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**DOCKET NO. 57816**

**APPLICATION OF TEXAS-NEW  
MEXICO POWER COMPANY  
FOR APPROVAL TO AMEND  
ITS DISTRIBUTION COST  
RECOVERY FACTOR**

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**BEFORE THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

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**DOCKET NO. 57816**

<b>APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR APPROVAL TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR</b>	<b>§ § § § §</b>	<b>BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS</b>
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**APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR APPROVAL TO  
AMEND ITS DISTRIBUTION COST RECOVERY FACTOR**

Texas-New Mexico Power Company (“TNMP” or “Company”) files this Application for Approval to Amend its Distribution Cost Recovery Factor (“DCRF”) under Section 36.210 of the Public Utility Regulatory Act<sup>1</sup> and 16 Tex. Admin. Code (“TAC”) § 25.243 (“Application”). In support of this Application, TNMP respectfully shows as follows:

**I. INTRODUCTION AND REQUEST**

TNMP’s most recent comprehensive base-rate proceeding was Docket No. 48401, which was based on a 2017 calendar test year.<sup>2</sup> This filing requests an update to TNMP retail and wholesale riders for Distribution Cost Recovery Factor (“DCRF”) to include additional distribution invested capital placed in service from July 1, 2024 through December 31, 2024. This is the seventh DCRF filing for TNMP. TNMP’s most recent DCRF filing, Docket No. 56887, reflected the period of January 1, 2024 through June 30, 2024, and resulted in the Public Utility Commission of Texas (“Commission”) issuing a final order approving those rates on October 3, 2024.<sup>3</sup>

As detailed below and in TNMP’s testimony, exhibits, and workpapers, TNMP invested \$934,412,151 in its distribution rate base between January 1, 2018 through December 31, 2024. This includes \$939,089,283 of net distribution system invested capital booked in FERC Accounts 303, 352, 353, 360-374, 391, and 397 along with \$4,677,133 change related accumulated deferred federal income taxes. The incremental increase in net distribution rate base

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001, *et seq.* (“PURA”).

<sup>2</sup> *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401, *Final Order* (December 20, 2018).

<sup>3</sup> *Application of Texas-New Mexico Power Company to Amend its Distribution Cost Recovery Factor*, Docket No. 56887, *Final Order* (October 3, 2024).

from TNMP's last DCRF filing is \$176,555,282. This includes \$184,161,014 of net distribution system capital investments less \$7,605,732 of related accumulated deferred federal income taxes. The Company's total distribution revenue requirement associated with allowed return, depreciation, income, and other taxes on its net distribution invested capital during that period is \$117,316,085. Adjusted for load growth, the total distribution revenue requirement is \$97,441,761. Compared to the incremental revenue requirement of \$72,466,690 approved in Docket No. 56887, this filing seeks to increase the Company's total distribution revenue requirement by approximately \$24,975,071. The Company is requesting recovery of its reasonable and necessary rate case expenses incurred in this proceeding and \$85,988 from Docket No. 56887 pursuant to PURA § 36.210 and § 36.061(b)(2). Additionally, TNMP requests that any rate case expenses of TNMP, Cities Served by TNMP, or Alliance of Texas-New Mexico Municipalities from Docket No. 56887 approved in this proceeding be granted regulatory asset treatment until the Commission orders the method of recovery for such approved expenses in a subsequent rate proceeding.

## **II. FILING OVERVIEW**

This filing consists of the Table of Contents, this Application, including the direct testimony of four Company witnesses, proposed tariffs, schedules, and workpapers that satisfy the requirements of PURA § 36.210, 16 TAC § 25.243, and the Commission's Distribution Cost Recovery Factor Rate Filing Package ("DCRF-RFP") instructions and forms. TNMP's testimonies, supporting schedules, and workpapers are presented by the following witnesses:

<b>Witness</b>	<b>Principal Subjects Covered</b>
Stacy Whitehurst Vice President of Regulatory Affairs	Calculation of Rider DCRF and Rider WDCRF; Proposed Rider DCRF and Rider WDCRF Tariffs; Billing Unit Calculations, as adjusted for weather and year-end premise growth
Keith Nix Vice President of Operations	Distribution Invested Capital
Arin Apodaca Manager of Cost of Service	Requirements of DCRF Application; Calculation of DCRF Revenue Requirement
Scott Seamster	Rate Case Expenses

These four witnesses and their schedules and workpapers collectively demonstrate TNMP's compliance with the DCRF recovery standards established by PURA, 16 TAC § 25.243, and the Commission's DCRF-RFP instructions and forms. Each of these testimonies also contain affidavits with sworn statements collectively demonstrating compliance with PURA § 36.210(a)(6) and 16 TAC § 25.243(e)(1). TNMP has also included as Schedule K to this Application its most recent earnings monitoring report to be filed with the Commission.

### **III. DESIGNATED REPRESENTATIVES**

TNMP's designated legal and business representatives for purposes of this proceeding are:

Scott Seamster  
Associate General Counsel  
**Texas-New Mexico Power Company**  
577 N. Garden Ridge Blvd.  
Lewisville, Texas 75067  
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Fax: 469-895-4802  
ssparks@vedderprice.com  
nburleson@vedderprice.com

All pleadings, orders, discovery requests, and other matters related to this Application should be served on TNMP by email at the email addresses listed above.

### **IV. JURISDICTION**

The Commission has exclusive jurisdiction over the rates, operations, and services of TNMP in areas outside municipalities pursuant to PURA §§ 32.001(a)(1), 36.210(a), and for those municipalities that have ceded jurisdiction to the Commission pursuant to PURA § 33.002(b). The Commission also has exclusive appellate jurisdiction under PURA § 32.001(b) to review *de novo* an order or ordinance of a municipality exercising original jurisdiction under PURA.

Under PURA §§ 36.210(f)(4), and 33.001(a), municipalities that have not ceded their jurisdiction to the Commission have exclusive original jurisdiction over this filing as it affects rates, operations, and services within their municipal boundaries. Thus, TNMP is filing this

Application simultaneously with all such municipalities<sup>4</sup>. As for the municipal proceedings on this Application, TNMP requests under 16 TAC § 25.243(c)(1)(B) that it be deemed to have appealed any decision to the Commission 60 days after filing the Application and that any interim or final decisions issued by a municipality's governing body be automatically suspended at the time such decision takes effect.

## **V. AFFECTED PERSONS**

TNMP's Application affects all retail electric providers ("REPs") that take electric delivery service from TNMP and will affect the retail electric customers of those REPs to the extent that the REPs pass along charges to their customers under the Company's approved DCRF tariffs. This Application also affects wholesale customers of TNMP receiving service at distribution voltage. If the DCRF requested in this Application is approved, then TNMP's distribution revenues will be approximately \$97,441,761 on an annual basis.

## **VI. PROPOSED RIDERS AND EFFECTIVE DATE**

TNMP's proposed "6.1.1.6.7 Rider DCRF" to the Company's Tariff for Retail Delivery Service and proposed Rider "3.3 Rider DCRF" to the Company's Tariff for Transmission Service are attached to this Application as Attachments A and B, respectively. Under PURA § 36.210(i), TNMP's proposed effective date for rates under both the retail and wholesale Rider DCRF is June 27, 2025.

## **VII. NOTICE AND INTERVENTION DEADLINE**

TNMP is providing notice of this Application, as required by 16 TAC § 25.243(e)(2), by serving a copy of this Application and all accompanying materials to authorized party representatives in Docket Nos. 56887 and 48401, TNMP's last DCRF and last comprehensive base-rate proceeding, respectively. TNMP will file proof of notice with the Commission upon completion. Based on the timeline required by PURA § 36.210(i), TNMP is making a good cause request to set the deadlines for intervention and motions to find the application deficient on March 28, 2025. Without such expedited schedule, it is nearly guaranteed that this proceeding

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<sup>4</sup> Alvin, Angleton, Bailey's Prairie, Barstow, Blum, Brazoria, Clifton, Coppell, Covington, Dickinson, Farmersville, Fort Stockton, Friendswood, Gatesville, Glen Rose, Holiday Lakes, Kermit, La Marque, League City, Lewisville, Pearland, Pecos, Rio Vista, Sweeny, Texas City, Toyah, Walnut Springs, West Columbia, and Whitney.

will not be concluded within the statutorily required 60-day time frame. Truncated deadlines have been approved in other recently-filed DCRF proceedings on the grounds that the new amendment to PURA § 36.210 supports a finding of good cause to shorten the deadlines in 16 TAC § 25.243(e)(2) and (e)(6)(A).<sup>5</sup>

### **VIII. REQUESTED PROTECTIVE ORDER**

Attached to this Application as Attachment C is a form of the Commission's standard protective order, under 16 TAC § 22.142(c), for the protection of materials submitted in this proceeding containing privileged, confidential, competitively sensitive, proprietary trade secret data, and commercial and financial information. TNMP requests that the Commission issue a protective order in the form of Attachment C and require all parties to adhere to its terms.

### **IX. PROPOSED PROCEDURAL SCHEDULE**

Due to the expedited nature of the DCRF proceedings, TNMP is proposing a procedural schedule similar to the schedule adopted in other recent ERCOT transmission and distribution utilities proceedings. TNMP welcomes comments from interested parties in order to have a procedural schedule established as soon as practicable in this case to allow for a final order to be issued by May 13, 2025.

<b>Date</b>	<b>Event</b>
Friday, March 14, 2025	TNMP's Application filed
Wednesday, March 19, 2025	Deadline for TNMP to file Proof of Notice
Friday, March 28, 2025	Deadline to Intervene and to file Material Deficiency Motions
Friday, March 28, 2025	Deadline for Commission Staff to file Recommendations on Administrative Completeness of the Application, the Sufficiency of the Proposed Method of Notice, and the Provision of Notice
Tuesday, April 1, 2025	Deadline for TNMP's response to a Motion to Find the Application Materially Deficient
Friday, April 4, 2025	Deadline for Intervenor Recommendations on Application
Monday, April 7, 2025	Deadline for Commission Staff to file Recommendation on Final Disposition
Tuesday, April 8, 2025	Deadline for TNMP to file responses to Intervenor and Staff Recommendations on Application

<sup>5</sup> See, e.g., *Application of Oncor Electric Company LLC to Amend its Distribution Cost Recovery Factor*, Docket No. 56963, Order No. 1 – *Establishing Procedural Schedules, Entering Protective Order, and Addressing Other Procedural Matters* at footnote 4 (August 19, 2024).

	Deadline for Parties to file Joint Motion to Admit Evidence, Proposed Findings of Fact, Corresponding Conclusions of Law, and Ordering Paragraphs
Monday, April 24, 2025	Consideration of Application at PUCT Open Meeting
Tuesday, May 13, 2025	PURA § 36.210(i) 60-Day Deadline

## X. CONCLUSION AND PRAYER

Based on the Application and supporting evidence in this proceeding, TNMP respectfully requests that the Commission issue a protective order in the form of Attachment C; limit the scope of the proceeding as required by PURA § 36.210; approve the DCRF rates and tariffs as requested herein; find that the reasonable and necessary rate case expenses incurred in this proceeding and Docket No. 56887 are recoverable pursuant to PURA § 36.210 and § 36.061(b)(2); and grant the Company such other and further relief to which it may be entitled.

Respectfully submitted,

/s/ Scott Seamster

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State Bar No. 00784939  
Associate General Counsel  
**TXNM ENERGY ON BEHALF OF**  
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**ATTORNEYS FOR TEXAS-NEW MEXICO  
POWER COMPANY**

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing has been served in accordance with  
16 TAC § 25.243.

/s/ Scott Seamster  
Counsel

**TEXAS-NEW MEXICO POWER COMPANY  
TARIFF FOR RETAIL DELIVERY SERVICE**

Attachment A  
Page 1 of 4

**6.1. Rate Schedules**

**Applicable:** Entire Certified Service Area

**Effective Date:** June 27, 2025

**Page No.:**138.1

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**6.1.1.6.7 RIDER DCRF – DISTRIBUTION COST RECOVERY FACTOR**

**AVAILABILITY**

Each Retail Customer connected to the Company's transmission or distribution system will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule § 25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

**MONTHLY RATE**

The Competitive Retailer, on behalf of the Retail Customer, will be assessed this distribution service charge adjustment based on the monthly per unit cost (DCRF) multiplied times the Retail Customer's appropriate monthly billing determinant (kWh or Billing kW or Per Meter and per ESI ID). The DCRF shall be calculated for each rate according to the following formula:

$$\text{DCRF} = \frac{[(\text{DIC}_C - \text{DIC}_{RC}) * \text{ROR}_{AT}] + (\text{DEPR}_C - \text{DEPR}_{RC}) + (\text{FIT}_C - \text{FIT}_{RC}) + (\text{OT}_C - \text{OT}_{RC}) - \Sigma(\text{DISTREV}_{RC\text{-CLASS}} * \% \text{GROWTH}_{\text{CLASS}})] * \text{ALLOC}_{\text{CLASS}}}{\text{BD}_{C\text{-CLASS}}}$$

rounded to nearest \$.000001

Where:

- $\text{DIC}_C$  = Current Net Distribution Invested Capital
- $\text{DIC}_{RC}$  = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{ROR}_{AT}$  = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- $\text{DEPR}_C$  = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- $\text{DEPR}_{RC}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- $\text{FIT}_C$  = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.

# TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

## 6.1. Rate Schedules

Applicable: Entire Certified Service Area

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Effective Date: June 27, 2025

Revision: 6

$FIT_{RC}$  = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

$OT_C$  = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$OT_{RC}$  = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$DISTREV_{RC-CLASS}$  (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) =  $(DIC_{RC-CLASS} * ROR_{AT}) + DEPR_{RC-CLASS} + FIT_{RC-CLASS} + OT_{RC-CLASS}$ .

$\%GROWTH_{CLASS} = \frac{Growth\ in\ Billing\ Determinants\ by\ Class}{BC_{RC-CLASS}} = \frac{(BD_{C-CLASS} - BD_{RC-CLASS})}{BC_{RC-CLASS}}$

$DIC_{RC-CLASS}$  = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$  = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$  = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$  = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class ( less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

### 6.1. Rate Schedules

**Applicable:** Entire Certified Service Area

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**Effective Date:** June 27, 2025

**Revision:** 6

as approved by the commission in the electric utility's last comprehensive base-rate case.

The Allocation Factor for each listed rate schedule is as follows:

<b>Class</b>	<b>Class Allocation Factor</b>
Residential	57.3917%
Secondary Service < 5 kW	1.0196%
Secondary Service > 5 kW	32.1162%
Primary & Wholesale DLS	5.7431%
Transmission	1.4597%
Lighting	2.2697%

$BD_{C-CLASS}$  = Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS}$  = Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

### MONTHLY RATE

Residential Service	\$ 0.017409	kWh
Secondary Service (Less Than or Equal to 5 kW)	\$0.020673	kWh
Secondary Service (Greater Than 5 kW)	\$3.522658	Billed kW
Primary Service	\$0.839649	Billed kW
Transmission Service*	\$665.91	Per ESI ID
	\$665.91	Per Meter
Lighting Service	\$0.067962	kWh

\*Monthly rate assessed on each ESI ID and each meter that is charged under Rate Schedule 6.1.1.1.5

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

### 6.1. Rate Schedules

**Applicable:** Entire Certified Service Area

**Effective Date:** June 27, 2025

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### Historical DCRF Rates – Distribution Cost Recovery Factor

Effective Date	Docket No.	Residential Service (Per kWh)	Secondary Service < 5kW (Per Billing kW)	Secondary Service >5kW (Per Billing kW)	Primary Service (Per Billing kW)	Transmission Service (Per ESI ID and Meter)	Lighting Service (Per kWh)
-	-						
Nov. 17, 2024	56887	\$0.012937	\$0.014474	\$2.587853	\$0.628469	\$503.72	\$0.050184
July 28, 2024	56428	\$0.011729	\$0.012905	\$2.264824	\$0.515834	\$457.78	\$0.044678
Sept. 1, 2023	54807	\$0.009120	\$0.009693	\$1.804050	\$0.523299	\$378.16	\$0.033341
Sept. 1, 2022	53436	\$0.006487	\$0.007868	\$1.356983	\$0.587084	\$278.87	\$0.023292
Sept. 1, 2021	51959	\$0.005079	\$0.008404	\$1.043740	\$0.494682	\$233.28	\$0.018425
Sept. 1, 2020	50731	\$0.002715	\$0.004388	\$0.513878	\$0.268705	\$125.04	\$0.009411

### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION DELIVERY SERVICE

### Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: June 27, 2025

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### 3.3 RIDER DCRF –DISTRIBUTION COST RECOVER FACTOR

#### AVAILABILITY

Each WDSC will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule § 25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

#### MONTHLY RATE

The WDSC receiving service will be assessed this distribution service charge adjustment based on the monthly per unit cost (WDCRF) multiplied times the WDSC's appropriate monthly billing determinant. The WDCRF shall be calculated for each rate according to the following formula:

$$\text{WDCRF} = \frac{[(\text{DIC}_C - \text{DIC}_{RC}) * \text{ROR}_{AT}) + (\text{DEPR}_C - \text{DEPR}_{RC}) + (\text{FIT}_C - \text{FIT}_{RC}) + (\text{OT}_C - \text{OT}_{RC}) - \Sigma(\text{DISTREV}_{RC-CLASS} * \% \text{GROWTH}_{CLASS})]{ * \text{ALLOC}_{CLASS} / \text{BD}_{C-CLASS}}$$

rounded to nearest \$.000001

Where:

- $\text{DIC}_C$  = Current Net Distribution Invested Capital
- $\text{DIC}_{RC}$  = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{ROR}_{AT}$  = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- $\text{DEPR}_C$  = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- $\text{DEPR}_{RC}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- $\text{FIT}_C$  = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.
- $\text{FIT}_{RC}$  = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION DELIVERY SERVICE

### Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area

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$OT_C$  = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$OT_{RC}$  = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$DISTREV_{RC-CLASS}$  (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) =  
 $(DIC_{RC-CLASS} * ROR_{AT}) + DEPR_{RC-CLASS} + FIT_{RC-CLASS} + OT_{RC-CLASS}$ .

$\%GROWTH_{CLASS}$  Growth in Billing Determinants by Class) =  $(BD_{C-CLASS} - BD_{RC-CLASS}) / BC_{RC-CLASS}$

$DIC_{RC-CLASS}$  = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$  = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$  = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$  = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes as approved by the commission in the electric utility's last comprehensive base-rate case.

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION DELIVERY SERVICE

### Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area

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The Allocation Factor for each listed rate schedule is as follows:

Class	Class Allocation Factor
Residential	57.3917%
Secondary Service < 5kW	1.0196%
Secondary Service > 5kW	32.1162%
Primary& Wholesale DLS	5.7431%
Transmission	1.4597%
Lighting	2.2697%

$BD_{C-CLASS} =$  Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS} =$  Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

### MONTHLY RATE

Wholesale Distribution Service Customer	\$0.839649	Per Billing kW
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### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

DOCKET NO. 57816

APPLICATION OF TEXAS-NEW	§	PUBLIC UTILITY COMMISSION
MEXICO POWER COMPANY FOR	§	
APPROVAL TO ADJUST THE	§	OF TEXAS
DISTRIBUTION COST RECOVERY	§	
FACTOR	§	

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**(PROPOSED) PROTECTIVE ORDER**

This Protective Order shall govern the use of all information deemed confidential (“Protected Materials”) or highly confidential (“Highly Sensitive Protected Materials”), including information whose confidentiality is currently under dispute, by a party providing information to the Public Utility Commission of Texas (“Commission”) or to any other party to this proceeding.

It is ORDERED that:

1. **Designation of Protected Materials.** Upon producing or filing a document, including, but not limited to, records on a computer disk or other similar electronic storage medium in this proceeding, the producing party may designate that document, or any portion of it, as confidential pursuant to this Protective Order by typing or stamping on its face “PROTECTED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. 57816” (or words to this effect) and consecutively Bates Stamping each page. Protected Materials and Highly Sensitive Protected Materials include the documents so designated, as well as the substance of the information contained in the documents and any description, report, summary, or statement about the substance of the information contained in the documents.
2. **Materials Excluded from Protected Materials Designation.** Protected Materials shall not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local governmental authority subject to the Public Information Act.<sup>1</sup> Protected Materials also shall not include documents or

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<sup>1</sup> TEX. GOV'T CODE ANN. §§ 552.001-552.353 (West 2004).

information which at the time of, or prior to disclosure in, a proceeding is or was public knowledge, or which becomes public knowledge other than through disclosure in violation of this Protective Order.

3. **Reviewing Party.** For the purposes of this Protective Order, a “Reviewing Party” is any party to this docket.
4. **Procedures for Designation of Protected Materials.** On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party shall file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating: (a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing party’s claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (c) that counsel for the producing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
5. **Persons Permitted Access to Protected Materials.** Except as otherwise provided in this Protective Order, a Reviewing Party may access Protected Materials only through its “Reviewing Representatives” who have signed the Protective Order Certification Form (see Attachment A). Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. The Commissioners and their staff shall be informed of the existence and coverage of this Protective Order and shall observe the restrictions of the Protective Order.
6. **Highly Sensitive Protected Material Described.** The term “Highly Sensitive Protected Materials” is a subset of Protected Materials and refers to documents or information that a producing party claims is of such a highly sensitive nature that making copies of such

documents or information or providing access to such documents to employees of the Reviewing Party (except as specified herein) would expose a producing party to unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act;<sup>2</sup> (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; or (d) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party shall bear the designation “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. 57816” (or words to this effect) and shall be consecutively Bates Stamped. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party’s designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.

7. **Restrictions on Copying and Inspection of Highly Sensitive Protected Material.**

Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be made to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. The Reviewing Party shall maintain a record of all copies made of Highly Sensitive Protected Material and shall send a duplicate of the record to the producing party when the copy or copies are made. The record shall specify the location and the person possessing the copy. Highly Sensitive Protected Material shall be made available for inspection only at the location or locations provided by the producing party, except as specified by Paragraph 9. Limited notes may be made of Highly

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<sup>2</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (West 2007 & Supp. 2011)

Sensitive Protected Materials, and such notes shall themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

8. **Restricting Persons Who May Have Access to Highly Sensitive Protected Material.**

With the exception of Commission Staff, the Office of the Attorney General (OAG), and the Office of Public Utility Counsel (OPC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel or, (c) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party shall limit the number of Reviewing Representatives that review Highly Sensitive Protected Materials to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff, OAG, and OPC, for the purpose of access to Highly Sensitive Protected Materials, shall consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.

9. **Copies Provided of Highly Sensitive Protected Material.** A producing party shall provide one copy of Highly Sensitive Protected Materials specifically requested by the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to review Highly Sensitive Protected Material under Paragraph 8. Representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information.

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(PURA).

Any Highly Sensitive Protected Materials provided to a Reviewing Party may not be copied except as provided in Paragraph 7. The restrictions contained herein do not apply to Commission Staff, OPC, and the OAG when the OAG is a representing a party to the proceeding.

10. **Procedures in Paragraphs 10-14 Apply to Commission Staff, OPC, and the OAG and Control in the Event of Conflict.** The procedures in Paragraphs 10 through 14 apply to responses to requests for documents or information that the producing party designates as Highly Sensitive Protected Materials and provides to Commission Staff, OPC, and the OAG in recognition of their purely public functions. To the extent the requirements of Paragraphs 10 through 14 conflict with any requirements contained in other paragraphs of this Protective Order, the requirements of these Paragraphs shall control.
11. **Copy of Highly Sensitive Protected Material to be Provided to Commission Staff, OPC and the OAG.** When, in response to a request for information by a Reviewing Party, the producing party makes available for review documents or information claimed to be Highly Sensitive Protected Materials, the producing party shall also deliver one copy of the Highly Sensitive Protected Materials to the Commission Staff, OPC, and the OAG (if the OAG is representing a party) in Austin, Texas. Provided however, that in the event such Highly Sensitive Protected Materials are voluminous, the materials will be made available for review by Commission Staff, OPC, and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPC and the OAG (if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures specified herein.
12. **Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants.** The Commission Staff, OPC, and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by them to the appropriate members of their staff for review, provided such staff members first sign the certification specified by Paragraph 15. After obtaining the agreement of the producing party, Commission Staff, OPC, and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials

received by it to the agreed, appropriate members of their outside consultants for review, provided such outside consultants first sign the certification in Attachment A.

