax Rate | 25.40% |
| | | | | Tax Gross Up: | |
| | | | | Debt | 2.07% |
| | | | | Preferred | 0.02% |
| | | | | Equity | 6.46% |
| | | | | Total | 8.54% |

| **PNM Exhibit RNG-4** | | | |
|---|---|---|---|
| **WP Assumption - Rate Assumptions** | | | |
| | | | |
| | | | |
| | **Yearly Rate** | **Monthly Rate** | |
| **Property Tax Rate** | 2.96% | 0.25% | |
| **Advanced Metering (years)** | 20 | | |
| **Composite Production Depr. Rate** | 2.00% | 0.17% | |
| **Composite Transmission Depr. Rate** | 2.65% | 0.22% | |
| **Composite Distribution Depr. Rate** | 2.93% | 0.24% | |
| **Software** | 10.00% | 0.83% | |
| **Composite General Plant Depr. Rate** | 5.64% | 0.47% | |
| **Meters Depreciation Rate** | 5.00% | 0.42% | |
| **AFUDC Equity Rate** | 3.997% | | |
| **AFUDC Debt Rate** | 1.951% | | |
| | | | |
| | | | |
| | 51.82% | Retail Share of Transmission | |
| | | | |

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

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

**AFFIDAVIT**

STATE OF NEW MEXICO )
) ss
COUNTY OF BERNALILLO )

**REINA N. GUTIERREZ, Senior Manager of Cost of Service, for PNMR Services Company,** upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Reina N. Gutierrez,** and it is true and accurate based on my own personal knowledge and belief.

Dated this 10th day of April, 2026.

*/s/ Reina N. Gutierrez*
**REINA N. GUTIERREZ**

*GCG # 534764*