13. **Restriction on Copying by Commission Staff, OPC and the OAG.** Except as allowed by Paragraph 7, Commission Staff, OPC and the OAG may not make additional copies of the Highly Sensitive Protected Materials furnished to them unless the producing party agrees in writing otherwise, or, upon a showing of good cause, the presiding officer directs otherwise. Commission Staff, OPC, and the OAG may make limited notes of Highly Sensitive Protected Materials furnished to them, and all such handwritten notes will be treated as Highly Sensitive Protected Materials as are the materials from which the notes are taken.
14. **Public Information Requests.** In the event of a request for any of the Highly Sensitive Protected Materials under the Public Information Act, an authorized representative of the Commission, OPC, or the OAG may furnish a copy of the requested Highly Sensitive Protected Materials to the Open Records Division at the OAG together with a copy of this Protective Order after notifying the producing party that such documents are being furnished to the OAG. Such notification may be provided simultaneously with the delivery of the Highly Sensitive Protected Materials to the OAG.
15. **Required Certification.** Each person who inspects the Protected Materials shall, before such inspection, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. 57816. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from

independent public sources, the understanding stated herein shall not apply.

In addition, Reviewing Representatives who are permitted access to Highly Sensitive Protected Material under the terms of this Protective Order shall, before inspection of such material, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

The Reviewing Party shall provide a copy of each signed certification to Counsel for the producing party and serve a copy upon all parties of record.

16. **Disclosures between Reviewing Representatives and Continuation of Disclosure Restrictions after a Person is no Longer Engaged in the Proceeding.** Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification shall be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person shall be terminated and all notes, memoranda, or other information derived from the protected material shall either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification shall continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.
17. **Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials.** Except for Highly

Sensitive Protected Materials, which shall be provided to the Reviewing Parties pursuant to Paragraphs 9, and voluminous Protected Materials, the producing party shall provide a Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding pursuant to this Protective Order, but a record shall be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party shall provide the party asserting confidentiality with a copy of that record.

18. **Procedures Regarding Voluminous Protected Materials.** 16 Tex. Admin. Code § 22.144(h) (TAC) will govern production of voluminous Protected Materials. Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00 p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.
19. **Reviewing Period Defined.** The Protected Materials may be reviewed only during the Reviewing Period, which shall commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period shall reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.
20. **Procedures for Making Copies of Voluminous Protected Materials.** Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical or electronic copies of the Protected Materials, subject to the conditions in this Protective Order; provided, however, that before photographic, mechanical or electronic copies may be made, the Reviewing Party seeking photographic, mechanical or electronic copies must provide written confirmation of the receipt of copies listed on Attachment B of this Protective Order identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.

21. **Protected Materials to be Used Solely for the Purposes of These Proceedings.** All Protected Materials shall be made available to the Reviewing Parties and their Reviewing Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (a) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (b) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPC.
22. **Procedures for Confidential Treatment of Protected Materials and Information Derived from Those Materials.** Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived from the Protected Materials are to be treated confidentially by the Reviewing Party and shall not be disclosed or used by the Reviewing Party except as permitted and provided in this Protective Order. Information derived from or describing the Protected Materials shall be maintained in a secure place and shall not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A Reviewing Party must take all reasonable precautions to ensure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.
23. **Procedures for Submission of Protected Materials.** If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents shall be marked "PROTECTED MATERIAL" and shall be filed under seal with the

presiding officer and served under seal to the counsel of record for the Reviewing Parties. The presiding officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation, or reference to Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (a) shall notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) shall otherwise follow the procedures in Rule 76a, Texas Rules of Civil Procedure.

24. **Maintenance of Protected Status of Materials during Pendency of Appeal of Order Holding Materials are not Protected Materials.** In the event that the presiding officer at any time in the course of this proceeding finds that all or part of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials shall nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the presiding officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a presiding officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials shall be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality, nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.
25. **Notice of Intent to Use Protected Materials or Change Materials Designation.** Parties intending to use Protected Materials shall notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of this docketed proceeding at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed

the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party shall first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such Protected Materials. A Reviewing Party may, at any time, be able to file a written motion to challenge the designation of information as Protected Materials.

26. **Procedures to Contest Disclosure or Change in Designation.** In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality shall file with the appropriate presiding officer its objection to a proposal, with supporting affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period shall be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging confidentiality may respond. Any such response shall include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and, without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it shall do so no later than five (5) working days after the party challenging confidentiality has made its written filing.

27. **Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation.** If the party asserting confidentiality files an objection, the appropriate presiding officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or Reviewing Party or upon the presiding officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the presiding

officer determines that such proposed disclosure or change in designation should be made, disclosure shall not take place earlier than three (3) full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such presiding officer's ruling.

28. **Maintenance of Protected Status during Periods Specified for Challenging Various Orders.** Any party electing to challenge, in the courts of this state, a Commission or presiding officer determination allowing disclosure or a change in designation shall have a period of ten (10) days from: (a) the date of an unfavorable Commission order; or (b) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials shall be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this paragraph. For purposes of this paragraph, a favorable ruling of a state district court, state appeals court, Supreme Court or other appellate court includes any order extending the deadlines in this paragraph.
29. **Other Grounds for Objection to Use of Protected Materials Remain Applicable.** Nothing in this Protective Order shall be construed as precluding any party from objecting to the use of Protected Materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this Protective Order constitutes a waiver of the right to argue for more disclosure, provided, however, that unless the Commission or a court orders such additional disclosure, all parties will abide by the restrictions imposed by the Protective Order.

30. **Protection of Materials from Unauthorized Disclosure.** All notices, applications, responses, or other correspondence shall be made in a manner which protects Protected Materials from unauthorized disclosure.
31. **Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials.** Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following receipt of the notice described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, and then the "conclusion of these proceedings" is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph shall prohibit counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit or other pleading which refers to Protected Materials provided that any such Protected Materials retained by counsel shall remain subject to the provisions of this Protective Order.

32. **Applicability of Other Law.** This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act,<sup>3</sup> the Texas Securities Act,<sup>4</sup> and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to disclosure pursuant to those acts. Such notice shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
33. **Procedures for Release of Information under Order.** If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (a) the Reviewing Party shall notify the producing party of the order requiring the release of such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party shall notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) the Reviewing Party shall use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein. The notice specified in this section shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

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<sup>3</sup> TEX. GOV'T CODE ANN. § 551.001-551.146 (Vernon 2004 & Supp. 2006).

<sup>4</sup> TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-43 (Vernon 1964 & Supp. 2005).

34. **Best Efforts Defined.** The term “best efforts” as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of §552.301 of the Public Information Act, or intends to comply with the final governmental or court order. Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
35. **Notify Defined.** “Notify” for purposes of Paragraphs 32, 33, and 34 means written notice to the party asserting confidentiality at least five (5) calendar days prior to release; including when a Reviewing Party receives a request under the Public Information Act. However, the Commission, OAG, or OPC may provide a copy of Protected Materials to the Open Records Division of the OAG as provided herein.
36. **Requests for Non-Disclosure.** If the producing party asserts that the requested information should not be disclosed at all or should not be disclosed to certain parties under the protection afforded by this Protective Order, the producing party shall tender the information for in camera review to the presiding officer within ten (10) calendar days of the request. At the same time, the producing party shall file and serve on all parties its argument, including any supporting affidavits, in support of its position of non-disclosure. The burden is on the producing party to establish that the material should not be disclosed. The producing party shall serve a copy of the information under the classification of Highly Sensitive Protected Material to all parties requesting the

information that the producing party has not alleged should be prohibited from reviewing the information.

Parties wishing to respond to the producing party's argument for non-disclosure shall do so within five working days. Responding parties should explain why the information should be disclosed to them, including why disclosure is necessary for a fair adjudication of the case if the material is determined to constitute a trade secret. If the presiding officer finds that the information should be disclosed as Protected Material under the terms of this Protective Order, the presiding officer shall stay the order of disclosure for such period of time as the presiding officer deems necessary to allow the producing party to appeal the ruling to the Commission.

37. **Sanctions Available for Abuse of Designation.** If the presiding officer finds that a producing party unreasonably designated material as Protected Material or as Highly Sensitive Protected Material, or unreasonably attempted to prevent disclosure pursuant to Paragraph 36, the presiding officer may sanction the producing party pursuant to 16 TAC § 22.161.
38. **Modification of Protective Order.** Each party shall have the right to seek changes in this Protective Order as appropriate from the presiding officer.
39. **Breach of Protective Order.** In the event of a breach of the provisions of this Protective Order, the producing party, if it sustains its burden of proof required to establish the right to injunctive relief, shall be entitled to an injunction against such breach without any requirements to post bond as a condition of such relief. The producing party shall not be relieved of proof of any element required to establish the right to injunctive relief. In addition to injunctive relief, the producing party shall be entitled to pursue any other form of relief to which it is entitled.

**ATTACHMENT A**

**Protective Order Certification**

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket and that I have received a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. 57816. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order provided. However, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated here shall not apply.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

**ATTACHMENT B**

I request to view/copy the following documents:

Document Requested	# of Copies	Non-Confidential	Protected Materials and/or Highly Sensitive Protected Materials

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Signature

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Party Represented

---

Printed Name

---

Date

P.U.C. DOCKET NO. 57816

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF  
TEXAS-NEW MEXICO POWER COMPANY  
FOR APPROVAL TO AMEND ITS  
DISTRIBUTION COST RECOVERY FACTOR

PREPARED DIRECT TESTIMONY AND EXHIBITS  
OF STACY R. WHITEHURST

ON BEHALF OF  
TEXAS-NEW MEXICO POWER COMPANY

MARCH 14, 2025

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EXHIBIT SRW-1

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

EXHIBIT SRW-2

DOCKET NO. 48401 SETTLEMENT SCHEDULES

EXHIBIT SRW-3

HISTORICAL DCRF REVENUE REQUIREMENT

EXHIBIT SRW-4

HISTORICAL DCRF RATES

EXHIBIT SRW-5

RIDER DCRF RETAIL TARIFF SHEETS

EXHIBIT SRW-6

RIDER DCRF WHOLESALE TARIFF SHEETS

**I. INTRODUCTION AND QUALIFICATIONS**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PLACE OF EMPLOYMENT.**

A. My name is Stacy R. Whitehurst. I serve as Vice President of Regulatory Affairs at Texas-New Mexico Power Company (TNMP). My business address is 577 N. Garden Ridge Blvd., Lewisville, Texas 75067.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

A. I am testifying on behalf of TNMP.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.**

A. Exhibit SRW-1 describes my background and experience, including proceedings for which I have provided testimony.

**Q. PLEASE DESCRIBE YOUR DUTIES AS THE VICE PRESIDENT OF REGULATORY AFFAIRS.**

A. As the Vice President of Regulatory Affairs, I report directly to the President of TNMP. I oversee certain aspects of TNMP's advanced metering system, billing, Retail Electric Provider (REP) Relations, and all regulatory activities for TNMP, which include certificate of convenience and necessity applications, compliance filings, complaints, rulemakings, and contested cases. Additionally, TNMP's Energy Efficiency group is within my responsibilities.

**Q. HAVE YOU PREPARED ANY EXHIBITS?**

A. Yes. I am sponsoring Exhibits SRW-1 through SRW-6, which are attached to my testimony. Each of these exhibits was prepared by me or under my direction and control. The information contained in these exhibits is true and correct to the best of my knowledge and belief.

**II. PURPOSE OF TESTIMONY**

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of my testimony is to: 1) support TNMP's Distribution Cost Recovery Factor ("DCRF") application; 2) sponsor the calculation of TNMP's update retail and wholesale DCRF riders; 3) sponsor the revised tariffs ("6.1.1.6.7 RIDER DCRF – DISTRIBUTION COST RECOVERY FACTOR"); 4) sponsor Schedule H (Summary of Historic Year Billing)

1 and Schedule J (Summary of DCRF) that includes the rate design calculations for the  
2 proposed DCRFs by rate class, all of which are included in this filing. My direct testimony,  
3 exhibits, schedules, and workpapers were prepared by me or under my direction,  
4 supervision, or control, and are true and correct.

5 **Q. PLEASE SUMMARIZE TNMP'S REQUEST WITH REGARD TO UPDATING ITS DCRF.**

6 A. The Company is requesting approval of an adjusted for load growth DCRF revenue  
7 requirement of \$97,441,761<sup>1</sup>, which is made up of \$184,161,014<sup>2</sup> net distribution-related  
8 capital additions from the time of July 1, 2024 through December 31, 2024 for this filing.

9 **III. DCRF RULE AND REQUIREMENTS**

10 **Q. PLEASE DESCRIBE ANY MODIFICATIONS MADE TO THE PUBLIC UTILITY  
11 REGULATORY ACT (PURA) § 36.210 IN 2023.**

12 A. Passed in the 88<sup>th</sup> Texas Legislative Regular Session, Senate Bill (S.B.) 1015 became  
13 effective on June 18, 2023.<sup>3</sup> This bill amended PURA § 36.210 to allow a transmission  
14 and distribution utility, such as TNMP, to adjust its DCRF rates not more than twice per  
15 year.<sup>4</sup> Additionally, a new deadline was implemented that requires the Commission to  
16 issue a final order in a DCRF proceeding no later than 60 days after the DCRF application  
17 is filed, subject to one possible 15-day extension for good cause.<sup>5</sup>

18 **Q. IS THIS TNMP'S FIRST DCRF IN CALENDAR YEAR 2025?**

19 A. Yes, this is TNMP's first DCRF filed in calendar year 2025.

20 **Q. PLEASE DESCRIBE THE REQUIREMENTS OF A UTILITY'S DCRF APPLICATION.**

21 A. In accordance with 16 TEX. ADMIN. CODE (TAC) § 25.243, TNMP's application to  
22 establish or update a DCRF must include the following:

23 TNMP must use the Commission-prescribed form and include a sworn statement that the  
24 application complies with TNMP's tariff and the Commission's DCRF rule, and that the  
25 distribution invested capital in the application includes only costs: (1) for plant that has  
26 been placed into service; (2) that comply with PURA, including § 36.053 and § 36.058;  
27 and (3) that are prudent, reasonable, and necessary.<sup>6</sup> In addition, the sworn statement

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<sup>1</sup> Schedule J column (d) of TNMP's DCRF filing package.

<sup>2</sup> Schedule B column 5 row 3 of TNMP's DCRF filing package.

<sup>3</sup> S.B. 1015, 88th Leg., R.S. (2023) (amending subsecs. (a), (d), & (g), adding new subsecs. (h) & (i), & repealing subsect. (d-1) of Tex. Util. Code § 36.210).

<sup>4</sup> PURA § 36.210(d).

<sup>5</sup> PURA § 36.210(i).

<sup>6</sup> *Id.* at § 25.243(e)(1).

shall state that the application is true and correct to the best of the employee's knowledge, information, and belief.<sup>7</sup>

Additionally, the Commission shall deny an application for a DCRF if the utility's earnings monitoring report included shows that the electric utility is earning more than its authorized rate of return using weather normalized data.<sup>8</sup>

**Q. BASED ON THE AMENDED STATUTE, PLEASE DESCRIBE THE EXPECTED TIMELINE REGARDING THIS PROCEEDING.**

A. In accordance with the amended statute, PURA § 36.210(i), TNMP requests that this proceeding conclude by the 60<sup>th</sup> day after its application is filed, which is May 13th, 2025.

**Q. WHEN WAS TNMP'S LAST RATE CASE?**

A. TNMP's last rate case was in 2018 and approved on December 20, 2018, in Docket No. 48401 – *Application of Texas-New Mexico Power Company for Authority to Change Rates*.<sup>9</sup>

**Q. DOES TNMP'S FILING USE THE COMMISSION'S PRESCRIBED FORM?**

A. Yes. TNMP witness Arin Apodaca and I sponsor the schedules that are part of DCRF\_Filing\_Schedules.xls<sup>10</sup> located on the Commission's website. The following table lists the schedules and the sponsors.

Name	Sponsor
Schedule A	Arin Apodaca
Schedule B-1	Arin Apodaca
Schedule B-5	Arin Apodaca
Schedule B-7	Arin Apodaca
Schedule E-1	Arin Apodaca
Schedule E-2	Arin Apodaca
Schedule E-3	Arin Apodaca
Schedule E-3.7	Arin Apodaca
Schedule E-3.10	Arin Apodaca
Schedule H	Stacy Whitehurst
Schedule J	Stacy Whitehurst
Schedule K	Stacy Whitehurst, Arin Apodaca

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at § 25.243(e)(4).

<sup>9</sup> *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401, Final Order (December 20, 2018).

<sup>10</sup> Exhibit ARA-2.

In addition to the witnesses sponsoring the schedules, TNMP witness Keith Nix is testifying that the included distribution invested capital in the application includes only costs: (1) for plant that has been placed into service; (2) that comply with PURA, including § 36.053, that are prudent, reasonable, and necessary.

**Q. ARE YOU SPONSORING OR CO-SPONSORING ANY WORKPAPERS?**

A. Yes. I am sponsoring or co-sponsoring the following workpapers.

Name	Description
WP/II-H-1.1	Summary Of Base Rate Billing Determinants
WP/II-H-1.1.1	Test Year Sales Data
WP/II-H-1.1.2	Test Year Billing Demands
WP/II-H-1.2	Test Year Sales Data by Month (Annualized and Weather Normalized)
WP/II-H-1.3	Test Year Billing kW Data by Month (Annualized and Weather Normalized)
WP/II-H-1.4	Test Year Actual kW Data by Month (Annualized and Weather Normalized)
WP/II-H-2.1	Weather Model Information
WP/II-H-2.2	Weather Model Information
WP/II-H-2.3	Weather Model Information
WP/II-H-2.4	Excel Sheets by Tariff Class
WP Schedule J-2	Distribution Revenue (DISTREV) by Class * % Growth Class

**Q. DO THE GENERAL DCRF INSTRUCTIONS HAVE ANY ADDITIONAL REQUIREMENTS?**

A. Yes. The general instructions have included eight requirements.

**Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 1?**

A. Instruction No. 1 states:

Unless otherwise indicated, the information required in this filing will be taken from the accounts and records prescribed in the Federal Energy Regulatory Commission (FERC) chart of accounts.

**Q. WHO WILL BE ADDRESSING THE COMPLIANCE WITH INSTRUCTION NO. 1?**

A. TNMP witness Arin Apodaca will address the compliance with this instruction.

**Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 2?**

A. Instruction No. 2 states:

The Distribution Service Provider (DSP) shall provide direct testimony that includes adopting the required schedules and workpapers. Testimony shall also include a list of the completed distribution projects being proposed for addition to rate base, in-service dates, and descriptions of all projects

greater than \$100,000. Data and workpapers shall be provided in native electronic format including active EXCEL workbooks and all linked workbooks, with all formulas, cell references, links, etc., intact, functioning, and complete for all tables, figures, and attachments in the testimony.

**Q. HOW IS TNMP COMPLYING WITH INSTRUCTION NO. 2?**

A. TNMP is filing the direct testimony of Arin Apodaca, Keith Nix, and myself to support this application. TNMP witness Arin Apodaca has provided an exhibit that includes a list of the completed distribution projects over \$100,000 with in-service dates and descriptions of the projects. TNMP is filing the active Excel spreadsheet with all formulas, references, and links.

**Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 3?**

A. Instruction No. 3 states:

Only costs and return calculated in compliance with Substantive Rule 25.243 are eligible for recovery.

**Q. WHO WILL BE ADDRESSING THE COMPLIANCE WITH INSTRUCTION NO. 3?**

A. TNMP witness Arin Apodaca will address the compliance with this instruction.

**Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 4?**

A. Instruction No. 4 states:

The applicable general instructions and the detailed instructions specific to each schedule from the IOU T&DCOS-RFP shall apply to the preparation of an application. If there is a conflict between the instructions contained in the DCRF-RFP and the IOU T&DCOS-RFP, the instructions in this DCRF-RFP shall control.

**Q. HOW IS TNMP COMPLYING WITH INSTRUCTION NO. 4?**

A. TNMP developed the schedules based on the instructions from the IOU rate filing package, except for the schedules that are specific to the DCRF, such as Schedule H and Schedule J. For these schedules, TNMP relied on the DCRF instructions and schedules.

**Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 5?**

A. Instruction No. 5 states:

Schedules B, B-1, B-5, B-7, and E-1, which require information by FERC account, and Schedules A, E-2, E-3, E-3.7, E-3.10, H, and J shall be prepared as in the attached sample forms.

1 **Q. HOW IS TNMP COMPLYING WITH INSTRUCTION NO. 5?**

2 A. TNMP's DCRF rate filing package was prepared using the Commission's sample forms.

3 **Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 6?**

4 A. Instruction No. 6 states:

5 The DSP shall provide a copy of the distribution schedules or amounts  
6 approved in its last comprehensive base-rate proceeding. The amounts in  
7 the first column in schedules in the DCRF-RFP should tie to those  
8 schedules or amounts. The DSP shall provide a comparison that  
9 summarizes the DCRF and DCRF updates approved by the PUC since the  
10 DSP's last comprehensive base-rate proceeding, shown for each  
11 proceeding and on a cumulative basis.

12 **Q. WHO WILL BE ADDRESSING THE COMPLIANCE WITH INSTRUCTION NO. 6?**

13 A. TNMP witnesses, Arin Apodaca and I, will each address compliance with certain parts of  
14 this instruction. Regarding the compliance with providing a copy of the distribution  
15 schedules or amounts approved in its last comprehensive base-rate proceeding, Exhibit  
16 SRW-2 contains the summary class cost of service schedules and the pertinent settlement  
17 schedules from Docket No. 48401. A comparison that summarizes the DCRF and DCRF  
18 updates approved by the PUCT since the DSP's last comprehensive base-rate proceeding  
19 is included in Exhibit SRW-3.

20 **Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 7?**

21 A. Instruction No. 7 states:

22 The DSP shall provide a schedule that shows the history of the DSP's  
23 DCRF rates approved in previous DCRF filings. The schedule shall include  
24 the docket number for each DCRF application, the date of the  
25 Commission's order, and the DCRF approved for each rate class.

26 **Q. HOW IS TNMP COMPLYING WITH INSTRUCTION NO. 7?**

27 A. Exhibit SRW-4 provides the requested information.

28 **Q. WHAT IS THE REQUIREMENT OF INSTRUCTION NO. 8?**

29 A. Instruction No. 8 states:

30 The DSP shall provide a tariff schedule to reflect its DCRFs.

31 **Q. HOW IS TNMP COMPLYING WITH INSTRUCTION NO. 8?**

32 A. Exhibit SRW-5 and Exhibit SRW-6 provides the requested information.

**IV. DEVELOPMENT OF RIDER DCRF****Q. PLEASE EXPLAIN THE PURPOSE OF SCHEDULE H.**

A. Schedule H summarizes TNMP's billing determinants from Docket No. 48401, the updated baseline billing determinants from Docket No. 50731<sup>11</sup>, the changes caused by a 10-year weatherization adjustment, and the effects of year-end customers annualized.

**Q. WHICH TNMP RATE CLASSES ARE INCLUDED IN SCHEDULE H?**

A. TNMP's rate class consists of Residential Service, Secondary Service Less than 5 kW (SLT5), Secondary Service Greater than 5 kW (SGT5), Primary Service, Transmission Service, Lighting Service, and Wholesale Distribution Line Service ("DLS").

**Q. WHAT TYPE OF BILLING DETERMINANTS ARE USED TO COLLECT THE DISTRIBUTION-RELATED PLANT (FERC ACCOUNTS 303, 352, 353, 360-374, 391, AND 397) IN BASE RATES?**

A. For the Residential Service class and the SLT5 class, TNMP has a metering charge and customer charge based on a per ESI ID and a distribution charge based on a per kWh.

For the SGT5, Primary service class and the DLS, TNMP has a metering charge and customer charge based on a per ESI ID and a distribution charge is based on a per billed kW.

For the Transmission Service class, TNMP has a metering charge based on the number of meters and customer charge based on a per ESI ID.

For the non-metered Lighting class, TNMP charges a monthly per lamp charge. For the metered Lighting class, TNMP has a distribution charge based on a per kWh.

**1. Baseline Billing Determinants****Q. PLEASE PROVIDE THE BASELINE BILLING DETERMINANTS FROM DOCKET NO. 48401 AND UPDATED IN DOCKET NO. 50731.**

A. The following table shows the baseline billing determinants that should be used in Schedule H. Secondary Service > 5kW and Transmission Service billing determinants have been updated per the final order in Docket No. 50731.<sup>12</sup>

<sup>11</sup> *Application of Texas-New Mexico Power Company for a Distribution Cost Recovery Factor*, Docket No. 50731, Order (August 13, 2020).

<sup>12</sup> *Id.*

**Table 1 – Docket No. 48401/ 50731 Billing Determinants**

LINE	DESCRIPTION	VOLT	Billing Unit Type (1)	Billing units approved in Dockets No. 48401 and 50731 (2)
1	Residential	Secondary	kWh	2,921,422,519
2	Secondary Service < 5kW	Secondary	kWh	36,584,347
3	Secondary Service > 5kW	Secondary	Billed kW	8,453,873
4	Primary & Wholesale DLS	Primary	Billed kW	2,120,380
5	Transmission (No Distribution Charge)	Transmission	Customer/Meter	1,272
6	Lighting	Secondary	kWh	34,971,341

**Q. PLEASE EXPLAIN THE BASELINE OF THE KWH FOR THE RESIDENTIAL SERVICE RATE CLASS.**

A. The kWh associated with the Residential Service rate class is the annualized and weather adjusted kWh that was used to set the distribution charge in Docket No. 48401.

**Q. PLEASE EXPLAIN THE BASELINE OF THE KWH FOR THE SLT5 RATE CLASS.**

A. The kWh associated with the SLT5 rate class is the annualized and weather adjusted kWh that was used to set the distribution charge in Docket No. 48401.

**Q. PLEASE EXPLAIN THE BASELINE OF THE BILLED KW ASSOCIATED WITH THE SGT5 CLASS.**

A. In Docket No. 50731, the final order established updated baseline billing determinants for the transmission service customers. Findings of Fact No. 44 through No. 46<sup>13</sup> state:

44. The parties agreed for TNMP to adjust the baseline for the billing determinants in the secondary-service greater than 5-kW rate class as follows: instead of 9,089,584 billed kW (as approved in Docket No. 48401), TNMP will use 8,453,873 billed kW. The parties agreed that the adjustment would apply in this proceeding and in future DCRF proceedings until new baselines are set in TNMP's next comprehensive base-rate proceeding.

45. It is appropriate in this proceeding, and there is good cause, to adjust the baseline for the billing determinants as described in finding of fact 44 because the Commission's rules at 16 TAC § 25.244 require such an adjustment.

46. It is also appropriate to require TNMP to use the adjusted baseline discussed in findings of fact 44 and 45 in applications for future DCRF proceedings until new baselines are set in TNMP's next comprehensive base-rate proceeding.

**Q. PLEASE EXPLAIN THE BASELINE AMOUNT FOR THE PRIMARY AND WHOLESALE DLS RATE CLASSES.**

<sup>13</sup> *Id.* at FoF Paragraph Nos. 44-46.

A. Like the rate design in the settlement in Docket No. 48401, the billing demand for the Primary NIDR, Primary IDR, DLS were used to develop the single distribution charge. The table below summarizes the billing determinants that will be used to set the rate for the Primary Service and DLS.

**Table 2 – Primary & Wholesale DLS kW Baseline**

<b>RATE CLASS</b>	<b>Billed kW</b>
Primary NIDR	924,990
Primary IDR	1,172,047
Total Primary	2,097,037
Wholesale Distribution	23,343
<b>Total</b>	<b>2,120,380</b>

**Q. PLEASE EXPLAIN THE BASELINE FOR THE TRANSMISSION SERVICE RATE CLASS BILLING DETERMINANTS.**

A. In Docket No. 50731, the final order established updated baseline billing determinants for the transmission service customers. Findings of Fact No. 47 through No. 49 state:

47. The parties agreed for the DCRF to be billed to transmission customers on a per-meter and per-customer basis. The parties also agreed for TNMP to use the growth in customers and meters as the baseline for the rate-class billing determinants used to set rates for the transmission class in Docket No. 48401. Based on the parties' agreement, the combined customer and meter baseline is 1,272, which comprises 564 annualized customers and 708 annualized meters. The parties agreed that this billing methodology and these baseline numbers would apply in this proceeding and in future DCRF proceedings until new baselines are set in TNMP's next comprehensive base-rate proceeding.

48. It is appropriate in this proceeding for the DCRF to be billed to transmission customers on a per-meter and per-customer basis. It is also appropriate in this proceeding for TNMP to use the growth in customers and meters as the baseline for the rate-class billing determinants used to set rates for the transmission class in Docket No. 48401.

49. It is appropriate for the Commission to require TNMP to use the billing methodology and baseline numbers discussed in findings of fact 47 and 48 in applications for future DCRF proceedings until new baselines are set in TNMP's next comprehensive base-rate proceeding.<sup>14</sup>

<sup>14</sup> *Id.* at FoF Paragraph Nos. 47-49.

1 **Q. PLEASE EXPLAIN THE BASELINE FOR THE LIGHTING SERVICE RATE CLASS**  
2 **BILLING DETERMINANTS.**

3 A. 16 TAC § 25.243 provides a specific formula for calculation of DCRF for each rate class.  
4 Specifically, Section (d) states:

5 
$$BD_{RC-CLASS} = \text{Rate Class Billing Determinants used to set rates in}$$
  
6 
$$\text{the last comprehensive base-rate proceeding.}$$

7 For distribution related charges, the lighting service class is billed on a per kWh and a per  
8 lamp charge. For each lamp type and wattage, there is an associated kWh consumption.  
9 Instead of using lamp counts, TNMP will use the associated kWh. This is the same  
10 methodology that TNMP uses to develop the billing determinants for the energy efficiency  
11 cost recovery factor.

## 12 **2. Weather Adjustments**

13 **Q. HOW DID TNMP ADJUST THE BILLING DETERMINANTS FOR NORMAL WEATHER**  
14 **USING WEATHER DATA FOR THE MOST RECENT TEN CALENDAR YEARS?**

15 A. TNMP retained the services of ITRON to perform the weather normalization for TNMP.  
16 TNMP provided ITRON the 15-minute interval data for all customers that have an advance  
17 meter or an interval data recorder (IDR). ITRON received data for Residential, SLT5,  
18 SGT5 Non-IDR, SGT5 IDR, Primary Non-IDR, Primary IDR, Transmission, and metered  
19 lighting accounts. TNMP provided a second file that maps each customer to a specific  
20 region (Gulf, West, North, or Central) and loss factors.

21 **Q. IS THIS THE SAME METHODOLOGY THAT WAS USED IN DOCKET NO. 48401?**

22 A. Yes. This is the same methodology that was used and adopted in the last rate case. This  
23 is one of the reasons TNMP retained ITRON to perform the weather normalization for the  
24 data from the period July 1, 2024 through December 31, 2024 to be used in this application  
25 using a 10-year weather adjustment.

26 **Q. HAVE YOU INCLUDED A SCHEDULE THAT WILL PROVIDE INFORMATION ON ALL**  
27 **VARIABLES USED IN THE WEATHER MODEL AND AN EXPLANATION FOR THE**  
28 **VARIABLES SELECTED?**

29 A. Yes. The workpapers are included as WP II-H-2.1, WP II-H-2.2, WP II-H-2.3, and WP II-  
30 H2.4 (voluminous).

**3. Final Billing Determinants for DCRF**

**Q. PLEASE DESCRIBE THE TEST YEAR ADJUSTMENTS MADE TO THE DATA REQUIRED BY SCHEDULE H.**

A. Schedule H requires Test Year billing data. TNMP has made several adjustments to the Test Year data in Schedule H. TNMP incorporated the weather adjustments that need to occur to the different classes. Besides the adjustment for weather, as shown in Schedule H and the associated work papers, TNMP annualized kWh, billed kW, and meters based on year-end customer counts.

**Q. PLEASE DESCRIBE THE ANNUALIZATION ADJUSTMENT MADE TO THE NUMBER OF CUSTOMERS.**

A. For each rate class, the number of customers or ESI IDs during each month of the Test Year was adjusted to reflect the December 31, 2024 actual number of ESI IDs. This adjustment reflects the growth (or decline) in the number of ESI IDs by rate class from the actual monthly levels occurring during the Test Year to the number of ESI IDs receiving service at the end of the Test Year. WP/ WP II-H-1.1.1 provides a summary of both the average and the year-end ESI IDs by rate class. Retail year-end ESI IDs (279,353) reflect a very slight increase over average retail ESI IDs (277,008).

**Q. PLEASE DESCRIBE HOW YOU APPLIED THE ANNUALIZED CUSTOMER NUMBER TO ANNUALIZED KWH SALES, BILLING DEMANDS, AND ACTUAL DEMAND.**

A. The adjustment to reflect the change in the number of year-end customers was applied to weather adjusted kWh sales as calculated on WP/II-H-1.2 and summarized by rate class in WP/II-H-1.1. Monthly kWh sales were increased or decreased based upon the average monthly usage per ESI ID multiplied by year-end ESI IDs. Monthly demands for demand-billed customer classes were also adjusted to reflect year-end ESI ID counts.

**Q. WHAT IS THE LOAD GROWTH ADJUSTMENT IN SCHEDULE H THAT IS REQUIRED IN THE DCRF FORMULA?**

A. The load growth adjustment for each class is included in Schedule H column 9. This load growth adjustment will be applied to WP/J to develop the change in distribution revenue by class. This amount is used as an adjustment to the amount included in Schedule A, which is sponsored by TNMP witness Arin Apodaca.

**Q. PLEASE EXPLAIN HOW TNMP DETERMINED THE REVENUE REQUIREMENT FOR EACH CLASS.**

1 A. Schedule J contains nine columns. Column "E" contains the distribution revenue allocation  
2 factor from Docket No. 48401, which is shown on WP/J-1. The rate class allocation factor  
3 multiplied by the adjusted DCRF revenue requirement of \$97,441,761 calculates the  
4 annual revenue requirement by rate class.

5 Each rate class annual revenue requirement was divided by the proposed billing  
6 determinants to develop a per unit cost. The per unit cost is either a per kWh or a per  
7 billed kW.

8 **V. TARIFFS**

9 **Q. DOES TNMP CURRENTLY HAVE A TARIFF THAT WILL ALLOW RECOVERY OF THE**  
10 **REVENUE REQUIREMENT CALCULATED IN SCHEDULE J?**

11 A. No. While TNMP does have a retail and wholesale DCRF rider, TNMP is requesting  
12 approval for an update to Rider DCRF to allow recovery of the higher revenue requirement  
13 in both the retail delivery tariff and the wholesale delivery tariff, Exhibits SRW-5 and 6.

14 **Q. WHEN IS TNMP PROPOSING THE EFFECTIVE DATE FOR THE UPDATED RIDERS?**

15 A. Consistent with PURA § 36.210(i), TNMP is requesting an effective date of June 27, 2025.

16 **VI. CONCLUSION**

17 **Q. PLEASE SUMMARIZE YOUR TESTIMONY AND RECOMMENDATIONS.**

18 A. TNMP is requesting the Commission approve retail and wholesale riders for the  
19 implementation of TNMP's requested DCRF by June 27, 2025. Schedule H provides the  
20 annualized and weather normalized billing determinants to calculate the percentage  
21 adjustment that is needed for distribution revenue growth associated with distribution  
22 related rate base. Schedule J calculated the adjusted DCRF revenue requirement and the  
23 billing rates.

24 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

25 A. Yes, it does.

**AFFIDAVIT**

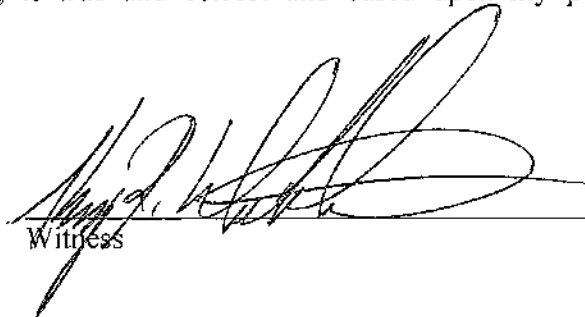
**STATE OF TEXAS**

§  
§  
§

**COUNTY OF DENTON**

BEFORE ME, the undersigned authority, on this day personally appeared Stacy R. Whitehurst, who, upon proving his identity to me and by me being duly sworn, deposes and states the following:

“My name is Stacy Whitehurst. I am of legal age, a resident of the State of Texas, and have never been convicted of a felony. I certify that the foregoing testimony, offered by me on behalf of Texas-New Mexico Power Company, is true and correct and based upon my personal knowledge and experience.”

  
Witness

\* \* \* \* \*

SWORN TO AND SUBSCRIBED before me, Notary Public, on this 11<sup>th</sup> day of March, 2025, to certify which witness my hand and seal of office.

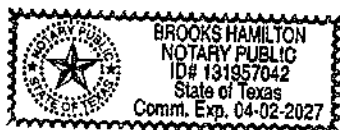
  
NOTARY PUBLIC in and for the  
State of Texas

Printed Name: Brooks Hamilton

My Commission expires: 04-02-2027

Notary ID# 131967042

SEAL:



**STACY R. WHITEHURST**

**Education Background and Business Experience**

Stacy R. Whitehurst is the Vice President of Regulatory Affairs for TNMP. Mr. Whitehurst has been employed in the electric utility industry since 2000, when he accepted a position as a senior analyst with Texas-New Mexico Power Company. In this capacity, he was responsible for creation of and modifications to TNPE's customer information and billing systems to support the deregulation of electricity.

In August 2003, Mr. Whitehurst accepted the position of Senior Analyst in the Regulatory Affairs department. Following the acquisition of TNP Enterprises by PNM Resources on June 6, 2005, Mr. Whitehurst was promoted to Supervisor of Texas Regulatory Policy. Mr. Whitehurst was promoted to his current position in June 2011.

Mr. Whitehurst holds a Bachelor's Degree from Texas A&M University.

**PROCEEDINGS IN WHICH STACY R. WHITEHURST FILED TESTIMONY**

<b><u>JURISDICTION</u></b>	<b><u>DOCKET NO.</u></b>	<b><u>DESCRIPTION</u></b>
Texas	29206	Application of Texas-New Mexico Power Company, First Choice Power, Inc. and Texas Generating Company, L.P. to Finalize Stranded Costs under PURA § 39.262
Texas	31825	Application of First Choice Power Special Purpose, LP to Increase its Price to Beat Fuel Factors
Texas	31994	Application of Texas-New Mexico Power Company to Adjust the Competition of Transition Charge Pursuant to PURA § 39.262(g)
Texas	32109	Application of First Choice Power Special Purpose, L.P. to Adjust its Price to Beat Base Rates Pursuant to PURA § 39.202 and PUC Subst. R. § 25.41(g)(3)
Texas	32795	Staff's Petition to Initiate a Generic Proceeding to Re-Allocate Stranded Costs Pursuant to PURA § 39.533(f)
Texas	35460	Petition of PNM Resources, Inc. and Cap Rock Energy Corporation Regarding Proposed Merger and Acquisition of Stock
Texas	36025	Application of Texas-New Mexico Power Company for Authority to Change Rates
Texas	37613	Application of Texas-New Mexico Power Company for Approval of an Energy Efficiency Cost Recovery Factor
Texas	38211	Application of Texas-New Mexico Power Company for Approval of an Energy Efficiency Cost Recovery Factor
Texas	38306	Texas-New Mexico Power Company's Request for Approval of Advance Metering System (AMS) Deployment and AMS Surcharge
Texas	38480	Application of Texas-New Mexico Power Company for Authority to Change Rates
Texas	38880	Application of Texas-New Mexico Power Company for Rate Case Expense Severed from PUC Docket No. 38480; SOAH Docket No. 473-10-6053
Texas	39362	Application of Texas-New Mexico Power Company for Approval of an Energy Efficiency Cost Recovery Factor

**PROCEEDINGS IN WHICH STACY R. WHITEHURST FILED TESTIMONY**

<b><u>JURISDICTION</u></b>	<b><u>DOCKET NO.</u></b>	<b><u>DESCRIPTION</u></b>
Texas	40348	Application of Texas-New Mexico Power Company for Approval of An Energy Efficiency Cost Recovery Factor
Texas	40516	Annual Compliance of Texas-New Mexico Power Company to Reduce Certain Discretionary Charges
Texas	41496	Application of Texas-New Mexico Power Company for Approval to Adjust Its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	41629	Annual Compliance of Texas-New Mexico Power Company to Reduce Certain Discretionary Charges
Texas	41756	Application of Texas-New Mexico Power Company to Amend its Certificate of Convenience and Necessity for the Proposed Westminster 138-kV Transmission Line in Collin County
Texas	41901	Compliance Tariff of Texas-New Mexico Power Company Related to Non-Standard Metering Service Pursuant PUC Subst. R. § 25.133
Texas	42566	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	42638	Annual Compliance of Texas-New Mexico Power Company to Reduce Certain Discretionary Charges
Texas	44340	Application of Texas-New Mexico Power Company for Interim Update of Wholesale Transmission Rates Pursuant to Subst. R. § 25.192(h)
Texas	44778	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	44900	Annual Compliance Filing of Texas-New Mexico Power Company to Reduce Certain Discretionary Charges
Texas	45216	Application of Texas-New Mexico Power Company to Reconcile Advanced Metering System Costs
Texas	46002	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief

**PROCEEDINGS IN WHICH STACY R. WHITEHURST FILED TESTIMONY**

<b><u>JURISDICTION</u></b>	<b><u>DOCKET NO.</u></b>	<b><u>DESCRIPTION</u></b>
Texas	46119	Annual Compliance Filing of Texas-New Mexico Power Company to Reduce Certain Discretionary Charges
Texas	47217	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	48401	Application of Texas-New Mexico Power Company for Authority to Change Rates
Texas	48404	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	48591	Review of Rate Case Expenses Incurred by Texas-New Mexico Power Company and Municipalities in Docket Nos. 48401, 35038, and 41901
Texas	49586	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	50731	Application of Texas-New Mexico Power Company for a Distribution Cost Recovery Factor
Texas	50894	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	51387	Application of Texas-New Mexico Power Company for Change in Deployed Advanced Meter Technology
Texas	51547	Joint Report and Application of Texas-New Mexico Power Company, NM Green Holdings, Inc., and Avangrid, Inc. for Regulatory Approvals Under PURA § 14.101, 39.262, and 39.915
Texas	51959	Application of Texas-New Mexico Power Company to Amend its Distribution Cost Recovery Factor
Texas	52153	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	52314	Application of Texas-New Mexico Power Company to Reconcile Advanced Metering System Costs

**PROCEEDINGS IN WHICH STACY R. WHITEHURST FILED TESTIMONY**

<b><u>JURISDICTION</u></b>	<b><u>DOCKET NO.</u></b>	<b><u>DESCRIPTION</u></b>
Texas	53436	Application of Texas-New Mexico Power Company to Amend its Distribution Cost Recovery Factor
Texas	53637	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	54807	Application of Texas-New Mexico Power Company to Amend its Distribution Cost Recovery Factor
Texas	55034	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	56428	Application of Texas-New Mexico Power Company to Amend its Distribution Cost Recovery Factor
Texas	56657	Application of Texas-New Mexico Power Company for Approval to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief
Texas	56887	Application of Texas-New Mexico Power Company to Amend its Distribution Cost Recovery Factor
Texas	56954	Application of Texas-New Mexico Power Company for Approval of a System Resiliency Plan

**PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
PUC DOCKET NO. 48401  
TEST YEAR ENDING 12/31/2017**

## DCRF Baseline Values

	DIST	Residential	Secondary < 5 KW	Secondary > 5 KW	Primary	Transmission	Lighting
DIC <sub>RC</sub>	513,119,605	294,488,046	5,232,022	164,794,156	29,468,786	7,490,150	11,646,444
ROR <sub>AT</sub>	7.89%	7.89%	7.89%	7.89%	7.89%	7.89%	7.89%
DEPR <sub>RC</sub>	49,275,191	28,801,402	816,103	15,321,507	2,729,606	61,026	1,545,547
FIT <sub>RC</sub>	-957,079	-518,873	-12,833	-345,439	-54,551	-3,017	-22,367
OT <sub>RC</sub>	9,776,196	5,591,386	115,660	3,099,181	540,675	103,070	326,223
DISTREV <sub>RC</sub>	98,556,866	57,096,065	1,331,507	31,070,257	5,539,520	751,721	2,767,795
ALLOC <sub>CLASS</sub>		57.391696%	1.019650%	32.116129%	5.743064%	1.459728%	2.269733%
BD <sub>RC-CLASS</sub>		2,921,422,519	36,584,347	9,089,584	2,097,037	334,334,33260	34,971,341
BD <sub>RC-CLASS</sub> BASIS		KWH	KWH	KW*	KW	KW	KWH

## DIC<sub>RC</sub> & DIC<sub>RC-CLASS</sub>

DIST	Residential	Secondary < 5 KW	Secondary > 5 KW IDR	Primary	Transmission	Lighting
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### Intangible Plant (Original Cost)

A303	Intangible Plant	18,558,110	10,669,187	195,084	5,945,582	1,060,861	261,203	426,192
A303.6	Intangible Plant AMS	14,788,082	8,450,496	117,421	5,004,263	876,636	0	339,265
	<b>Total</b>	<b>33,346,192</b>	<b>19,119,683</b>	<b>312,506</b>	<b>10,949,845</b>	<b>1,937,497</b>	<b>261,203</b>	<b>765,457</b>

### Transmission Plant (Original Cost)

A353.1	Transmission Meters	9,150,286	0	0	0	0	9,150,286	0
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### Distribution Plant (Original Cost)

A360	Land and Land Rights	6,288,577	3,593,442	56,643	2,100,671	360,796	0	177,025
A361	Structures and Improvements	15,138,050	8,650,240	136,353	5,056,799	868,518	0	426,141
A362	Station Equipment	145,817,654	81,337,222	817,003	49,441,352	13,164,110	0	1,057,968
A363	Storage Battery Equipment	0	0	0	0	0	0	0
A364	Poles, Towers and Fixtures - Primary	162,354,062	90,561,245	909,655	55,048,233	14,656,982	0	1,177,946
A364	Poles, Towers and Fixtures - Secondary	29,962,998	18,371,971	184,540	11,167,520	0	0	238,967

A365	O.I.L. Conductors & Devices - Primary	143,172,543	79,861,777	802,183	48,544,493	12,925,315	0	1,038,776
A365	O.I.L. Conductors & Devices - Secondary	26,422,983	16,201,392	162,737	9,848,120	0	0	210,734
A366	Underground Conduits - Primary	29,730,078	16,583,465	166,575	10,080,365	2,683,969	0	215,704
A366	Underground Conduits - Secondary	13,400,747	8,216,739	82,534	4,994,598	0	0	106,877
A367	U.G. Conductors & Devices - Primary	56,670,465	31,610,838	317,519	19,214,850	5,116,090	0	411,168
A367	U.G. Conductors & Devices - Secondary	25,544,050	15,662,469	157,324	9,520,532	0	0	203,724
A368	Line Transformers-Primary	118,056,480	72,315,916	726,387	43,957,693	115,858	0	940,626
A369	Services	78,918,985	53,942,734	3,313,272	21,510,485	0	0	152,494
A370	Meters	1,285,031	837,310	51,429	333,890	60,034	0	2,367
A370.1	Meters- Load Research	419,079	348,313	19,901	40,811	753	0	9,301
A370.2	Meters -AMS	63,179,684	47,979,307	2,943,953	9,430,554	2,692,194	0	133,677
A370.3	Meters Non Analog	77,978	59,218	3,634	11,639	3,323	0	165
A371	Install. on Customer Prem.	4,378,142	0	0	0	0	0	4,378,142
A372	Leased Prop. on Cust. Premises	0	0	0	0	0	0	0
A373	Street Lights	18,121,337	0	0	0	0	0	18,121,337
A374	Land Owned in Fee	14,518	8,296	131	4,850	833	0	409
<b>Total</b>		<b>938,953,442</b>	<b>546,141,890</b>	<b>10,851,773</b>	<b>300,307,456</b>	<b>52,648,776</b>	<b>0</b>	<b>29,003,548</b>

**General Plant (Original Cost)**

A391.0	Office Furniture & Equip.	3,342,483	1,950,473	45,638	1,048,134	187,358	47,120	63,760
A391.1	Office Furniture & Equip. - Computer Equipment	1,901,764	1,109,756	25,967	596,354	106,600	26,810	36,277
A391.2	Office Furniture & Equip. - Application Software	128,346	74,895	1,752	40,247	7,194	1,809	2,448
A391.3	Office Furniture & Equip. - Networks	13,146,026	7,671,234	179,496	4,122,325	736,880	185,323	250,768
A391.4	Office Furniture & Equip. - Aztec	0	0	0	0	0	0	0
A391.5	Office Furniture & Equip. - Mainframe Equip.	383	223	5	120	21	5	7
397	Communications Equipment	3,542,602	2,067,251	48,371	1,110,888	198,575	49,941	67,577
<b>Total</b>		<b>22,061,605</b>	<b>12,873,832</b>	<b>301,230</b>	<b>6,918,068</b>	<b>1,236,629</b>	<b>311,008</b>	<b>420,838</b>

**Distribution Invested Capital (Original Cost)**

		<b>1,003,511,525</b>	<b>578,135,405</b>	<b>11,465,508</b>	<b>318,175,369</b>	<b>55,822,901</b>	<b>9,722,497</b>	<b>30,189,844</b>
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**Intangible Plant (Depreciation Reserve)**

A303	<u>Intangible Plant</u>	-9,554,679	-5,493,051	-100,440	-3,061,095	-546,186	-134,481	-219,426
A303.6	<u>Intangible Plant AMS</u>	-10,912,723	-6,235,963	-86,650	-3,692,848	-646,905	0	-250,358
<b>Total</b>		<b>-20,467,402</b>	<b>-11,729,014</b>	<b>-187,090</b>	<b>-6,753,942</b>	<b>-1,193,091</b>	<b>-134,481</b>	<b>-469,783</b>

**Transmission Plant (Depreciation Reserve)**

A353.1	Transmission Meters	-1,177,117	0	0	0	0	-1,177,117	0
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**Distribution Plant (Depreciation Reserve)**

A360	Land and Land Rights	-87,477	-49,987	-788	-29,221	-5,019	0	-2,463
A361	Structures and Improvements	-9,102,952	-5,201,642	-81,993	-3,040,801	-522,265	0	-256,251
A362	Station Equipment	-29,334,935	-16,363,054	-164,361	-9,946,387	-2,648,296	0	-212,837
A363	Storage Battery Equipment	0	0	0	0	0	0	0
A364	Poles, Towers and Fixtures - Primary	-68,554,858	-38,239,963	-384,107	-23,244,406	-6,188,988	0	-497,394
A364	Poles, Towers and Fixtures - Secondary	-12,652,034	-7,757,661	-77,923	-4,715,544	0	0	-100,905
A365	O.H. Conductors & Devices - Primary	-73,530,505	-41,015,384	-411,985	-24,931,464	-6,638,179	0	-533,494
A365	O.H. Conductors & Devices - Secondary	-13,570,307	-8,320,705	-83,578	-5,057,794	0	0	-108,229

A366	Underground Conduits - Primary	-12,674,278	-7,069,724	-71,013	-4,297,377	-1,144,207	0	-91,957
A366	Underground Conduits - Secondary	-5,712,894	-3,502,891	-35,185	-2,129,255	0	0	-45,563
A367	U.G. Conductors & Devices - Primary	-20,555,509	-11,465,882	-115,171	-6,969,610	-1,855,708	0	-149,139
A367	U.G. Conductors & Devices - Secondary	-9,265,337	-5,681,090	-57,065	-3,453,287	0	0	-73,895
A368	Line Transformers-Primary	-36,567,705	-22,399,677	-224,997	-13,615,788	-35,887	0	-291,357
A369	Services	-47,448,214	-32,431,821	-1,992,028	-12,932,682	0	0	-91,684
A370	Meters	-557,112	-363,007	-22,297	-144,755	-26,027	0	-1,026
A370.1	Meters- Load Research	-181,687	-151,007	-8,628	-17,693	-327	0	-4,032
A370.2	Meters -AMS	-27,390,895	-20,800,929	-1,276,320	-4,088,519	-1,167,173	0	-57,954
A370.3	Meters Non Analog	-33,807	-25,673	-1,575	-5,046	-1,441	0	-72
A371	Install. on Customer Prem.	-2,947,519	0	0	0	0	0	-2,947,519
A372	Leased Prop. on Cust. Premises	0	0	0	0	0	0	0
A373	Street Lights	-10,084,354	0	0	0	0	0	-10,084,354
A374	Land Owned in Fee	-12,860	-7,173	-72	-4,360	-1,161	0	-93
<b>Total</b>		<b>-380,265,238</b>	<b>-220,847,271</b>	<b>-5,009,085</b>	<b>-118,623,989</b>	<b>-20,234,677</b>	<b>0</b>	<b>-15,550,217</b>

**General Plant (Depreciation Reserve)**

A391.0	Office Furniture & Equip.	-1,967,486	-1,148,107	-26,864	-616,963	-110,284	-27,736	-37,531
A391.1	Office Furniture & Equip. - Computer Equipment	-1,259,196	-734,791	-17,193	-394,858	-70,582	-17,751	-24,020
A391.2	Office Furniture & Equip. - Application Software	0	0	0	0	0	0	0
A391.3	Office Furniture & Equip. - Networks	-4,310,753	-2,515,497	-58,859	-1,351,764	-241,633	-60,770	-82,230
A391.4	Office Furniture & Equip. - Aztec	0	0	0	0	0	0	0
A391.5	Office Furniture & Equip. - Mainframe Equip.	-302	-176	-4	-95	-17	-4	-6
A397	Communications Equipment	-441,406	-244,529	-4,417	-136,514	-24,353	-5,943	-25,651
<b>Total</b>		<b>-7,979,143</b>	<b>-4,643,101</b>	<b>-107,337</b>	<b>-2,500,194</b>	<b>-446,869</b>	<b>-112,204</b>	<b>-169,437</b>

<b>Distribution Invested Capital (Depreciation Reserve)</b>	<b>-409,888,899</b>	<b>-237,219,386</b>	<b>-5,303,511</b>	<b>-127,878,125</b>	<b>-21,874,637</b>	<b>-1,423,802</b>	<b>-16,189,437</b>
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**Accumulated Deferred Federal Income Taxes (Distribution-Related)**

ADIT	-80,503,021	-46,427,973	-929,975	-25,503,087	-4,479,479	-808,545	-2,353,962
Total before revenue distribution adjustment	513,119,605	294,488,046	5,232,022	164,794,156	29,468,786	7,490,150	11,646,444
Revenue Distribution Adjustment	0						
Total after revenue distribution adjustment before normalization	513,119,605	294,488,046	5,232,022	164,794,156	29,468,786	7,490,150	11,646,444
<b>DIC<sub>RC</sub> or DIC<sub>RC-CLASS</sub></b>	<b>513,119,605</b>	<b>294,488,046</b>	<b>5,232,022</b>	<b>164,794,156</b>	<b>29,468,786</b>	<b>7,490,150</b>	<b>11,646,444</b>

DEPR<sub>RC</sub> & DEPR<sub>RC-CLASS</sub>

DIST	Residential	Secondary ≤ 10 kW	Secondary > 10 kW	Primary	Transmission	Lighting Unmetered
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**Intangible Plant (Depreciation Expense)**

A303	Intangible Plant	2,017,708	1,159,994	21,210	646,426	115,341	28,399	46,337
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A303.6	Intangible Plant AMS	1,666,852	952,505	13,235	564,060	98,811	0	38,241
	<b>Total</b>	<b>3,684,560</b>	<b>2,112,499</b>	<b>34,446</b>	<b>1,210,486</b>	<b>214,152</b>	<b>28,399</b>	<b>84,578</b>
	<b><u>Distribution Plant (Depreciation Expense)</u></b>							
A360	Land and Land Rights	4,585	2,620	41	1,532	263	0	129
A361	Structures and Improvements	287,623	164,355	2,591	96,079	16,502	0	8,097
A362	Station Equipment	4,053,731	2,261,175	22,713	1,374,470	365,962	0	29,411
A363	Storage Battery Equipment	0	0	0	0	0	0	0
A364	Poles, Towers & Fixtures	9,222,577	5,223,899	52,472	3,175,381	702,877	0	67,948
A365	O.H. Conductors & Devices	7,719,541	4,372,542	43,921	2,657,878	588,326	0	56,874
A366	Underground Conduits	1,229,229	706,806	7,100	429,636	76,493	0	9,194
A367	U.G. Conductors & Devices	2,770,629	1,593,110	16,002	968,382	172,412	0	20,722
A368	Line Transformers	2,243,073	1,374,002	13,801	835,196	2,201	0	17,872
A369	Services	4,712,196	3,220,882	197,833	1,284,376	0	0	9,105
A370	Meters	9,852,477	6,419,751	394,314	2,559,973	460,291	0	18,148
A371	Install. on Customer Prem.	627,897	0	0	0	0	0	627,897
A372	Leased Prop. on Cust. Premises	0	0	0	0	0	0	0
A373	Street Lights	550,889	0	0	0	0	0	550,889
A374	Distribution Plant ARO	0	0	0	0	0	0	0
	<b>Total</b>	<b>43,274,447</b>	<b>25,339,142</b>	<b>750,788</b>	<b>13,382,903</b>	<b>2,385,327</b>	<b>0</b>	<b>1,416,286</b>
	<b><u>General Plant (Depreciation Expense)</u></b>							
391	Office Furniture & Equipment, Distribution-related	2,084,129	1,216,173	28,457	653,540	116,823	29,380	39,756
397	Communications Equipment, ditribution-related	232,056	133,587	2,413	74,578	13,304	3,247	4,927
	<b>Total</b>	<b>2,316,184</b>	<b>1,349,760</b>	<b>30,870</b>	<b>728,118</b>	<b>130,127</b>	<b>32,627</b>	<b>44,683</b>
	Total before revenue distribution adjustment	49,275,191	28,801,402	816,103	15,321,507	2,729,606	61,026	1,545,547
	Revenue Distribution Adjustment	0						
	Total after revenue distribution adjustment before normalization	49,275,191	28,801,402	816,103	15,321,507	2,729,606	61,026	1,545,547
	<b>DEPRRC &amp; DEPRRC-CLASS</b>	<b>49,275,191</b>	<b>28,801,402</b>	<b>816,103</b>	<b>15,321,507</b>	<b>2,729,606</b>	<b>61,026</b>	<b>1,545,547</b>

$FIT_{RC}$  &  $FIT_{RC-CLASS}$

DIST	Residential	Secondary ≤ 10 kW	Secondary > 10 kW	Primary	Transmission	Lighting Unmetered
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$DIC_{RC}$ or $DIC_{RC-CLASS}$	513,119,605	294,488,046	5,232,022	164,794,156	29,468,786	7,490,150	11,646,444
Rate of Return		7.89%	7.89%	7.89%	7.89%	7.89%	7.89%
Return on DIC	40,462,560	23,222,149	412,576	12,995,008	2,323,791	590,643	918,392
<b>Deductions:</b>							
Synchronized Interest	-18,457,563	-10,130,441	-279,821	-6,368,739	-1,025,587	-253,613	-399,364
ITC Amortization	0	0	0	0	0	0	0

Amortization of Protected Excess DFTT	-1,786,053	-978,629	-26,647	-620,172	-99,593	-21,942	-39,070
AFUDC Equity	-517,991	-283,822	-7,728	-179,862	-28,884	-6,364	-11,331
Protected Excess Reserve Adjustment	0	0	0	0	0	0	0
Amortization of reserved non ratable net excess	-3,628,717	-1,988,277	-54,138	-1,260,002	-202,343	-44,579	-79,379
Depletion	0	0	0	0	0	0	0
State Tax	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>-24,390,324</b>	<b>-13,381,168</b>	<b>-368,334</b>	<b>-8,428,776</b>	<b>-1,356,406</b>	<b>-326,497</b>	<b>-529,144</b>
<b>Additions:</b>							
Depreciation adjustment	74,806	40,989	1,116	25,975	4,171	919	1,636
Meals and Entertainment	33,432	18,318	499	11,609	1,864	411	731
prior year adjustments	0	0	0	0	0	0	0
provision for contingencies	0	0	0	0	0	0	0
<b>Taxable Component of Return</b>	<b>16,769,408</b>	<b>9,209,267</b>	<b>255,631</b>	<b>5,773,529</b>	<b>930,638</b>	<b>238,893</b>	<b>361,450</b>
<b>Tax Factor (1/1-.21)(.21)</b>	<b>0.26582</b>	<b>0.26582</b>	<b>0.26582</b>	<b>0.26582</b>	<b>0.26582</b>	<b>0.26582</b>	<b>0.26582</b>
<b>Federal Income Taxes Before Adjust.</b>	<b>4,457,691</b>	<b>2,448,033</b>	<b>67,952</b>	<b>1,534,736</b>	<b>247,385</b>	<b>63,503</b>	<b>96,082</b>
<b>Tax Credits</b>							
ITC Amortization	0	0	0	0	0	0	0
Amort of protected excess DFTT	-1,786,053	-978,629	-26,647	-620,172	-99,593	-21,942	-39,070
Amortiz. Of excess deferred taxes	0	0	0	0	0	0	0
protected excess revenue	0	0	0	0	0	0	0
amort of reserved non-ratable net excess	-3,628,717	-1,988,277	-54,138	-1,260,002	-202,343	-44,579	-79,379
<b>Subtotal</b>	<b>-5,414,770</b>	<b>-2,966,906</b>	<b>-80,785</b>	<b>-1,880,175</b>	<b>-301,935</b>	<b>-66,521</b>	<b>-118,449</b>
<b>Total Before Gross Up</b>	<b>-957,079</b>	<b>-518,873</b>	<b>-12,833</b>	<b>-345,439</b>	<b>-54,551</b>	<b>-3,017</b>	<b>-22,367</b>
Revenue Distribution Adjustment							
<b>Subtotal after revenue distribution adjustment</b>	<b>-957,079</b>	<b>-518,873</b>	<b>-12,833</b>	<b>-345,439</b>	<b>-54,551</b>	<b>-3,017</b>	<b>-22,367</b>
<b>FIT<sub>RC</sub> &amp; FIT<sub>RC-CLASS</sub></b>	<b>-957,079</b>	<b>-518,873</b>	<b>-12,833</b>	<b>-345,439</b>	<b>-54,551</b>	<b>-3,017</b>	<b>-22,367</b>

OT<sub>RC</sub> & OT<sub>RC-CLASS</sub>

DIST	DCRF	Residential	Secondary ≤ 5 kW	Secondary > 5 kW	Primary	Transmission	Lighting
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Other Taxes

Ad Valorem		9,466,519	8,944,713	5,158,876	103,481	2,832,630	497,603	90,395	261,728
Gross Receipts Tax	57.725%	-7,911	-4,537	-1,269	-221	-1,490	-334	-120	46,577
Texas Margin Tax		1,365,674	788,341	433,780	12,401	268,041	43,406	12,794	17,918
Total Before Adjustments			9,776,196	5,591,386	115,660	3,099,181	540,675	103,070	326,223
Revenue Distribution Adjustment			0						

Subtotal after revenue distribution adjustment	9,776,196	5,591,386	115,660	3,099,181	540,675	103,070	326,223
<b>OT<sub>RC</sub> &amp; OT<sub>RC-CLASS</sub></b>	<b>9,776,196</b>	<b>5,591,386</b>	<b>115,660</b>	<b>3,099,181</b>	<b>540,675</b>	<b>103,070</b>	<b>326,223</b>

ALLOC<sub>CLASS</sub>

DIST	Residential	Secondary =< 10 kW	Secondary > 10 kW	Primary	Transmission	Lighting Unmetered
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Net Distribution Invested Capital	513,119,605	294,488,046	5,232,022	164,794,156	29,468,786	7,490,150	11,646,444
<b>ALLOC<sub>CLASS</sub></b>	<b>57.391696%</b>	<b>1.019650%</b>	<b>32.116129%</b>	<b>5.743064%</b>	<b>1.459728%</b>	<b>2.269733%</b>	

Total functional net plant	628,252,670
DCRF-related net plant	593,622,626
DCRF proportion	0.944878795

Total functional revenue requirement	171,847,765
DCRF-related revenue requirement	98,556,866
DCRF proportion	0.573512647

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
<b>RELATIVE RATE OF RETURN @ EXISTING RATES</b>																	
1	<b>Operating Revenue</b>																
2	Total Sales of Electricity Revenue			237,360,418	-	237,360,418			115,958,870	2,899,042	74,506,878	10,219,672	8,458,102	9,197,150	14,508,905	3,611,902	237,360,418
3	Other Operating Revenue			3,338,927	-	3,338,927			1,633,086	327,887	1,012,034	124,523	94,670	120,406	763	25,759	3,338,927
4	<b>Total Operating Revenue</b>			<b>240,699,346</b>	<b>-</b>	<b>240,699,346</b>			<b>117,591,955</b>	<b>3,226,929</b>	<b>75,518,912</b>	<b>10,344,195</b>	<b>8,552,771</b>	<b>9,317,555</b>	<b>14,509,567</b>	<b>3,637,660</b>	<b>240,699,346</b>
7	<b>Operating and Maintenance, and A&amp;G Expenses</b>																
8	Depreciation & Amortization Expenses			139,066,128	-	139,066,128			69,543,973	941,104	36,379,707	5,375,230	4,019,777	5,301,129	16,737,784	767,423	139,066,128
9	Taxes Other Than Federal Income Tax			50,307,665	-	50,307,665			29,403,889	830,200	13,700,690	1,944,582	1,401,641	1,385,839	75,581	1,565,243	50,307,665
10	Federal Income Tax			25,987,990	-	25,987,990			13,663,471	236,100	7,656,754	1,374,928	1,029,208	1,494,426	120,048	424,055	25,987,990
11	Other Expenses			(957,079)	-	(957,079)			(518,873)	(12,833)	(299,567)	(45,872)	(25,084)	(29,466)	(3,017)	(22,367)	(957,079)
12	<b>Total Operating Expenses</b>			<b>222,415,858</b>	<b>-</b>	<b>222,415,858</b>			<b>113,448,978</b>	<b>2,703,089</b>	<b>63,188,828</b>	<b>8,643,042</b>	<b>8,612,645</b>	<b>8,138,070</b>	<b>16,930,772</b>	<b>2,749,434</b>	<b>222,415,858</b>
13	<b>Operating Income</b>			<b>18,283,487</b>		<b>18,283,487</b>			<b>4,142,977</b>	<b>523,840</b>	<b>12,330,084</b>	<b>1,701,153</b>	<b>(58,874)</b>	<b>1,178,485</b>	<b>(2,421,204)</b>	<b>888,226</b>	<b>18,283,487</b>
14	<b>Rate of Return @ Existing Rates</b>			<b>3.51%</b>		<b>3.51%</b>			<b>1.45%</b>	<b>8.64%</b>	<b>7.89%</b>	<b>7.32%</b>	<b>-0.43%</b>	<b>7.89%</b>	<b>-33.87%</b>	<b>7.89%</b>	<b>3.51%</b>
15	<b>Relative Rate of Return @ Existing Rates</b>								<b>0.41</b>	<b>1.89</b>	<b>2.25</b>	<b>2.08</b>	<b>(0.12)</b>	<b>2.25</b>	<b>(9.64)</b>	<b>2.25</b>	
<b>RELATIVE RATE OF RETURN @ PROPOSED RATES</b>																	
21	<b>Operating Revenue</b>																
22	Total Sales of Electricity Revenue			260,128,424	-	260,128,424			134,347,021	2,997,752	74,506,878	10,353,155	7,620,498	8,197,150	17,494,069	3,611,902	260,128,424
23	Other Operating Revenue			3,338,927	-	3,338,927			1,633,086	327,887	1,012,034	124,523	94,670	120,406	763	25,759	3,338,927
24	<b>Total Operating Revenue</b>			<b>263,467,351</b>	<b>-</b>	<b>263,467,351</b>			<b>135,980,106</b>	<b>3,325,639</b>	<b>75,518,912</b>	<b>10,477,679</b>	<b>7,715,168</b>	<b>8,317,555</b>	<b>17,494,832</b>	<b>3,637,660</b>	<b>263,467,351</b>
29	<b>Operating and Maintenance, and A&amp;G Expenses</b>																
30	Depreciation & Amortization Expenses			139,066,128	-	139,066,128			69,543,973	941,104	36,379,707	5,375,230	4,019,777	5,301,129	16,737,784	767,423	139,066,128
31	Taxes Other Than Federal Income Tax			50,307,665	-	50,307,665			29,403,889	830,200	13,700,690	1,944,582	1,401,641	1,385,839	75,581	1,565,243	50,307,665
32	Federal Income Tax			25,987,990	-	25,987,990			13,663,471	236,100	7,656,754	1,374,928	1,029,208	1,494,426	120,048	424,055	25,987,990
33	Other Expenses			(957,079)	-	(957,079)			(518,873)	(12,833)	(299,567)	(45,872)	(25,084)	(29,466)	(3,017)	(22,367)	(957,079)
34	<b>Total Operating Expenses</b>			<b>222,415,858</b>	<b>-</b>	<b>222,415,858</b>			<b>113,448,978</b>	<b>2,703,089</b>	<b>63,188,828</b>	<b>8,643,042</b>	<b>8,612,645</b>	<b>8,138,070</b>	<b>16,930,772</b>	<b>2,749,434</b>	<b>222,415,858</b>
35	<b>Operating Income</b>			<b>41,051,493</b>		<b>41,051,493</b>			<b>22,531,128</b>	<b>622,360</b>	<b>12,330,084</b>	<b>1,834,637</b>	<b>1,102,523</b>	<b>1,178,485</b>	<b>564,060</b>	<b>888,226</b>	<b>41,051,493</b>
36	<b>Rate of Return @ Existing Rates</b>			<b>7.89%</b>		<b>7.89%</b>			<b>7.89%</b>	<b>7.89%</b>	<b>7.89%</b>	<b>7.89%</b>	<b>7.89%</b>	<b>7.89%</b>	<b>7.89%</b>	<b>7.89%</b>	<b>7.89%</b>
37									1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
41	<b>RATE BASE</b>																
42	Original Cost of Plant	I-B-1		981,448,920	-	981,448,920			565,261,573	11,164,278	266,008,264	45,249,037	25,623,018	26,963,255	9,411,490	28,769,005	981,448,920
43	General Plant	I-B-2		63,915,024	-	63,915,024			37,231,998	868,580	17,264,437	2,753,221	1,779,645	1,799,483	899,526	1,219,125	63,915,024
44	Communication Equipment	I-B-3		2,008,525	-	2,008,525			1,156,245	20,883	549,537	95,965	53,896	81,255	28,101	42,643	2,008,525
45	<b>Total Plant</b>			<b>1,047,273,470</b>	<b>-</b>	<b>1,047,273,470</b>			<b>603,649,816</b>	<b>12,053,752</b>	<b>283,822,238</b>	<b>48,098,223</b>	<b>27,456,559</b>	<b>30,822,992</b>	<b>10,339,118</b>	<b>31,030,774</b>	<b>1,047,273,470</b>
46	Minus: Accumulated Depn	I-B-5		(419,020,799)	-	(419,020,799)			(242,558,170)	(5,428,528)	(112,440,059)	(18,306,613)	(10,601,621)	(11,765,782)	(1,552,774)	(16,347,251)	(419,020,799)
47	<b>Net Plant in Service</b>			<b>628,252,670</b>	<b>-</b>	<b>628,252,670</b>			<b>361,091,646</b>	<b>6,625,223</b>	<b>171,382,178</b>	<b>29,791,610</b>	<b>16,854,938</b>	<b>19,057,210</b>	<b>8,786,342</b>	<b>14,683,523</b>	<b>628,252,670</b>
50	<b>Other Rate Base Items:</b>																
51	CWIP and RWIP	I-B-4		1,622,112	-	1,622,112			904,816	9,089	461,700	88,298	64,559	81,882	-	11,769	1,622,112
52	Plant Held for Future Use	I-B-6		-	-	-			-	-	-	-	-	-	-	-	-
53	Accumulated Provisions on:	I-B-7		(81,123,460)	-	(81,123,460)			(46,784,750)	(936,976)	(21,978,396)	(3,722,408)	(2,128,725)	(2,365,989)	(816,227)	(2,368,992)	(81,123,460)
54	Materials & Supplies	I-B-8		2,941,657	-	2,941,657			1,660,788	31,071	802,203	139,405	78,933	89,083	41,365	88,778	2,941,657
55	Cash Working Capital	I-B-9		(2,235,050)	-	(2,235,050)			(1,201,011)	422	(652,268)	(136,237)	(76,552)	(107,168)	3,201	(65,438)	(2,235,050)
56	Prepayments	I-B-10		642,595	-	642,595			307,004	5,506	177,608	31,543	25,293	335	335	23,736	642,595
57	Rate Base - Other	I-B-11		(78,880,941)	-	(78,880,941)			(46,447,495)	(838,321)	(21,565,025)	(3,742,168)	(2,125,291)	(2,395,306)	(1,089,384)	(1,667,952)	(78,880,941)
58	Regulatory Assets	I-B-12		49,078,175	-	49,078,175			14,954,632	2,991,815	27,646,829	802,638	1,265,246	233,388	572,191	48,078,175	49,078,175
59	<b>Subtotal</b>			<b>(107,954,912)</b>	<b>-</b>	<b>(107,954,912)</b>			<b>(75,526,015)</b>	<b>1,262,805</b>	<b>(15,107,349)</b>	<b>(6,538,926)</b>	<b>(2,881,259)</b>	<b>(4,100,769)</b>	<b>(1,637,291)</b>	<b>(3,425,907)</b>	<b>(107,954,912)</b>
60	<b>TOTAL RATE BASE</b>			<b>520,297,758</b>	<b>-</b>	<b>520,297,758</b>			<b>285,565,631</b>	<b>7,887,828</b>	<b>156,274,829</b>	<b>23,252,684</b>	<b>13,673,679</b>	<b>14,936,441</b>	<b>7,149,050</b>	<b>11,257,616</b>	<b>520,297,758</b>
61	<b>Rate of Return</b>	I-C-2.1		<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>			<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>	<b>7.890%</b>
62	<b>RETURN ON RATE BASE</b>			<b>41,051,493</b>	<b>-</b>	<b>41,051,493</b>			<b>22,531,128</b>	<b>622,350</b>	<b>12,330,084</b>	<b>1,834,637</b>	<b>1,102,523</b>	<b>1,178,485</b>	<b>564,060</b>	<b>888,226</b>	<b>41,051,493</b>
63	<b>Intangible Plant-Gross</b>		WP-I-B-1														

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
69	A301	Organization		-	-	-			-	-	-	-	-	-	-	-	-
70	A302	Franchise & Consents		-	-	-			-	-	-	-	-	-	-	-	-
71	A303	Miscellaneous Intangible Plant		18,558,110	-	18,558,110			10,869,187	195,084	5,064,226	881,356	487,859	563,003	281,203	426,192	18,558,110
72	A303.6	Miscellaneous Intangible Plant-AMS		14,788,082	-	14,788,082			8,450,496	117,421	4,235,732	768,531	386,469	490,167	-	339,265	14,788,082
73																	
74		<b>Subtotal</b>		<b>33,346,192</b>	-	<b>33,346,192</b>			<b>19,119,683</b>	<b>312,506</b>	<b>9,299,958</b>	<b>1,649,887</b>	<b>884,328</b>	<b>1,053,169</b>	<b>281,203</b>	<b>765,457</b>	<b>33,346,192</b>
75		<b>Transmission Plant-Gross</b>	<b>WP-8-B-1</b>														
76	A349	Land Owned in Fee		-	-	-			-	-	-	-	-	-	-	-	-
77	A350	Land and Land Rights		-	-	-			-	-	-	-	-	-	-	-	-
78	A352	Structures and Improvements		-	-	-			-	-	-	-	-	-	-	-	-
79	A353.0	Station Equipment		-	-	-			-	-	-	-	-	-	-	-	-
80	A353.1	Transmission Meters		9,150,286	-	9,150,286			-	-	-	-	-	-	9,150,286	-	9,150,286
81	A354	Towers and Fittings		-	-	-			-	-	-	-	-	-	-	-	-
82	A355	Poles and Fittings		-	-	-			-	-	-	-	-	-	-	-	-
83	A356	O.H. Conductors & Devices		-	-	-			-	-	-	-	-	-	-	-	-
84	A357	Underground Conduit		-	-	-			-	-	-	-	-	-	-	-	-
85	A358	Underground Conductors		-	-	-			-	-	-	-	-	-	-	-	-
86	A359	Roads and Trails		-	-	-			-	-	-	-	-	-	-	-	-
87																	
88		<b>Subtotal</b>		<b>9,150,286</b>	-	<b>9,150,286</b>									<b>9,150,286</b>		<b>9,150,286</b>
89		<b>Distribution Plant-Gross</b>	<b>WP-8-B-1</b>														
90	A360	Land and Land Rights		8,288,577	-	8,288,577			3,593,442	56,943	1,795,442	315,230	159,058	201,737	-	177,025	8,288,577
91	A361	Structures and Improvements		15,138,050	-	15,138,050			8,650,240	136,353	4,297,969	768,830	382,890	485,627	-	426,141	15,138,050
92	A362	Station Equipment		145,817,654	-	145,817,654			81,337,222	817,003	41,503,913	7,937,439	5,803,462	7,360,648	-	1,057,968	145,817,654
93	A363	Storage Battery Equipment		-	-	-			-	-	-	-	-	-	-	-	-
94	A364	Poles, Towers & Fittings		192,317,059	-	192,317,059			108,933,216	1,094,195	55,565,310	10,630,444	6,461,602	8,195,380	-	1,416,913	192,317,059
95		Poles, Towers and Fittings - Primary		-	-	162,354,062			90,561,245	909,655	46,210,651	8,837,582	6,461,602	8,195,380	-	1,177,946	162,354,062
96		Poles, Towers and Fittings - Secondary		-	-	29,962,998			18,371,971	184,540	9,374,658	1,792,862	-	-	-	239,967	29,962,998
97	A365	O.H. Conductors & Devices		169,595,527	-	169,595,527			96,063,168	964,820	48,018,116	9,374,497	5,698,188	7,227,127	-	1,249,510	169,595,527
98		O.H. Conductors & Devices - Primary		-	-	143,172,543			79,861,777	802,183	40,751,038	7,793,455	5,698,188	7,227,127	-	1,038,776	143,172,543
99		O.H. Conductors & Devices - Secondary		-	-	26,422,983			16,201,392	162,737	8,267,078	1,581,042	-	-	-	210,734	26,422,983
100	A366	Underground Conduits		43,130,825	-	43,130,825			24,800,204	248,109	12,654,790	2,420,172	1,183,241	1,500,728	-	322,581	43,130,825
101		Underground Conduits - Primary		-	-	29,730,078			16,583,465	166,575	8,462,038	1,618,327	1,183,241	1,500,728	-	215,704	29,730,078
102		Underground Conduits - Secondary		-	-	13,400,747			8,216,739	82,534	4,192,752	801,845	-	-	-	106,877	13,400,747
103	A367	U.G. Conductors & Devices		82,214,515	-	82,214,515			47,273,307	474,843	24,122,132	4,613,251	2,255,453	2,860,637	-	614,862	82,214,515
104		U.G. Conductors & Devices - Primary		-	-	56,670,465			31,610,838	317,519	16,130,050	3,084,800	2,255,453	2,860,637	-	411,168	56,670,465
105		U.G. Conductors & Devices - Secondary		-	-	25,544,050			15,662,469	157,324	7,992,082	1,528,450	-	-	-	203,724	25,544,050
106	A368	Line Transformers		118,056,480	-	118,056,480			72,315,916	726,387	36,900,614	7,057,079	51,077	64,782	-	940,628	118,056,480
107	A369	Services		78,918,985	-	78,918,985			53,942,734	3,313,272	21,026,745	483,741	-	-	-	152,494	78,918,985
108	A370	Meters		1,295,031	-	1,295,031			837,310	51,429	326,381	7,509	47,228	12,806	-	2,367	1,295,031
109	A370.1	Meters- Load Research		419,079	-	419,079			348,313	19,901	40,579	232	607	146	-	9,301	419,079
110	A370.2	Meters-AMS		63,179,684	-	63,179,684			47,978,307	2,943,953	8,430,554	-	2,692,194	-	-	133,677	63,179,684
111	A370.3	Meters Non Analog		77,978	-	77,978			58,218	3,634	11,639	-	3,323	-	-	165	77,978
112	A371	Install. on Customer Prem.		4,378,142	-	4,378,142			-	-	-	-	-	-	-	4,378,142	4,378,142
113	A372	Leased Prop. on Cust. Premises		-	-	-			-	-	-	-	-	-	-	-	-
114	A373	Street Lights		18,121,337	-	18,121,337			-	-	-	-	-	-	-	18,121,337	18,121,337
115	A374	Distribution Plant ARO		14,518	-	14,518			8,296	131	4,122	728	367	466	-	409	14,518
116		<b>Subtotal</b>		<b>938,953,442</b>	-	<b>938,953,442</b>			<b>546,141,890</b>	<b>10,851,773</b>	<b>256,708,306</b>	<b>43,599,150</b>	<b>24,738,690</b>	<b>27,910,086</b>	-	<b>28,003,548</b>	<b>938,953,442</b>
117		<b>TOTAL INT, TRAN, DIST PLANT-GROSS</b>	<b>WP-8-B-1</b>	<b>981,449,920</b>	-	<b>981,449,920</b>			<b>565,261,573</b>	<b>11,164,278</b>	<b>268,008,264</b>	<b>45,249,037</b>	<b>25,623,018</b>	<b>28,963,255</b>	<b>9,411,490</b>	<b>29,769,095</b>	<b>981,449,920</b>
118		<b>TOTAL TRAN, DIST PLANT-GROSS</b>	<b>WP-8-B-1</b>	<b>948,103,729</b>	-	<b>948,103,729</b>			<b>546,141,890</b>	<b>10,851,773</b>	<b>256,708,306</b>	<b>43,599,150</b>	<b>24,738,690</b>	<b>27,910,086</b>	<b>9,150,286</b>	<b>28,003,548</b>	<b>948,103,729</b>
119																	
120		<b>General Plant-Gross</b>	<b>WP-8-B-2</b>														
121	A388	Land Owned in Fee		-	-	-			-	-	-	-	-	-	-	-	-
122	A389	Land and Land Rights		4,059,514	-	4,059,514			2,368,889	55,429	1,099,089	174,891	113,267	114,283	57,228	77,438	4,059,514
123	A390	Structures and Improvements		25,969,743	-	25,969,743			15,154,387	354,592	7,024,758	1,118,823	731,095	369,102	495,388	25,969,743	25,969,743
124	A391.0	Office Furniture & Equip.		3,342,483	-	3,342,483			1,950,473	45,638	904,134	144,000	93,261	94,097	47,120	63,760	3,342,483
125	A391.1	Office Furniture & Equip. - Computer Equipment		1,901,764	-	1,901,764			1,108,756	25,967	514,423	81,931	53,062	53,538	26,910	36,277	1,901,764
126	A391.2	Office Furniture & Equip. - Application Software		128,346	-	128,346			74,895	1,752	34,717	5,529	3,581	3,613	1,809	2,448	128,346
127	A391.3	Office Furniture & Equip. - Networks		13,146,026	-	13,146,026			7,671,234	179,496	3,555,971	566,354	366,796	370,084	185,323	250,768	13,146,026
128	A391.4	Office Furniture & Equip. - Aetec		-	-	-			-	-	-	-	-	-	-	-	-
129	A391.5	Office Furniture & Equip. - Mainframe Equip.		383	-	383			223	5	103	16	11	11	5	7	383
130	A392	Transportation Equipment		3,542,602	-	3,542,602			2,067,251	48,371	958,266	152,622	98,844	99,731	49,941	67,577	3,542,602
131	A393	Store Equipment		-	-	-			-	-	-	-	-	-	-	-	-
132	A394	Tools, Shop & Garage Equip.		10,322,209	-	10,322,209			6,023,423	140,940	2,792,135	444,899	298,007	290,589	145,515	196,902	10,322,209
133	A395	Laboratory Equipment		-	-	-			-	-	-	-	-	-	-	-	-
134	A396	Power Operated Equipment		841,374	-	841,374			484,352	8,748	230,202	40,200	22,577	25,890	11,771	17,963	841,374
135		<b>Subtotal</b>		<b>63,254,444</b>	-	<b>63,254,444</b>			<b>36,904,894</b>	<b>860,939</b>	<b>17,112,798</b>	<b>2,729,664</b>	<b>1,764,005</b>	<b>1,782,699</b>	<b>891,623</b>	<b>1,208,430</b>	<b>63,254,444</b>
136																	
137	A398	Misc. Equipment		543,108	-	543,108			316,925	7,416	146,910	23,398	15,154	15,289	7,856	10,360	543,108
138	A399	Other Tangible Property		-	-	-			-	-	-	-	-	-	-	-	-
140	A399.1	Asset Retirement Costs for General Plant		17,472	-	17,472			10,189	236	4,729	757	487	484	246	335	17,472

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
141		Subtotal		560,580	-	560,580			327,114	7,651	151,638	24,155	15,640	15,783	7,903	10,695	560,580
142																	
143		TOTAL GENERAL PLANT GROSS	WP-8-B-2	63,815,024	-	63,815,024			37,231,998	888,590	17,264,437	2,753,221	1,776,645	1,798,483	899,526	1,219,125	63,815,024
144																	
145																	
146																	
147	A397	Total Communication Equipment	WP-8-B-3														
148		Subtotal		2,008,525	-	2,008,525			1,156,245	20,883	549,537	95,965	53,896	61,255	28,101	42,643	2,008,525
149																	
150		TOTAL COMMUNICATION EQUIPMENT	WP-8-B-3	2,008,525	-	2,008,525			1,156,245	20,883	549,537	95,965	53,896	61,255	28,101	42,643	2,008,525
151																	
152		TOTAL GENERAL PLANT GROSS INCLUDE COMM. EQUIP.	8-B-2-3	65,823,549	-	65,823,549			38,388,243	889,473	17,813,974	2,849,186	1,830,541	1,859,737	927,627	1,261,768	65,823,549
153																	
154		TOTAL PLANT IN SERVICE-GROSS (INCL. INTANGIBLES)	8-B-1-3	1,047,273,470	-	1,047,273,470			603,649,816	12,953,752	283,822,238	48,098,223	27,456,559	30,822,992	10,336,116	31,030,774	1,047,273,470
155																	
156		TOTAL PLANT IN SERVICE-GROSS (EXCL. INTANGIBLES)	8-B-1-3	1,013,927,278	-	1,013,927,278			584,530,133	11,741,246	274,522,279	46,448,336	26,572,231	29,769,823	10,077,913	30,265,316	1,013,927,278
157																	
158																	
159																	
160		Construction Work in Progress	WP-8-B-4														
161	A107	Construction Work-in-Progress			-												
162	A108	Retirement Work-in-Progress		1,822,112	-	1,822,112			904,816	9,089	461,700	88,298	64,559	81,882	-	11,769	1,822,112
163		Subtotal		1,822,112	-	1,822,112			904,816	9,089	461,700	88,298	64,559	81,882	-	11,769	1,822,112
164																	
165		TOTAL CWIP	WP-8-B-4	1,822,112	-	1,822,112			904,816	9,089	461,700	88,298	64,559	81,882	-	11,769	1,822,112
166																	
167																	
168																	
169		Intangible Plant															
170		Accumulated Depreciation	WP-8-B-5														
171	A301	Organization		-	-	-											
172	A302	Franchise & Consents-Merger assets-Other		-	-	-											
173	A303	Miscellaneous Intangible Plant		(9,554,679)	-	(9,554,679)			(5,493,051)	(100,440)	(2,607,327)	(453,768)	(266,323)	(289,863)	(134,481)	(219,426)	(9,554,679)
174	A303.6	Miscellaneous Intangible Plant-AMS		(10,912,723)	-	(10,912,723)			(9,235,963)	(86,650)	(3,125,718)	(567,130)	(265,191)	(261,714)	-	(250,358)	(10,912,723)
175		Subtotal		(20,467,402)	-	(20,467,402)			(11,728,014)	(187,090)	(5,733,044)	(1,020,898)	(541,515)	(551,577)	(134,481)	(469,783)	(20,467,402)
176																	
177		Transmission Plant															
178		Accumulated Depreciation	WP-8-B-5														
179	A349	Land Owned in Fee		-	-	-			-	-	-	-	-	-	-	-	-
180	A350	Land and Land Rights		-	-	-			-	-	-	-	-	-	-	-	-
181	A352	Structures and Improvements		-	-	-			-	-	-	-	-	-	-	-	-
182	A353.0	Station Equipment		-	-	-			-	-	-	-	-	-	-	-	-
183	A353.1	Transmission Meters		(1,177,117)	-	(1,177,117)			-	-	-	-	-	-	-	-	-
184	A354	Towers and Fixtures		-	-	-			-	-	-	-	-	-	-	-	-
185	A355	Poles and Fixtures		-	-	-			-	-	-	-	-	-	-	-	-
186	A356	O.H. Conductors & Devices		-	-	-			-	-	-	-	-	-	-	-	-
187	A357	Underground Conduit		-	-	-			-	-	-	-	-	-	-	-	-
188	A358	Underground Conductors		-	-	-			-	-	-	-	-	-	-	-	-
189	A359	Roads and Trails		-	-	-			-	-	-	-	-	-	-	-	-
190		Subtotal		(1,177,117)	-	(1,177,117)			-	-	-	-	-	-	(1,177,117)	-	(1,177,117)
191																	
192		Distribution Plant															
193		Accumulated Depreciation	WP-8-B-5														
194	A360	Land and Land Rights		(87,477)	-	(87,477)			(49,997)	(789)	(24,836)	(4,395)	(2,213)	(2,806)	-	(2,463)	(87,477)
195	A361	Structures and Improvements		(9,102,952)	-	(9,102,952)			(5,201,642)	(81,993)	(2,584,494)	(456,307)	(230,243)	(292,022)	-	(256,251)	(9,102,952)
196	A362	Station Equipment		(29,334,935)	-	(29,334,935)			(16,363,054)	(164,361)	(8,349,569)	(1,596,818)	(1,167,514)	(1,480,782)	-	(212,837)	(29,334,935)
197	A363	Storage Battery Equipment		0	-	0			0	0	0	0	0	0	-	0	0
198	A364	Poles, Towers & Fixtures		(81,206,891)	-	(81,206,891)			(45,997,624)	(462,030)	(23,471,100)	(4,488,761)	(2,728,445)	(3,460,543)	-	(598,289)	(81,206,891)
199		Poles, Towers and Fixtures - Primary		-	-	(88,554,858)			(38,239,963)	(384,107)	(19,512,691)	(3,731,715)	(2,728,445)	(3,460,543)	-	(497,384)	(88,554,858)
200		Poles, Towers and Fixtures - Secondary		-	-	(12,652,034)			(7,757,681)	(77,923)	(3,958,409)	(757,045)	-	-	-	(100,905)	(12,652,034)
201	A365	O.H. Conductors & Devices		(87,100,812)	-	(87,100,812)			(49,336,089)	(496,563)	(25,174,707)	(4,814,551)	(2,926,473)	(3,711,706)	-	(641,723)	(87,100,812)
202		O.H. Conductors & Devices - Primary		-	-	(73,530,505)			(41,015,384)	(411,985)	(20,928,904)	(4,002,560)	(2,926,473)	(3,711,706)	-	(533,494)	(73,530,505)
203		O.H. Conductors & Devices - Secondary		-	-	(13,570,307)			(8,320,705)	(85,578)	(4,245,803)	(811,991)	-	-	-	(108,229)	(13,570,307)
204	A366	Underground Conduits		(18,387,172)	-	(18,387,172)			(10,572,615)	(106,188)	(5,394,984)	(1,031,748)	(504,429)	(639,778)	-	(137,520)	(18,387,172)
205		Underground Conduits - Primary		-	-	(12,674,278)			(7,068,724)	(71,013)	(3,607,465)	(689,912)	(504,429)	(639,778)	-	(91,567)	(12,674,278)
206		Underground Conduits - Secondary		-	-	(5,712,894)			(3,502,891)	(35,185)	(1,787,419)	(341,836)	-	-	-	(45,953)	(5,712,894)
207	A367	U.G. Conductors & Devices		(29,820,846)	-	(29,820,846)			(17,146,972)	(172,235)	(8,749,579)	(1,673,318)	(818,098)	(1,037,610)	-	(223,034)	(29,820,846)
208		U.G. Conductors & Devices - Primary		-	-	(20,555,509)			(11,465,982)	(115,171)	(5,950,691)	(1,119,919)	(818,098)	(1,037,610)	-	(149,139)	(20,555,509)
209		U.G. Conductors & Devices - Secondary		-	-	(9,265,337)			(5,681,090)	(57,065)	(2,898,888)	(554,399)	-	-	-	(73,895)	(9,265,337)
210	A368	Line Transformers		(36,567,705)	-	(36,567,705)			(22,389,677)	(224,997)	(11,429,875)	(2,185,913)	(15,821)	(20,096)	-	(291,357)	(36,567,705)
211	A369	Services		(47,448,214)	-	(47,448,214)			(32,431,821)	(1,992,028)	(12,641,844)	(290,838)	-	-	-	(91,684)	(47,448,214)
212	A370	Meters		(557,112)	-	(557,112)			(363,007)	(22,297)	(141,489)	(3,255)	(20,475)	(5,552)	-	(1,028)	(557,112)

**PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL**

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
213	A370.1	Meters- Load Research		(181,687)	-	(181,687)			(151,007)	(8,628)	(17,593)	(101)	(263)	(83)	-	(4,032)	(181,687)
214	A370.2	Meters-AMS		(27,390,895)	-	(27,390,895)			(20,900,926)	(1,276,320)	(4,088,519)	-	(1,167,173)	-	-	(57,954)	(27,390,895)
215	A370.3	Meters Non Analog		(33,807)	-	(33,807)			(25,673)	(1,575)	(5,048)	-	(1,441)	-	-	(72)	(33,807)
216	A371	Install. on Customer Prem.		(2,947,519)	-	(2,947,519)			-	-	-	-	-	-	-	(2,947,519)	(2,947,519)
217	A372	Leased Prop. on Cust. Premises		-	-	-			-	-	-	-	-	-	-	-	-
218	A373	Street Lights		(10,094,354)	-	(10,094,354)			-	-	-	-	-	-	-	(10,094,354)	(10,094,354)
219	A374	Distribution Plant ARO		(12,860)	-	(12,860)			(7,173)	(72)	(3,680)	(700)	(512)	(849)	-	(93)	(12,860)
220		<b>Subtotal</b>		<b>(380,263,238)</b>	-	<b>(380,263,238)</b>			<b>(220,847,271)</b>	<b>(5,009,685)</b>	<b>(102,077,295)</b>	<b>(18,548,694)</b>	<b>(9,583,100)</b>	<b>(10,851,577)</b>	-	<b>(15,550,217)</b>	<b>(380,263,238)</b>
221																	
222		<b>TOTAL INT, TRAN, DIST PLANT-ACCUM DEP.</b>	<b>WP#B-5</b>	<b>(401,909,756)</b>	-	<b>(401,909,756)</b>			<b>(232,576,285)</b>	<b>(5,196,174)</b>	<b>(107,810,339)</b>	<b>(17,567,592)</b>	<b>(10,124,815)</b>	<b>(11,303,153)</b>	<b>(1,311,598)</b>	<b>(16,020,000)</b>	<b>(401,909,756)</b>
223		<b>TOTAL TRAN, DIST PLANT-ACCUM DEP.</b>	<b>WP#B-5</b>	<b>(381,442,355)</b>	-	<b>(381,442,355)</b>			<b>(220,847,271)</b>	<b>(5,009,685)</b>	<b>(102,077,295)</b>	<b>(18,548,694)</b>	<b>(9,583,100)</b>	<b>(10,851,577)</b>	<b>(1,177,117)</b>	<b>(15,550,217)</b>	<b>(381,442,355)</b>
224																	
225		<b>TOTAL INT, TRAN, DIST PLANT-NET</b>	<b>B-B-1 - B-B-5</b>	<b>2,008,525</b>	-	<b>2,008,525</b>			<b>1,156,245</b>	<b>20,883</b>	<b>549,537</b>	<b>95,965</b>	<b>53,896</b>	<b>61,255</b>	<b>28,101</b>	<b>42,643</b>	<b>2,008,525</b>
226		<b>TOTAL TRAN, DIST PLANT-NET</b>	<b>B-B-1 - B-B-5</b>	<b>2,008,525</b>	-	<b>2,008,525</b>			<b>1,156,245</b>	<b>20,883</b>	<b>549,537</b>	<b>95,965</b>	<b>53,896</b>	<b>61,255</b>	<b>28,101</b>	<b>42,643</b>	<b>2,008,525</b>
227																	
228		<b>General Plant</b>	<b>WP#B-5</b>														
229		<b>Accumulated Depreciation</b>															
230	A388	Land Owned in Fee		-	-	-			-	-	-	-	-	-	-	-	-
231	A389	Land and Land Rights		-	-	-			-	-	-	-	-	-	-	-	-
232	A390	Structures and Improvements		(4,619,596)	-	(4,619,596)			(2,685,720)	(63,076)	(1,249,590)	(169,020)	(128,894)	(130,050)	(66,124)	(88,122)	(4,619,596)
233	A391	Office Furniture & Equip.		(1,967,486)	-	(1,967,486)			(1,148,107)	(26,864)	(532,200)	(84,763)	(54,886)	(55,388)	(27,736)	(37,531)	(1,967,486)
234	A391.1	Office Furniture & Equip. - Computer Equipment		(1,259,196)	-	(1,259,196)			(734,791)	(17,193)	(340,610)	(54,248)	(35,134)	(35,449)	(17,751)	(24,020)	(1,259,196)
235	A391.2	Office Furniture & Equip. - Application Software		-	-	-			-	-	-	-	-	-	-	-	-
236	A391.3	Office Furniture & Equip. - Networks		(4,310,753)	-	(4,310,753)			(2,515,497)	(58,959)	(1,166,049)	(185,715)	(120,277)	(121,355)	(60,770)	(82,230)	(4,310,753)
237	A391.4	Office Furniture & Equip. - Aetec		-	-	-			-	-	-	-	-	-	-	-	-
238	A391.5	Office Furniture & Equip. - Mainframe Equip.		(302)	-	(302)			(176)	(4)	(82)	(13)	(8)	(8)	(4)	(6)	(302)
239	A392	Transportation Equipment		(1,344,680)	-	(1,344,680)			(784,675)	(18,369)	(363,733)	(57,931)	(37,518)	(37,855)	(18,956)	(25,651)	(1,344,680)
240	A393	Store Equipment		-	-	-			-	-	-	-	-	-	-	-	-
241	A394	Tools, Shop & Garage Equip.		(3,140,595)	-	(3,140,595)			(1,832,663)	(42,882)	(949,524)	(135,302)	(97,629)	(88,413)	(44,274)	(59,909)	(3,140,595)
242	A395	Laboratory Equipment		-	-	-			-	-	-	-	-	-	-	-	-
243	A396	Power Operated Equipment		32,205	-	32,205			18,539	335	8,811	1,539	864	982	451	684	32,205
244		<b>Subtotal</b>		<b>(16,610,402)</b>	-	<b>(16,610,402)</b>			<b>(9,663,099)</b>	<b>(226,964)</b>	<b>(4,492,977)</b>	<b>(715,454)</b>	<b>(463,492)</b>	<b>(467,537)</b>	<b>(234,164)</b>	<b>(316,784)</b>	<b>(16,610,402)</b>
245																	
246	A397	Communication Equipment		(424,774)	-	(424,774)			(244,528)	(4,417)	(116,219)	(20,295)	(11,398)	(12,954)	(5,943)	(9,018)	(424,774)
247	A398	Misc. Equipment		(63,487)	-	(63,487)			(37,047)	(867)	(17,173)	(2,735)	(1,771)	(1,787)	(865)	(1,211)	(63,487)
248	A399.0	Other Tangible Property		-	-	-			-	-	-	-	-	-	-	-	-
249	A399.1	Asset Retirement Costs for General Plant		(12,380)	-	(12,380)			(7,218)	(167)	(3,351)	(536)	(345)	(350)	(174)	(237)	(12,380)
250		<b>Subtotal</b>		<b>(500,641)</b>	-	<b>(500,641)</b>			<b>(288,796)</b>	<b>(5,450)</b>	<b>(136,743)</b>	<b>(23,567)</b>	<b>(13,514)</b>	<b>(15,092)</b>	<b>(7,012)</b>	<b>(10,467)</b>	<b>(500,641)</b>
251																	
252		<b>TOTAL ACCUM. DEP. FOR GENERAL PLANT</b>	<b>WP#B-5</b>	<b>(17,111,043)</b>	-	<b>(17,111,043)</b>			<b>(9,981,886)</b>	<b>(232,354)</b>	<b>(4,629,720)</b>	<b>(739,021)</b>	<b>(477,006)</b>	<b>(482,029)</b>	<b>(241,177)</b>	<b>(327,251)</b>	<b>(17,111,043)</b>
253		<b>TOTAL GENERAL PLANT-NET</b>	<b>B-B-2-3 - B-B-5</b>	<b>48,712,506</b>	-	<b>48,712,506</b>			<b>28,406,357</b>	<b>657,119</b>	<b>13,184,254</b>	<b>2,110,165</b>	<b>1,356,535</b>	<b>1,377,109</b>	<b>686,450</b>	<b>934,517</b>	<b>48,712,506</b>
254																	
255		<b>TOTAL ACCUMULATED DEPRECIATION</b>		<b>(419,020,799)</b>	-	<b>(419,020,799)</b>			<b>(242,558,170)</b>	<b>(5,428,529)</b>	<b>(112,440,059)</b>	<b>(18,306,813)</b>	<b>(10,601,621)</b>	<b>(11,785,782)</b>	<b>(1,552,774)</b>	<b>(16,347,251)</b>	<b>(419,020,799)</b>
256																	
257		<b>TOTAL PLANT IN SERVICE NET (INCL. INTANGIBLES)</b>	<b>B-B-1-3 - B-B-5</b>	<b>628,252,670</b>	-	<b>628,252,670</b>			<b>361,091,646</b>	<b>6,625,223</b>	<b>17,138,278</b>	<b>29,791,610</b>	<b>16,854,938</b>	<b>19,037,210</b>	<b>8,786,342</b>	<b>14,683,523</b>	<b>628,252,670</b>
258																	
259		<b>TOTAL PLANT IN SERVICE NET (EXCL. INTANGIBLES)</b>	<b>B-B-1-3 - B-B-5</b>	<b>615,373,880</b>	-	<b>615,373,880</b>			<b>353,700,977</b>	<b>6,496,807</b>	<b>167,815,264</b>	<b>28,162,821</b>	<b>16,512,125</b>	<b>18,635,817</b>	<b>8,659,620</b>	<b>14,387,849</b>	<b>615,373,880</b>
260																	
261		<b>Other Rate Base Items</b>															
262	A105	Plant Held for Future Use	<b>WP#B-6</b>	-	-	-			-	-	-	-	-	-	-	-	-
263		<b>Subtotal</b>	<b>WP#B-6</b>	-	-	-			-	-	-	-	-	-	-	-	-
264																	
265		<b>TOTAL PLANT HELD FOR FUTURE USE</b>	<b>WP#B-6</b>	-	-	-			-	-	-	-	-	-	-	-	-
266																	
267		<b>Other Rate Base Items</b>															
268																	
269	A228200	Workers Compensation - Injury & Damages		(14,014)	-	(14,014)			(8,083)	(223)	(3,791)	(544)	(480)	(453)	(24)	(415)	(14,014)
270	A228202	General Liability - Injury & Damages		(156,889)	-	(156,889)			(90,173)	(1,654)	(42,788)	(7,440)	(4,208)	(4,754)	(2,194)	(3,667)	(156,889)
271	A228203	Workers Compensation Gross Up		-	-	-			-	-	-	-	-	-	-	-	-
272	A228210	IBNR Workers Compensation Liability		(69,997)	-	(69,997)			(40,372)	(1,115)	(18,937)	(2,716)	(2,367)	(2,264)	(122)	(2,074)	(69,997)
273	A228211	IBNR Auto Liability		-	-	-			-	-	-	-	-	-	-	-	-
274	A228212	IBNR Public Liability		(379,539)	-	(379,539)			(218,149)	(4,009)	(103,502)	(17,986)	(10,184)	(11,494)	(5,341)	(8,674)	(379,539)
275																	
276		<b>Subtotal</b>		<b>(620,439)</b>	-	<b>(620,439)</b>			<b>(356,776)</b>	<b>(7,001)</b>	<b>(169,029)</b>	<b>(28,886)</b>	<b>(17,270)</b>	<b>(18,965)</b>	<b>(7,681)</b>	<b>(15,030)</b>	<b>(620,439)</b>
277																	
278		<b>Accumulated Deferred Income Taxes</b>	<b>B-E-3.7</b>	<b>(80,503,021)</b>	-	<b>(80,503,021)</b>			<b>(46,427,973)</b>	<b>(928,975)</b>	<b>(21,809,367)</b>	<b>(3,693,720)</b>	<b>(2,112,455)</b>	<b>(2,367,023)</b>	<b>(808,545)</b>	<b>(2,353,962)</b>	<b>(80,503,021)</b>
279																	
280		<b>TOTAL ACCUMULATED PROVISIONS</b>		<b>(81,123,460)</b>	-	<b>(81,123,460)</b>			<b>(46,784,750)</b>	<b>(936,976)</b>	<b>(21,978,396)</b>	<b>(3,722,406)</b>	<b>(2,129,725)</b>	<b>(2,385,989)</b>	<b>(816,227)</b>	<b>(2,368,992)</b>	<b>(81,123,460)</b>
281																	
282																	
283		<b>Other Rate Base Items</b>															

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
284	<b>Working Capital</b>																
285		Materials and Supplies*															
286	A154	Material and Supplies	II-B-8	2,923,931	-	2,923,931			1,690,600	30,894	797,369	138,565	78,457	98,547	41,148	68,363	2,923,931
287	A163	Undistributed M&S Expenses	II-B-8	17,726	-	17,726			10,199	187	4,834	840	476	537	249	414	17,726
288		Subtotal		2,941,657	-	2,941,657			1,690,798	31,071	802,203	139,405	78,933	99,083	41,395	68,778	2,941,657
289																	
290	<b>TOTAL DISTRIBUTION MATERIALS &amp; SUPPLIES</b>		II-B-8	2,941,657	-	2,941,657			1,690,798	31,071	802,203	139,405	78,933	99,083	41,395	68,778	2,941,657
291																	
292		Other Rate Base Items															
293		Working Capital	WP-II-B-9														
294		Cash Working Capital		(2,235,050)	-	(2,235,050)			(1,201,011)	422	(652,268)	(136,237)	(76,552)	(107,168)	3,201	(65,438)	(2,235,050)
295		Subtotal		(2,235,050)	-	(2,235,050)			(1,201,011)	422	(652,268)	(136,237)	(76,552)	(107,168)	3,201	(65,438)	(2,235,050)
296																	
297	<b>TOTAL CASH WORKING CAPITAL</b>		WP-II-B-9	(2,235,050)	-	(2,235,050)			(1,201,011)	422	(652,268)	(136,237)	(76,552)	(107,168)	3,201	(65,438)	(2,235,050)
298																	
299	<b>TOTAL WORKING CAPITAL</b>		II-B-9-10	(2,235,050)	-	1,349,202			846,782	36,999	327,543	34,712	23,951	7,208	44,931	27,076	1,349,202
300																	
301																	
302		Other Rate Base Items															
303		Working Capital (MONTHLY)															
304		165 Prepayments	II-B-10														
305		Substation Maintenance Prepayment		29,638	-	29,638			16,466	254	8,162	1,465	895	1,167	15	1,095	29,638
306	A165000	Insurance		612,958	-	612,958			340,538	5,252	169,416	30,088	20,576	24,126	319	22,641	612,958
307	A165025	Subtotal		642,595	-	642,595			357,004	5,506	177,608	31,543	21,571	25,293	335	23,736	642,595
308																	
309	<b>TOTAL DISTRIBUTION PREPAYMENTS</b>		II-B-10	642,595	-	642,595			357,004	5,506	177,608	31,543	21,571	25,293	335	23,736	642,595
310																	
311		Other Rate Base Items															
312		A250000 ARO Liability		(480,575)	-	(480,575)			(276,946)	(5,120)	(131,337)	(22,781)	(12,936)	(14,565)	(6,769)	(10,121)	(480,575)
313		A254000 Regulatory Liability - Energy Efficiency Accrual		-	-	-			-	-	-	-	-	-	-	-	-
314		A254360 Regulatory Liability - Pension		(361,850)	-	(361,850)			(201,010)	(3,083)	(100,018)	(17,772)	(12,146)	(14,248)	(187)	(13,374)	(361,850)
315		A254382 Regulatory Liability - OPEB		-	-	-			-	-	-	-	-	-	-	-	-
316		A254010 Regulatory Liability - FAS 109 B		(78,038,516)	-	(78,038,516)			(44,969,539)	(830,108)	(21,333,670)	(3,701,615)	(2,100,209)	(2,368,492)	(1,092,427)	(1,644,457)	(78,038,516)
317		Subtotal		(78,880,941)	-	(78,880,941)			(45,447,495)	(838,321)	(21,565,025)	(3,742,168)	(2,125,291)	(2,395,308)	(1,099,384)	(1,667,952)	(78,880,941)
318																	
319	<b>TOTAL OTHER RATE BASE ITEMS</b>			(78,880,941)	-	(78,880,941)			(45,447,495)	(838,321)	(21,565,025)	(3,742,168)	(2,125,291)	(2,395,308)	(1,099,384)	(1,667,952)	(78,880,941)
320																	
321		Other Rate Base Items															
322		Regulatory Assets/(Liabilities) in Rate Base															
323		182310 SFAS 109		5,844,431	-	5,844,431			3,368,014	62,172	1,597,386	277,336	157,219	177,291	81,867	123,157	5,844,431
324		182321 Recoverable Stranded Costs - TNP One		-	-	-			-	-	-	-	-	-	-	-	-
325		182322 Recoverable Stranded Costs - Carrying Charges		-	-	-			-	-	-	-	-	-	-	-	-
326		182334 AMS Under Recovery		25,014,695	-	25,014,695			-	2,482,138	22,014,801	-	457,168	-	-	50,588	25,014,695
327		182344 2G AMS Meter Retirement		299,112	-	299,112			227,149	13,938	44,947	-	12,748	-	-	833	299,112
328		182351 REP Bad Debt Regulatory Asset		88,632	-	88,632			38,482	925	36,592	4,742	3,507	4,604	-	-	88,632
329		182353 AMS Retirement Costs net		6,110,824	-	6,110,824			4,640,623	284,743	912,136	-	260,393	-	-	12,929	6,110,824
330		182354 AMS Pilot Program Costs		371,074	-	371,074			281,797	17,291	55,389	-	15,912	-	-	785	371,074
331		182357 Non-Standard Metering		320,422	-	320,422			243,332	14,931	47,828	-	13,654	-	-	678	320,422
332		182359 Catastrophe RSRV Under Collect		738,988	-	738,988			425,862	7,961	201,979	36,067	19,879	22,417	10,360	15,572	738,988
333		182360 Qualified Pension		9,934,686	-	9,934,686			5,498,204	83,678	2,648,345	483,429	332,086	383,603	138,145	367,197	9,934,686
334		182361 Non-Qualified Pension		-	-	-			-	-	-	-	-	-	-	-	-
335		182336 Hurricane Harvey		-	-	-			-	-	-	-	-	-	-	-	-
336		183000 Preliminary Survey Charges		-	-	-			-	-	-	-	-	-	-	-	-
337		186000 Deferred Regulatory Expense-Other		-	-	-			-	-	-	-	-	-	-	-	-
338		186000 Deferred Regulatory Expense-CTC		-	-	-			-	-	-	-	-	-	-	-	-
339		189000 Unamortized Loss on Recquired Debt		-	-	-			-	-	-	-	-	-	-	-	-
340		181305 Debt Expense-TNMP Securitization	WP-II-B-124	355,310	-	355,310			230,189	14,139	89,727	2,064	12,994	3,521	2,036	651	355,310
341																	
342		Subtotal		49,078,175	-	49,078,175			14,954,632	2,991,815	27,648,829	802,638	1,285,246	591,436	233,388	572,191	49,078,175
343																	
344	<b>TOTAL REGULATORY ASSETS</b>			49,078,175	-	49,078,175			14,954,632	2,991,815	27,648,829	802,638	1,285,246	591,436	233,388	572,191	49,078,175
345																	
346	<b>TOTAL OTHER RATE BASE ITEMS</b>		II-B-4, 6-12	(107,954,912)	-	(107,954,912)			(75,526,015)	1,262,805	(15,107,348)	(6,538,926)	(2,881,258)	(4,100,788)	(1,637,291)	(3,425,907)	(107,954,912)
347																	
348	<b>TOTAL RATE BASE</b>		II-B-1-12	520,297,758	-	520,297,758			285,565,631	7,887,828	156,274,829	23,252,684	13,973,679	14,938,441	7,149,050	11,257,616	520,297,758
349																	
350	<b>Rate of Return</b>		II-C-2.1	7.8900%		7.8900%			7.8900%	7.8900%	7.8900%	7.8900%	7.8900%	7.8900%	7.8900%	7.8900%	7.8900%
351																	
352																	
353																	

PUBLIC UTILITY COMMISSION OF TEXAS  
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CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
354	RETURN ON RATE BASE			41,051,493		41,051,493			22,531,128.26	622,349.65	12,330,084.04	1,834,636.79	1,102,523.24	1,178,485.22	564,060.07	888,225.87	41,051,493.1369
355																	
356	Transmission Expense																
357		Operation	WP11-D-1/1														
358	A560	Operation Super. & Engr.		-	-	-			-	-	-	-	-	-	-	-	-
359	A561	Load Dispatching		-	-	-			-	-	-	-	-	-	-	-	-
360	A562	Station Equipment		-	-	-			-	-	-	-	-	-	-	-	-
361	A563	Overhead Line Expense		-	-	-			-	-	-	-	-	-	-	-	-
362	A564	Underground Line Expense		-	-	-			-	-	-	-	-	-	-	-	-
363	A565	Wheeling Expense 20.67 Payments		88,280,659	-	88,280,659			39,840,170	252,483	22,495,319	3,169,276	2,336,789	3,530,734	16,655,889	-	88,280,659
364	A565.1	Wheeling Expense		-	-	-			-	-	-	-	-	-	-	-	-
365	A566	Misc. Transmission Expense		-	-	-			-	-	-	-	-	-	-	-	-
366	A567	Rents		-	-	-			-	-	-	-	-	-	-	-	-
367		Subtotal		88,280,659	-	88,280,659			39,840,170	252,483	22,495,319	3,169,276	2,336,789	3,530,734	16,655,889	-	88,280,659
368																	
369		Maintenance	WP11-D-1/1														
370	A568	Maintenance Super. & Engr.		-	-	-			-	-	-	-	-	-	-	-	-
371	A569	Maint. of Structures		-	-	-			-	-	-	-	-	-	-	-	-
372	A570	Maint. of Station Equipment		-	-	-			-	-	-	-	-	-	-	-	-
373	A571	Maint. of Overhead Lines		-	-	-			-	-	-	-	-	-	-	-	-
374	A572	Maint. of Underground Lines		-	-	-			-	-	-	-	-	-	-	-	-
375	A573	Maint. of Misc. Trans. Plant		-	-	-			-	-	-	-	-	-	-	-	-
376		Subtotal		-	-	-			-	-	-	-	-	-	-	-	-
377																	
378	TOTAL TRANSMISSION EXPENSE		WP11-D-1/1	88,280,659	-	88,280,659			39,840,170	252,483	22,495,319	3,169,276	2,336,789	3,530,734	16,655,889	-	88,280,659
379																	
380																	
381																	
382	Distribution Expense																
383		Operation	WP11-D-1/1														
384	A580	Operation Super. & Engr.		693,048	-	693,048			408,139	11,471	190,976	27,115	24,810	23,143	1,269	6,325	693,048
385	A581	Load Dispatching		1,411,543	-	1,411,543			787,390	7,909	401,766	76,936	56,179	71,252	-	10,241	1,411,543
386	A582	Station Expense		581,031	-	581,031			324,096	3,255	165,378	31,628	23,125	29,330	-	4,216	581,031
387	A583P	Overhead Line Expense-Primary		1,416,581	-	1,416,581			802,387	8,060	409,434	78,302	47,595	60,366	-	10,437	1,416,581
388	A584	Underground Line Expense		941,953	-	941,953			541,622	5,440	276,373	52,955	25,841	32,775	-	7,045	941,953
389	A585	Street Lights		23,499	-	23,499			-	-	-	-	-	-	-	23,499	23,499
390	A586	Meter Expenses		1,862,120	-	1,862,120			1,206,380	74,098	470,244	10,818	68,045	18,451	10,672	3,410	1,862,120
391	A587	Customer Installation Expense		239,352	-	239,352			155,065	8,524	60,444	1,391	8,748	2,372	1,372	438	239,352
392	A588	Misc Distribution Expenses		6,019,189	-	6,019,189			3,544,727	99,625	1,658,649	235,492	213,738	201,004	11,023	54,930	6,019,189
393	A589	Rents		100,386	-	100,386			55,995	562	28,573	5,464	3,895	5,067	-	728	100,386
394		Subtotal		13,288,701	-	13,288,701			7,825,775	219,946	3,601,837	519,901	471,875	443,760	24,338	121,289	13,288,701
395																	
396		Maintenance	WP11-D-1/1														
397	A590	Maintenance Super. & Engr.		282,306	-	282,306			155,682	1,650	79,228	15,042	9,377	11,818	12	9,517	282,306
398	A591	Maint. of Structures		244,836	-	244,836			139,905	2,205	69,513	12,273	6,193	7,854	-	6,992	244,836
399	A592	Maint. of Station Equipment		2,480,429	-	2,480,429			1,383,586	13,898	706,002	135,020	98,720	125,208	-	17,997	2,480,429
400	A593P	Maint. of Overhead Lines-Primary		9,177,100	-	9,177,100			5,198,140	52,213	2,652,453	507,270	308,339	391,072	-	67,613	9,177,100
401	A594P	Maint. of Underground Lines-Primary		830,671	-	830,671			477,636	4,798	243,723	48,611	22,788	28,903	-	6,213	830,671
402	A595	Maint. of Line Transformers		57,963	-	57,963			35,506	357	18,117	3,465	25	32	-	462	57,963
403	A596	Maint. of Street Lights		346,816	-	346,816			-	-	-	-	-	-	-	346,816	346,816
404	A597	Maint. of Meters		97,330	-	97,330			63,055	3,873	24,579	565	3,557	954	558	178	97,330
405	A598	Maint. of Misc. Dist. Plant (3716372)		23,246	-	23,246			12,901	130	6,529	1,247	772	979	-	789	23,246
406		Subtotal		13,540,897	-	13,540,897			7,466,291	79,123	3,800,144	721,493	448,770	568,830	570	456,478	13,540,897
407																	
408	TOTAL DISTRIBUTION EXPENSE		WP11-D-1/1	26,829,398	-	26,829,398			15,292,066	299,069	7,461,981	1,241,394	921,645	1,010,590	24,908	577,746	26,829,398
409																	
410																	
411																	
412	Customer Accounting Expenses		WP11-D-1/1														
413	A901	Supervision		586,813	-	586,813			395,457	23,729	118,403	14,136	15,156	11,463	7,370	1,097	586,813
414	A902	Meter Reading Expense		2,084,277	-	2,084,277			1,350,305	82,938	526,346	12,109	76,163	20,652	11,945	3,817	2,084,277
415	A903	Customer Records & Collection		909,602	-	909,602			667,290	38,125	77,741	60,011	1,163	37,833	25,657	1,782	909,602
416	A904	Uncollectible Accounts		3,664	-	3,664			1,590	38	1,513	196	137	190	-	-	3,664
417	A905	Misc. Customer Account Exp.		41,918	-	41,918			28,249	1,695	8,458	1,010	1,083	919	526	78	41,918
418		Subtotal		3,626,273	-	3,626,273			146,526	732,461	87,462	93,702	70,958	45,499	6,775	3,626,273	3,626,273
419																	
420	Cust. Service & Information Expense		WP11-D-1/1														
421	A906.C	Customer Svc. & Infr.		-	-	-			-	-	-	-	-	-	-	-	-
422	A907	Supervision		174,178	-	174,178			112,842	6,931	43,985	1,012	6,365	1,725	998	319	174,178
423	A908.C	Customer Assistance		-	-	-			-	-	-	-	-	-	-	-	-
424	A909.C	Infr. & Instruct. Adv. Exp.		19,940	-	19,940			12,918	793	5,035	116	729	198	114	37	19,940
425	A910	Misc. Cust. Service & Infr.		18,786	-	18,786			12,170	748	4,744	109	686	186	108	34	18,786

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
426		Subtotal		212,903	-	212,903			137,930	8,472	53,765	1,237	7,780	2,110	1,220	390	212,903
427																	
428		TOTAL-CUSTOMER SERVICE & INFO.& ACCOUNTING EXPENSES		3,839,177	-	3,839,177			2,580,821	154,998	788,225	88,999	101,482	73,067	46,719	7,165	3,839,177
429																	
430		Sales Expense	WP11-D-1/1														
431	A911	Supervision		-	-	-			-	-	-	-	-	-	-	-	-
432	A912	Demonstrating & Selling Exp.		-	-	-			-	-	-	-	-	-	-	-	-
433	A913	Advertising Exp.		8,483	-	8,483			7,050	403	821	5	12	3	2	188	8,483
434	A916	Misc Sales Exp		-	-	-			-	-	-	-	-	-	-	-	-
435	A917	Sales Expense		-	-	-			-	-	-	-	-	-	-	-	-
436		Subtotal		8,483	-	8,483			7,050	403	821	5	12	3	2	188	8,483
437																	
438		TOTAL SALES EXPENSE	WP11-D-1/1	8,483	-	8,483			7,050	403	821	5	12	3	2	188	8,483
439																	
440		TOTAL O&M EXPENSE	WP11-D-1/1	118,957,717	-	118,957,717			57,720,107	706,953	30,744,346	4,499,373	3,359,929	4,614,395	16,727,515	585,099	118,957,717
441																	
442																	
443		Administrative & General Expenses	WP11-D-2														
444	A920	Admin. & General Salaries		767,167	-	767,167			449,494	12,331	206,090	31,622	25,801	26,014	1,853	13,972	767,167
445	A921	Office Supplies		1,070,505	-	1,070,505			827,210	17,207	287,578	44,126	38,003	36,300	2,595	19,496	1,070,505
446	A922.1	Admin Expense Transferred		(802,878)	-	(802,878)			(353,226)	(9,691)	(161,958)	(24,950)	(20,278)	(20,443)	(1,458)	(10,980)	(802,878)
447	A922.2	Admin Expense Transferred		(7,481,301)	-	(7,481,301)			(4,383,299)	(120,254)	(2,009,761)	(308,375)	(251,908)	(253,688)	(18,067)	(136,251)	(7,481,301)
448	A922.9	Admin Expense Transferred		19,029,949	-	19,029,949			11,149,690	305,897	5,112,166	784,403	640,008	645,291	45,967	346,577	19,029,949
449	A923	Outside Services		2,352,126	-	2,352,126			1,328,637	20,994	854,352	117,938	79,424	94,595	1,907	54,290	2,352,126
450	A924	Property Insurance Exp.		744,699	-	744,699			429,495	8,603	201,749	34,189	19,541	21,996	7,490	21,775	744,699
451	A925.0	Injuries & Damages		2,090,097	-	2,090,097			1,224,589	33,596	561,479	86,153	70,293	70,874	5,048	38,065	2,090,097
452	A925.9	Injuries & Damages		(1,270,535)	-	(1,270,535)			(744,407)	(20,423)	(341,314)	(52,371)	(42,730)	(43,083)	(3,069)	(23,139)	(1,270,535)
453	A926	Pensions & Benefits		1,818,583	-	1,818,583			1,050,304	28,997	491,710	70,946	62,175	59,072	3,273	52,117	1,818,583
454	A928	Regulatory Commission		1,260,870	-	1,260,870			690,137	5,877	369,710	65,855	45,149	53,315	(1,733)	32,760	1,260,870
455	A930.1	Misc. General Expense		-	-	-			168,496	(52,054)	172,212	10,277	(15,094)	(16,273)	(33,821)	(233,712)	-
456	A930.2	Misc. General Expense		269,410	-	269,410			151,839	2,331	75,302	13,504	8,153	10,947	168	6,266	269,410
457	A931	Rents		59,719	-	59,719			34,999	960	16,043	2,462	2,008	2,025	144	1,088	59,719
458	A935	Maint. of General Plant		-	-	-			-	-	-	-	-	-	-	-	-
459		Subtotal		20,108,411	-	20,108,411			11,823,866	234,151	5,635,361	875,857	659,848	686,734	10,269	182,325	20,108,411
460																	
461		TOTAL A&G EXPENSE	WP11-D-2	20,108,411	-	20,108,411			11,823,866	234,151	5,635,361	875,857	659,848	686,734	10,269	182,325	20,108,411
462																	
463		TOTAL O&M & A&G EXPENSE	8-D-1-2	139,066,128	-	139,066,128			69,543,973	941,104	36,379,707	5,375,236	4,019,777	5,301,129	16,737,784	767,423	139,066,128
464																	
465		TOTAL O&M EXP. EXCL. A565	8-D-1-2	50,785,468	-	50,785,468			29,703,803	688,621	13,884,388	2,205,954	1,682,888	1,776,395	81,895	767,423	50,785,468
466																	
467																	
468		Intangible Plant	WP11-E-1														
469		Depreciation and Amortization Expense															
470	A301	Organization		-	-	-			-	-	-	-	-	-	-	-	-
471	A302	Franchise and Consents/Reg. Assets/Liabilities		-	-	-			-	-	-	-	-	-	-	-	-
472	A303	Miscellaneous Intangible Plant		2,017,708	-	2,017,708			1,159,994	21,210	550,802	95,824	54,129	61,212	28,399	46,337	2,017,708
473	A303.6	Miscellaneous Intangible Plant-AMS		1,666,852	-	1,666,852			952,505	13,235	477,434	86,626	43,561	55,250	-	38,241	1,666,852
474		Subtotal		3,684,560	-	3,684,560			2,112,499	34,446	1,028,036	182,450	97,690	116,461	28,399	84,578	3,684,560
475																	
476		Transmission Plant	WP11-E-1														
477		Depreciation and Amortization Expense															
478	A350	Land and Land Rights		-	-	-			-	-	-	-	-	-	-	-	-
479	A352	Structures and Improvements		-	-	-			-	-	-	-	-	-	-	-	-
480	A353	Station Equipment		-	-	-			-	-	-	-	-	-	-	-	-
481	A354	Towers and Fittings		-	-	-			-	-	-	-	-	-	-	-	-
482	A355	Poles and Fittings		-	-	-			-	-	-	-	-	-	-	-	-
483	A356	O.H. Conductors & Devices		-	-	-			-	-	-	-	-	-	-	-	-
484	A357	Underground Conduit		-	-	-			-	-	-	-	-	-	-	-	-
485	A358	Underground Conductors		-	-	-			-	-	-	-	-	-	-	-	-
486	A359	Roads and Trails		-	-	-			-	-	-	-	-	-	-	-	-
487		Others		-	-	-			-	-	-	-	-	-	-	-	-
488		Subtotal		-	-	-			-	-	-	-	-	-	-	-	-
489																	
490		Distribution	WP11-E-1														
491		Depreciation and Amortization Expense															
492	A360	Land and Land Rights		4,585	-	4,585			2,620	41	1,302	230	116	147	-	129	4,585
493	A361	Structures and Improvements		287,623	-	287,623			164,355	2,591	81,661	14,418	7,275	9,227	-	8,097	287,623
494	A362	Station Equipment		4,053,731	-	4,053,731			2,261,175	22,713	1,153,809	220,661	161,336	204,626	-	29,411	4,053,731
495	A363	Storage Battery Equipment		-	-	-			-	-	-	-	-	-	-	-	-
496	A364	Poles, Towers & Fittings		9,222,577	-	9,222,577			5,223,699	52,472	2,665,597	509,784	309,967	393,010	-	67,948	9,222,577

**PUBLIC UTILITY COMMISSION OF TEXAS**  
**TEXAS-NEW MEXICO POWER COMPANY**  
**CLASS COST OF SERVICE BY FUNCTION**  
**DOCKET NO. 48401**  
**TEST YEAR ENDING: DECEMBER 31, 2017**  
**SPONSOR: STACY R. WHITEHURST**  
**SUMMARY MODEL**

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
497	A365	O.H. Conductors & Devices		7,719,541	-	7,719,541			4,372,542	43,921	2,231,175	426,702	259,366	328,960	-	56,874	7,719,541
498	A366	Underground Conducts		1,229,229	-	1,229,229			706,906	7,100	360,662	68,975	33,722	42,771	-	9,194	1,229,229
499	A367	U.G. Conductors & Devices		2,770,629	-	2,770,629			1,593,110	16,002	912,916	155,467	78,009	96,403	-	20,722	2,770,629
500	A368	Line Transformers		2,343,073	-	2,343,073			1,374,002	13,801	701,112	134,084	970	1,231	-	17,872	2,343,073
501	A369	Services		4,712,196	-	4,712,196			3,220,882	197,833	1,255,482	29,884	-	-	-	9,105	4,712,196
502	A370	Meters		9,952,477	-	9,952,477			8,419,751	394,314	2,502,403	57,570	362,104	98,187	-	19,148	9,952,477
503	A371	Install. on Customer Prem.		627,897	-	627,897			-	-	-	-	-	-	-	627,897	627,897
504	A372	Leased Prop. on Cust. Premises		-	-	-			-	-	-	-	-	-	-	-	-
505	A373	Street Lights		550,889	-	550,889			-	-	-	-	-	-	-	550,889	550,889
506	A374	Distribution Plant ARO		-	-	-			-	-	-	-	-	-	-	-	-
507		<b>Subtotal</b>		<b>43,274,447</b>	<b>-</b>	<b>43,274,447</b>			<b>25,339,142</b>	<b>750,788</b>	<b>11,766,128</b>	<b>1,616,774</b>	<b>1,210,766</b>	<b>1,174,562</b>	<b>-</b>	<b>1,416,286</b>	<b>43,274,447</b>
508		<b>General Plant</b>	<b>WP11-E-1</b>														
509		<b>Depreciation and Amortization Expense</b>															
511	A389.1	Land and Land Rights		-	-	-			-	-	-	-	-	-	-	-	-
512	A390	Structures and Improvements		615,115	-	615,115			358,944	8,399	166,387	26,500	17,163	17,317	8,671	11,734	615,115
513	A391	Office Furniture & Equipment		2,094,129	-	2,094,129			1,216,173	28,457	563,752	89,789	58,151	58,672	29,380	39,756	2,094,129
514	A392	Transportation equipment		2,960	-	2,960			1,728	40	901	128	83	83	42	56	2,960
515	A393	Store Equipment		-	-	-			-	-	-	-	-	-	-	-	-
516	A394	Tools, Shop & Garage Equip		373,161	-	373,161			217,754	5,095	100,939	16,076	10,412	10,505	5,261	7,118	373,161
517	A395	Lab Equip		-	-	-			-	-	-	-	-	-	-	-	-
518	A396	Power Operated Equipment		275	-	275			158	3	75	13	7	8	4	6	275
519	A397	Communication Equipment		232,056	-	232,056			133,587	2,413	63,491	11,087	8,227	7,077	3,247	4,927	232,056
520	A398	Misc. Equipment		40,963	-	40,963			23,904	559	11,080	1,765	1,143	1,153	577	781	40,963
521	A399	Other Tangible Property		-	-	-			-	-	-	-	-	-	-	-	-
522	A399.1	Asset Retirement Costs for General Plant		-	-	-			-	-	-	-	-	-	-	-	-
523		<b>Subtotal</b>		<b>3,348,659</b>	<b>-</b>	<b>3,348,659</b>			<b>1,952,248</b>	<b>44,966</b>	<b>906,526</b>	<b>145,357</b>	<b>93,185</b>	<b>94,816</b>	<b>47,182</b>	<b>64,378</b>	<b>3,348,659</b>
524																	
525		<b>TOTAL DEPRECIATION &amp; AMORTIZATION</b>		<b>50,307,665</b>	<b>-</b>	<b>50,307,665</b>			<b>29,403,889</b>	<b>830,200</b>	<b>13,700,690</b>	<b>1,944,582</b>	<b>1,401,641</b>	<b>1,385,839</b>	<b>75,581</b>	<b>1,565,243</b>	<b>50,307,665</b>
526																	
527		<b>Taxes Other than Income Taxes</b>															
528																	
529		<b>Payroll-Related</b>															
531		FICA	PS-E-2, WP11-D-	2,211,898	-	2,211,898			1,277,459	36,258	598,055	86,289	75,622	71,948	3,961	63,388	2,211,898
532		FUTA	WP11-E-21	14,437	-	14,437			8,338	230	3,904	563	494	499	26	414	14,437
533		SUTA (NM & TX)	WP11-E-21	44,207	-	44,207			25,531	705	11,953	1,725	1,511	1,436	80	1,267	44,207
534		WC	WP11-E-21	-	-	-			-	-	-	-	-	-	-	-	-
535		Payroll Tax Load		(1,030,460)	-	(1,030,460)			(595,131)	(16,425)	(278,617)	(40,200)	(35,230)	(33,472)	(1,855)	(29,531)	(1,030,460)
536		<b>Total Payroll</b>		<b>1,240,083</b>	<b>-</b>	<b>1,240,083</b>			<b>716,197</b>	<b>19,798</b>	<b>335,295</b>	<b>48,377</b>	<b>42,397</b>	<b>40,281</b>	<b>2,232</b>	<b>35,538</b>	<b>1,240,083</b>
537																	
538		<b>Property Related</b>															
539		Ad Valorem	WP11-E-22	9,498,519	-	9,498,519			5,459,826	109,518	2,563,797	434,080	249,459	278,173	95,669	276,996	9,498,519
540		Street Rental*	WP11-E-32	13,923,624	-	13,923,624			8,740,442	84,409	4,355,019	833,357	701,703	1,128,006	-	80,688	13,923,624
541		<b>Total Property</b>		<b>23,390,143</b>	<b>-</b>	<b>23,390,143</b>			<b>12,200,270</b>	<b>193,927</b>	<b>6,918,816</b>	<b>1,267,436</b>	<b>950,162</b>	<b>1,406,179</b>	<b>95,669</b>	<b>357,684</b>	<b>23,390,143</b>
542																	
543		Unemployment		-	-	-			-	-	-	-	-	-	-	-	-
544		Franchise		-	-	-			-	-	-	-	-	-	-	-	-
545		<b>Total Non-Revenue Related</b>		<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
546																	
547		<b>Revenue Related</b>															
548		Gross Receipts Tax	WP11-E-24	(7,911)	-	(7,911)			(4,451)	(75)	(2,199)	(383)	(269)	(310)	(16)	(208)	(7,911)
549		Sales and Use Tax**	WP11-E-24	-	-	-			-	-	-	-	-	-	-	-	-
550		Texas Margin Tax	WP11-E-25	1,365,674	-	1,365,674			751,454	21,482	404,841	59,498	36,918	38,276	22,164	31,041	1,365,674
551		<b>Total Revenue Related</b>		<b>1,357,764</b>	<b>-</b>	<b>1,357,764</b>			<b>747,004</b>	<b>21,407</b>	<b>402,642</b>	<b>59,114</b>	<b>36,649</b>	<b>37,966</b>	<b>22,149</b>	<b>30,833</b>	<b>1,357,764</b>
552																	
553		<b>TOTAL TAXES OTHER THAN INCOME TAXES</b>		<b>25,987,990</b>	<b>-</b>	<b>25,987,990</b>			<b>13,663,471</b>	<b>235,100</b>	<b>7,856,754</b>	<b>1,374,928</b>	<b>1,029,208</b>	<b>1,484,426</b>	<b>120,048</b>	<b>424,055</b>	<b>25,987,990</b>
554																	
555		* Accrual for transvoltage expense removed from Street Rental Payments															
556		** Sales tax is direct pass through to customers, removed from Total Company															
557																	
558		<b>Federal Income Taxes</b>	<b>I-E-3</b>														
559		<b>Return on Rate Base</b>		<b>41,051,493</b>	<b>-</b>	<b>41,051,493</b>			<b>22,531,128</b>	<b>622,360</b>	<b>12,330,084</b>	<b>1,834,637</b>	<b>1,102,523</b>	<b>1,178,485</b>	<b>564,060</b>	<b>888,226</b>	<b>41,051,493</b>
560																	
561		<b>Deductions:</b>															
563		Synchronized Interest		(18,457,563)	-	(18,457,563)			(10,130,441)	(279,821)	(5,543,850)	(824,889)	(495,716)	(528,870)	(253,613)	(399,364)	(18,457,563)
564		ITC Amortization		-	-	-			-	-	-	-	-	-	-	-	-
565		Amortization of Protected Excess DFIT		(1,786,053)	-	(1,786,053)			(978,629)	(26,647)	(539,557)	(80,616)	(47,900)	(51,784)	(21,942)	(39,070)	(1,786,053)
566		AFUDC Equity		(517,991)	-	(517,991)			(283,822)	(7,728)	(156,482)	(23,380)	(13,966)	(15,018)	(6,364)	(11,331)	(517,991)
567		Protected Excess Reserve Adjustment		-	-	-			-	-	-	-	-	-	-	-	-

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor %	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
568		Amortization of reserved non ratable net excess		(3,628,717)	-	(3,628,717)			(1,988,277)	(54,138)	(1,086,216)	(163,787)	(97,134)	(105,209)	(44,579)	(79,379)	(3,628,717)
569		Depletion		-	-	-			-	-	-	-	-	-	-	-	-
570		Other		-	-	-			-	-	-	-	-	-	-	-	-
571		<b>Subtotal</b>		<b>(24,390,324)</b>	<b>-</b>	<b>(24,390,324)</b>			<b>(13,381,188)</b>	<b>(388,334)</b>	<b>(7,336,104)</b>	<b>(1,092,872)</b>	<b>(654,525)</b>	<b>(701,881)</b>	<b>(326,497)</b>	<b>(529,144)</b>	<b>(24,390,324)</b>
572																	
573		<b>Additions:</b>															
574		Depreciation adjustment		74,806	-	74,806			40,989	1,116	22,589	3,376	2,002	2,169	919	1,636	74,806
575		Meals and Entertainment		33,432	-	33,432			18,318	499	10,100	1,509	895	969	411	731	33,432
576		Lobbying		-	-	-			-	-	-	-	-	-	-	-	-
577		Fines and Penalties		-	-	-			-	-	-	-	-	-	-	-	-
578		prior year adjustments		-	-	-			-	-	-	-	-	-	-	-	-
579		provision for contingencies		-	-	-			-	-	-	-	-	-	-	-	-
580		<b>Subtotal</b>		<b>108,238</b>	<b>-</b>	<b>108,238</b>			<b>59,307</b>	<b>1,615</b>	<b>32,698</b>	<b>4,885</b>	<b>2,897</b>	<b>3,138</b>	<b>1,330</b>	<b>2,368</b>	<b>108,238</b>
581																	
582		<b>Taxable Component of Return</b>		<b>16,769,408</b>	<b>-</b>	<b>16,769,408</b>			<b>9,209,287</b>	<b>255,631</b>	<b>5,026,678</b>	<b>746,951</b>	<b>450,896</b>	<b>479,742</b>	<b>238,893</b>	<b>361,450</b>	<b>16,769,408</b>
583		<b>Tax Factor</b>		<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>			<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>	<b>26.58%</b>
584																	
585		<b>Federal Income Taxes Before Adjust.</b>		<b>4,457,691</b>	<b>-</b>	<b>4,457,691</b>			<b>2,448,033</b>	<b>67,952</b>	<b>1,336,206</b>	<b>198,530</b>	<b>119,858</b>	<b>127,526</b>	<b>63,503</b>	<b>96,082</b>	<b>4,457,691</b>
586																	
587		<b>Tax Credits</b>															
588		ITC Amortization		-	-	-			-	-	-	-	-	-	-	-	-
589		Amort of protected excess OFIT		(1,798,053)	-	(1,798,053)			(978,629)	(26,947)	(539,557)	(80,816)	(47,809)	(51,784)	(21,942)	(39,070)	(1,798,053)
590		Amortiz. Of excess deferred taxes		-	-	-			-	-	-	-	-	-	-	-	-
591		protected excess revenue		-	-	-			-	-	-	-	-	-	-	-	-
592		amort of reserved non-ratable net excess		(3,628,717)	-	(3,628,717)			(1,988,277)	(54,138)	(1,086,216)	(163,787)	(97,134)	(105,209)	(44,579)	(79,379)	(3,628,717)
593		<b>Subtotal</b>		<b>(5,414,770)</b>	<b>-</b>	<b>(5,414,770)</b>			<b>(2,966,906)</b>	<b>(80,785)</b>	<b>(1,635,772)</b>	<b>(244,402)</b>	<b>(144,943)</b>	<b>(156,992)</b>	<b>(66,521)</b>	<b>(118,449)</b>	<b>(5,414,770)</b>
594																	
595		<b>TOTAL FEDERAL INCOME TAXES</b>	<b>8-E-3</b>	<b>(957,079)</b>	<b>-</b>	<b>(957,079)</b>			<b>(518,873)</b>	<b>(12,833)</b>	<b>(299,567)</b>	<b>(45,872)</b>	<b>(25,084)</b>	<b>(29,466)</b>	<b>(3,017)</b>	<b>(22,367)</b>	<b>(957,079)</b>
596																	
597																	
598																	
599		<b>Misc Other Expenses</b>															
600		<b>Misc Items</b>															
601	403100	Depreciation Expense for ARO		406	-	406			234	4	111	19	11	12	8	9	406
602	407012	2G AMS Meter Amortization		1,527,706	-	1,527,706			1,160,156	71,186	229,034	-	65,098	-	-	3,232	1,527,706
603	407013	AMS Pilot Program Amort		92,769	-	92,769			70,449	4,323	13,847	-	3,953	-	-	196	92,769
604	407014	AMS Meter Replacement Amort		74,778	-	74,778			56,787	3,494	11,162	-	3,186	-	-	158	74,778
605		AMS Under Recovery		6,253,674	-	6,253,674			-	623,034	5,503,700	-	114,292	-	-	12,847	6,253,674
606		REP Bad Debt		44,316	-	44,316			19,231	463	18,296	2,371	1,653	2,302	-	-	44,316
607		Non-Standard Metering		58,344	-	58,344			44,307	2,719	8,709	-	2,488	-	-	123	58,344
608		Deferred Regulatory Expenses-Other		-	-	-			-	-	-	-	-	-	-	-	-
609		Deferred Regulatory Expenses-CTC		-	-	-			-	-	-	-	-	-	-	-	-
610		Debt Expense-TNMP Securitization		88,828	-	88,828			71,855	4,135	10,277	106	506	134	82	1,752	88,828
611	411100	Accretion Expense for ARO		38,562	-	38,562			22,221	410	10,542	1,829	1,038	1,169	540	813	38,562
612	421100	Gain from Disposal of Plant		(16,478)	-	(16,478)			(9,496)	(175)	(4,504)	(782)	(443)	(500)	(231)	(347)	(16,478)
613	426100	Donations-Environmental		2,500	-	2,500			1,429	20	716	130	85	85	-	57	2,500
614	426101	Donations-Other		12,022	-	12,022			6,870	95	3,443	625	314	399	-	276	12,022
615	426103	Donations-Economic Vitality		41,680	-	41,680			23,818	331	11,938	2,166	1,099	1,382	-	956	41,680
616	426106	Donations-Employee Engagement		(236,779)	-	(236,779)			(136,305)	(1,890)	(67,820)	(12,305)	(8,186)	(7,948)	-	(5,432)	(236,779)
617	426107	Donations-Education		28,829	-	28,829			23,961	1,369	2,792	16	42	10	-	840	28,829
618																	
619																	
620		<b>TOTAL MISCELLANEOUS OTHER EXPENSES</b>		<b>8,011,155</b>	<b>-</b>	<b>8,011,155</b>			<b>1,356,517</b>	<b>709,518</b>	<b>5,751,243</b>	<b>(5,825)</b>	<b>187,104</b>	<b>(2,858)</b>	<b>376</b>	<b>15,088</b>	<b>8,011,155</b>
621																	
622		<b>TOTAL OTHER EXPENSES EXCLUDING FIT</b>	<b>8-E-1-244</b>	<b>84,306,810</b>	<b>-</b>	<b>84,306,810</b>			<b>44,423,877</b>	<b>1,774,818</b>	<b>27,108,687</b>	<b>3,313,684</b>	<b>2,617,952</b>	<b>2,867,487</b>	<b>196,006</b>	<b>2,094,378</b>	<b>84,306,810</b>
623																	
624		<b>TOTAL OTHER EXPENSES INCLUDING FIT</b>	<b>8-E-1-4</b>	<b>83,349,730</b>	<b>-</b>	<b>83,349,730</b>			<b>43,905,005</b>	<b>1,761,985</b>	<b>26,809,121</b>	<b>3,267,812</b>	<b>2,592,868</b>	<b>2,837,941</b>	<b>192,988</b>	<b>1,982,011</b>	<b>83,349,730</b>
625																	
626																	
627		<b>Other Revenues:</b>	<b>8-E-5</b>														
628		<b>Non-Electric Revenue</b>															
629																	
630	A451.100	Miscellaneous Customer Revenue		1,256,259	-	1,256,259			788,065	377,187	70,949	1,301	9,928	488	5	28,325	1,256,259
631	A451.101	Non-Standard Metering		-	-	-			-	-	-	-	-	-	-	-	-
632	A451.900	Miscellaneous Customer Revenue		(246,632)	-	(246,632)			(150,789)	(74,050)	(13,929)	(255)	(1,949)	(98)	(1)	(5,561)	(246,632)
633	A454	Rent From Electric Property		2,207,930	-	2,207,930			958,140	23,049	911,560	118,127	82,373	114,690	-	-	2,207,930
634	A455	Interdepartmental Rent		121,371	-	121,371			57,670	1,502	43,454	5,350	4,317	5,325	758	2,984	121,371
635	A456.502	Revenues from Transmission of Electricity of Others		-	-	-			-	-	-	-	-	-	-	-	-
636	A456.503	Other Electric Revenue		-	-	-			-	-	-	-	-	-	-	-	-
637		<b>Subtotal</b>		<b>3,338,927</b>	<b>-</b>	<b>3,338,927</b>			<b>1,633,086</b>	<b>327,687</b>	<b>1,012,034</b>	<b>124,523</b>	<b>94,670</b>	<b>120,466</b>	<b>763</b>	<b>25,759</b>	<b>3,338,927</b>
638																	

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
CLASS COST OF SERVICE BY FUNCTION  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST  
SUMMARY MODEL

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Factor #	5 Function Factor	6 Residential	7 Secondary < 5 KW	8 Secondary > 5 KW	9 Secondary > 5 KW IDR	10 Primary	11 Primary IDR	12 Transmission	13 Lighting	14 TOTAL
638	TOTAL OTHER REVENUES		8-E-5	3,338,927	-	3,338,927			1,633,086	327,687	1,012,034	124,523	94,670	120,406	763	25,759	3,338,927

Line No.	Account	Description	Reference Schedule	1 Test Year Total Electric	2 Company Adjustment	3 Company Total Request	4 Function Factor	5 Residential	6 Secondary < 5 KW	7 Secondary > 5 KW	8 Secondary > 5 KW IDR	9 Primary	10 Primary IDR	11 Transmission	12 Lighting	13 TOTAL
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Operating and Maintenance, and A&G Expenses Excluding A565	50,785,468	-	50,785,468			29,703,803	688,621	13,894,388	2,205,954	1,682,988	1,770,396	81,865	767,423	50,785,468
A565 Expense	88,280,659	-	88,280,659			39,940,170	252,483	22,495,319	3,169,276	2,336,789	3,530,734	16,655,889	-	88,280,659
Depreciation & Amortization Expenses	50,307,665	-	50,307,665			29,403,889	830,200	13,700,690	1,944,582	1,401,541	1,385,839	75,581	1,565,243	50,307,665
Taxes Other Than Federal Income Tax	25,987,990	-	25,987,990			13,663,471	235,100	7,658,754	1,374,928	1,029,208	1,484,426	120,048	424,055	25,987,990
Federal Income Tax	(957,079)	-	(957,079)			(518,673)	(12,833)	(298,567)	(45,972)	(25,084)	(29,466)	(3,017)	(22,367)	(957,079)
Return on Rate Base	41,051,493	-	41,051,493			22,531,128	622,350	12,330,084	1,834,637	1,102,523	1,178,486	664,000	888,226	41,051,493
<b>TOTAL COST OF SERVICE</b>	255,456,196	-	255,456,196			134,623,590	2,615,921	69,767,668	10,483,504	7,528,065	9,320,413	17,494,455	3,622,580	255,456,196
Other Expenses	8,011,155	-	8,011,155			1,358,517	709,518	5,751,243	(5,825)	187,104	(2,858)	376	15,080	8,011,155
Minus: Other Revenues	(3,338,927)	-	(3,338,927)			(1,633,086)	(327,687)	(1,012,034)	(124,523)	(94,670)	(120,406)	(763)	(25,759)	(3,338,927)
<b>TOTAL ADJUSTED REVENUE REQUIREMENT</b>	260,128,424	-	260,128,424			134,347,021	2,997,752	74,506,878	10,353,155	7,620,498	9,197,150	17,494,069	3,611,902	260,128,424
<b>TOTAL ADJUSTED REVENUE REQUIREMENT Excluding A565</b>	171,847,765	-	171,847,765			94,506,851	2,745,269	52,011,559	7,183,880	5,283,709	5,666,415	838,180	3,611,902	171,847,765
	88,280,659	-	88,280,659											

FROM Schedule A																
Operating and Maintenance						139,066,128										
A565 Expense																
Depreciation & Amortization Expenses						50,307,665										
Taxes Other Than Federal Income Tax						25,987,990										
Federal Income Tax						(957,079)										
Return on Rate Base						41,051,493										
<b>TOTAL COST OF SERVICE</b>						260,128,424										
Other Expenses						8,011,155										
Minus: Other Revenues						(3,338,927)										
<b>TOTAL ADJUSTED REVENUE REQUIREMENT</b>						260,128,424										

PUBLIC UTILITY COMMISSION OF TEXAS  
TEXAS-NEW MEXICO POWER COMPANY  
RATE DESIGN SUMMARY  
DOCKET NO. 48401  
TEST YEAR ENDING: DECEMBER 31, 2017  
SPONSOR: STACY R. WHITEHURST

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SUMMARY OF CLASS PROPOSED RATES									
LINE	CLASS	CHARGES	UNIT	Billing	PRESENT	Test Year	Proposed Rates	Proposed Revenues	Change
No.			(b) (c)	Determinant	RATES	Revenues			
1	RESIDENTIAL	CUSTOMER CHARGE	per ESI ID	2,485,234	4.00	\$ 9,940,937	1.13	2,808,315	(7,132,623)
2		METERING CHARGE	per ESI ID	2,485,234	1.25	3,106,543	6.72	16,700,775	13,594,232
3		AMS SURCHARGE	per ESI ID	2,485,234	3.40	8,449,797	-	-	(8,449,797)
4		TRANSMISSION COST RECOVERY FACTOR	per kWh	2,921,422,519		43,783,676	0.0136373	39,840,170	(3,943,506)
5		DISTRIBUTION SERVICE CHARGE	per kWh	2,921,422,519	0.02	50,677,916	0.0258700	74,992,916	24,315,000
6		ENERGY EFFICIENCY COST RECOVERY	per kWh	2,921,422,519	0.001268	3,774,119	0.0012680	3,774,119	-
7									
8		Total				\$ 119,732,989	\$	138,116,295	\$ 18,383,306 15.354%
9									
10	SECONDARY < 5 kW	CUSTOMER CHARGE	per ESI ID	141,992	2.50	\$ 354,980	0.74	105,074	(249,906)
11		METERING CHARGE	per ESI ID	141,992	2.20	312,383	7.62	1,081,980	769,597
12		AMS SURCHARGE	per ESI ID	141,992	-	-	-	-	-
13		TRANSMISSION COST RECOVERY FACTOR	per kWh	36,584,347		1,012,579	0.01	252,483	(780,096)
14		DISTRIBUTION SERVICE CHARGE	per kWh	36,584,347	0.03	1,219,100	0.04	1,557,761	338,661
15		ENERGY EFFICIENCY COST RECOVERY	per kWh	36,584,347	(0.00)	(211,063)	(0.00)	(211,063)	-
16									
17		Total				\$ 2,687,979	\$	2,788,235	\$ 98,256 3.655%
18									
19	SECONDARY >= 5 kW	CUSTOMER CHARGE	per ESI ID	291,191	2.56	\$ 745,449	\$ 3.60	1,048,288	302,839
20		METERING CHARGE	per ESI ID	291,191	10.74	\$ 3,127,392	\$ 20.96	6,103,364	2,975,972
21		AMS SURCHARGE (NON-IDR)	per ESI ID	289,535	-	\$ -	\$ -	-	-
22		TRANSMISSION COST RECOVERY FACTOR	per kW						
23		NON-IDR CUSTOMERS	per kW	7,024,308		22,441,826	3.202496075	22,495,319	53,492
24		IDR CUSTOMERS	per kW	785,370		3,949,677	4.035392435	3,189,276	(780,401)
25		DISTRIBUTION SERVICE CHARGE	per kW						
26		NON-IDR CUSTOMERS	per kW	7,906,438.20	6.0981	\$ 48,214,239	5.7256	45,289,091	(2,945,147)
27		IDR CUSTOMERS	per kW	1,183,148	5.2808	\$ 6,247,968	5.7256	6,774,232	526,264
28		ENERGY EFFICIENCY COST RECOVERY	per kWh	2,248,730,448	0.001063	\$ 2,408,252	0.001063	2,408,252	-
29									
30									
31									
32		Total				\$ 87,134,803	\$	87,267,822	\$ 133,019 0.153%
33									
34	PRIMARY	CUSTOMER CHARGE	per ESI ID	5,352	34.50	\$ 184,844	\$ 26.89	143,915	(40,729)
35		METERING CHARGE	per ESI ID	5,352	204.98	\$ 1,097,053	\$ 221.59	1,185,950	88,897
36		AMS SURCHARGE (NON-IDR)	per ESI ID	4,332	-	\$ -	\$ -	-	-
37		TRANSMISSION COST RECOVERY FACTOR	per kW						
38		NON-IDR CUSTOMERS	per kW	808,550		1,063,782	2.890098391	2,338,789	1,273,007
39		IDR CUSTOMERS	per kW	956,821		2,881,481	3.690067063	3,530,734	649,254
40		DISTRIBUTION SERVICE CHARGE	per kW						
41		NON-IDR CUSTOMERS	per kW	924,990	4.7102	\$ 4,356,888	\$ 4.53	4,193,905	(162,983)
42		IDR CUSTOMERS	per kW	1,172,047	5.1286	\$ 6,010,960	\$ 4.53	5,314,061	(696,899)
43		ENERGY EFFICIENCY COST RECOVERY	per kWh	787,920,120	-0.00003	\$ (17,223)	\$ (0.00)	(17,223)	-
44									
45									
46									
47		Total				\$ 15,577,585	\$	16,688,131	\$ 1,110,546 7.129%
48									
49		CUSTOMER CHARGE	per ESI ID	564	214.51	\$ 120,984	\$ 31.98	18,025	(102,958)
50		METERING CHARGE	per Meter	708	1,751.67	\$ 1,240,182	\$ 1,158.21	820,013	(420,170)
51		AMS SURCHARGE N/A	per ESI ID	0	-	\$ -	\$ -	-	-

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52	TRANSMISSION	TRANSMISSION COST RECOVERY FACTOR	per 4CP kVa	4258877.52		13,147,839	\$	3.91	16,655,889	3,508,250	
53		DISTRIBUTION SERVICE CHARGE	per 4CP kVa	4258877.52	-	\$ -	\$	0.00	128	128	
54		ENERGY EFFICIENCY COST RECOVERY	per kWh	3220037201	-	\$ -	\$	-	-	-	
55		RATE CASE EXPENSE	per 4CP kVa	4258877.52	-	\$ -	\$	-	-	-	
56		Total				\$ 14,508,805		\$	17,494,055	\$ 2,985,250	20.575%
57											
58		CUSTOMER CHARGE	per customer			3,611,902			534,862	(3,077,040)	
59		METERING CHARGE	per customer						49,770	49,770	
60		AMS SURCHARGE	-						0	-	
61	LIGHTING	TRANSMISSION COST RECOVERY FACTOR	-						0	-	
62		DISTRIBUTION SERVICE CHARGE	per kW			0			3,026,770	3,026,770	
63		ENERGY EFFICIENCY COST RECOVERY	per kWh			(5,845)			(5,845)	-	
64		RATE CASE EXPENSE	per kWh						0	-	
65		Total				\$ 3,606,057		\$	3,605,557	\$ (500)	-0.014%
66											
67											
68		CUSTOMER CHARGE	per customer	24	34.5	\$ 828	\$	26.89	645	(183)	
69		METERING CHARGE	per customer	24	204.98	\$ 4,920	\$	221.59	5,318	399	
70		AMS SURCHARGE N/A	n/a			\$ -			-	-	
71	WDS	TRANSMISSION COST RECOVERY FACTOR	n/a			\$ -			-	-	
72		DISTRIBUTION SERVICE CHARGE	per kVA	23343	2.3431	\$ 54,895	\$	4.53	105,837	51,142	
73		ENERGY EFFICIENCY COST RECOVERY	n/a			\$ -			-	-	
74		RATE CASE EXPENSE	n/a			\$ -			-	-	
75		Total				\$ 60,443		\$	111,801	\$ 51,358	84.970%
76											
77											
78											
79											
80											
81		CUSTOMER CHARGE				14,959,724			4,659,124	4,659,124	0
82		METERING CHARGE				8,888,472			25,947,169	25,947,169	0
83		AMS SURCHARGE				8,449,797			-	0	-
84	TOTAL	TRANSMISSION COST RECOVERY FACTOR				88,280,659			88,280,659	88,280,659	-
85		DISTRIBUTION SERVICE CHARGE				116,781,766			141,234,702	141,234,700	2
86		ENERGY EFFICIENCY COST RECOVERY				5,948,240			5,948,240	5,948,230	10
87											
88						243,308,659			266,089,895	266,884,423	(814,528)
89	* EECRF revenues based on Docket 47217										
90									260,121,655		

TEXAS-NEW MEXICO POWER COMPANY  
FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2017  
DOCKET NO. \_\_\_\_\_  
SUMMARY OF BILLING DETERMINANTS  
SPONSOR: STACY R. WHITEHURST

Line no.	Description	Secondary Svc > 5kW NIDR	Secondary Svc > 5kW IDR	Total
1	<b>Unadjusted Billed kW</b>			
2	Less than 20 kW	1,145,434	258	1,145,691
3	LF < 25%	3,058,247	309,292	3,367,539
4	Subject to Ratchet	3,624,308	894,095	4,518,403
5				
6	<b>Total Unadjusted Billed kW</b>	<b>7,827,988</b>	<b>1,203,644</b>	<b>9,031,633</b>
7	<b>Unadjusted billed KW from WP II-H</b>	<b>7,827,988</b>	<b>1,203,644</b>	<b>9,031,633</b>
8				
9	<b>Adjustments to Billed kW</b>			
10	Less than 20 kW Effects	(29,687)	-	(29,687)
11	LF < 25%	0	-	-
12	Subject to Ratchet - ESI annualize	108,135	(20,496)	87,639
13				-
14				
15	<b>Adjusted Billed Kw</b>			
16	Less than 20 kW	1,115,746	258	1,116,004
17	LF < 25%	3,058,247	309,292	3,367,539
18	Subject to Ratchet	3,732,443	873,599	4,606,042
19				
20	<b>Total Adjusted Billed Kw</b>	<b>7,906,436</b>	<b>1,183,148</b>	<b>9,089,584</b>
21	<b>Total Adjusted Billed Kw from Scl</b>	<b>7,906,436</b>	<b>1,183,148</b>	<b>9,089,584</b>
22		-		
23				
24				
25	<b>Percent of Total Billed Kw</b>			
26	Less than 20 kW	14.11%	0.02%	12%
27	LF < 25%	38.68%	26.14%	37%

28	Subject to Ratchet	47.21%	73.84%	51%
29		100.00%	100.00%	100.00%
30				
31	Non-Ratchet	52.79%	26.16%	49.33%
32	Ratchet	47.21%	73.84%	50.67%
33	Total	100.00%	100.00%	100.00%
34				
35				
36	Non-Ratchet	3,604,923	240,888	3,845,811
37	Ratchet	3,624,308	894,095	4,518,403
38	Total	7,229,231	1,134,983	8,364,214
39				
40				
41				
42	<b>Unadjusted Actual kW</b>			
43	Less than 20 kW	1,113,726	258	1,113,983
44	LF < 25%	2,491,197	240,630	2,731,828
45	Subject to Ratchet	3,329,536	784,592	4,114,128
46	<b>Total Unadjusted Actual kW</b>	<b>6,934,459.01</b>	<b>1,025,480</b>	<b>7,959,939</b>
47	<b>Unadjusted billed KW from WP II-H</b>	<b>6,934,459.01</b>	<b>1,025,480</b>	<b>7,959,939</b>
48				
49	<b>Adjustments to Actual kW</b>			
50	Less than 20 kW	-	-	-
51	LF < 25%	0	-	-
52	Subject to Ratchet - ESI annualize	89,849	(23,793)	66,056
53	<b>Total Adjustments to Actual kW</b>	<b>89,849</b>	<b>(23,793)</b>	<b>66,056</b>
54				
55	<b>Adjusted Actual kW</b>			
56	Less than 20 kW	1,113,726	258	1,113,983
57	LF < 25%	2,491,197	240,630	2,731,828
58	Subject to Ratchet	3,419,385	760,799	4,180,184
59				
60	<b>Total Adjusted Actual Kw</b>	<b>7,024,308</b>	<b>1,001,687</b>	<b>8,025,995</b>
61	<b>Total Adjusted Billed Kw from Scl</b>	<b>7,024,308</b>	<b>1,001,687</b>	<b>8,025,995</b>

TEXAS-NEW MEXICO POWER COMPANY  
FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2017  
DOCKET NO. \_\_\_\_\_  
WP/IV-J-7-SECONDARY SERVICE - LOAD FACTOR ADJUSTMENT  
SPONSOR: STACY R. WHITEHURST

Line No.

1		<b>ESTIMATED</b>	
2		<b>BILLING (Billed KW)</b>	
3	<b>CLASS BILLING STATISTICS - Secondary Service &gt; 5kW NIDR &amp; IDR</b>	<b>UNITS</b>	<b>Revenue Check</b>
4	Billed kW for Ratchet & <20 kW	5,722,045	32,764,431.16
5	Billed kW for LF Nonratchet	3,367,539	19,282,527.00
6	Total Billed kW	9,089,584	
7	DIST Amount	52,043,131	52,046,958
8			
9	FACILITIES CHARGE	5.7260	
10	Schedule IV-J-7 - Sec >5kw Charge	5.7256	
11			
12			
13			
14			
15	<b>CLASS BILLING STATISTICS</b>	<b>REVENUE</b>	
16	Billed kW for Ratchet & <20 kW	32,764,431	
17	Billed kW for LF Nonratchet	19,282,527	
18	Total Billed kW	52,046,958	
19			
20		<b>ESTIMATED</b>	
21		<b>BILLING</b>	
22	<b>CLASS BILLING STATISTICS</b>	<b>UNITS</b>	
23			
24	Actual kW for LF Nonratchet	2,731,828	
25	Revenue for LF Non-Ratchet	19,282,527	
26			
27	FACILITIES CHARGE for LOAD FACTOR NON-RATCHET	7.0585	

Table 2

Description	Secondary Svc > 5kW NIDR	Secondary Svc > 5kW IDR	Total
Less than 20 kW	1,115,746	258	1,116,004
LF < 25%	3,058,247	309,292	3,367,539
Subject to Ratchet	3,732,443	873,599	4,606,042
<b>Total Adjusted Billed kW</b>	<b>7,906,436</b>	<b>1,183,148</b>	<b>9,089,584</b>

Table 3

Description	Secondary Svc > 5kW NIDR	Secondary Svc > 5kW IDR	Total
LF < 25%	2,491,197	240,630	2,731,828

Table 4

Description	Secondary Svc > 5kW NIDR	Secondary Svc > 5kW IDR	Total
Less than 20 kW	1,115,746	258	1,116,004
LF < 25%	2,491,197	240,630	2,731,828
Subject to Ratchet	3,732,443	873,599	4,606,042
<b>Total Adjusted Billed kW</b>	<b>7,339,386</b>	<b>1,114,487</b>	<b>8,453,873</b>

RATE CLASS (5)  
Billed  
kW

Primary NIDR 924,990  
Primary IDR 1,172,047

Total Primary	2,097,037
Wholesale Distrubution	23,343
Total	2,120,380

TEXAS-NEW MEXICO POWER COMPANY  
FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024  
DOCKET NO. 57816  
HISTORY DCRF REVENUE REQUIREMENT  
SPONSOR: STACY R. WHITEHURST

Exhibit SRW-3  
Page 1 of 1

<u>LINE</u>	<u>DESCRIPTION</u>	<u>DOCKET NO.</u> <u>48401</u>	<u>2020 DCRF</u> <u>Approved</u>	<u>2021 DCRF</u> <u>Approved</u>	<u>2022 DCRF</u> <u>Approved</u>	<u>2023 DCRF</u> <u>Approved</u>	<u>2024 Q1 DCRF</u> <u>Approved</u>	<u>2024 Q3 DCRF</u> <u>Approved</u>	<u>2025 Q1 DCRF</u> <u>Proposed</u>	<u>Increase over</u> <u>2024 Q3 DCRF</u>
		(a)	(b)	(c)	(c)	(c)	(c)	(d)	(d)	(e)
1										
2										
3	Residential	\$ 57,096,065	\$ 8,200,227	\$ 15,959,301	\$ 19,867,691	\$ 28,189,966	\$ 37,148,694	\$ 41,589,863	\$ 55,923,480	\$ 14,333,617
4	Secondary Service < 5kW	\$ 1,331,507	\$ 145,682	\$ 283,527	\$ 352,962	\$ 500,813	\$ 660,003	\$ 738,906	\$ 993,565	\$ 254,658
5	Secondary Service > 5kW	\$ 31,070,257	\$ 4,588,819	\$ 8,930,770	\$ 11,117,892	\$ 15,775,009	\$ 20,788,238	\$ 23,273,496	\$ 31,294,522	\$ 8,021,026
6	Primary& Wholesale DLS	\$ 5,539,520	\$ 820,584	\$ 1,597,023	\$ 1,988,130	\$ 2,820,927	\$ 3,717,390	\$ 4,161,808	\$ 5,596,142	\$ 1,434,334
7	Transmission	\$ 751,721	\$ 208,565	\$ 405,909	\$ 505,315	\$ 716,983	\$ 944,858	\$ 1,057,817	\$ 1,422,385	\$ 364,568
8	Lighting	\$ 2,767,795	\$ 324,299	\$ 631,151	\$ 785,718	\$ 1,114,844	\$ 1,469,161	\$ 1,644,800	\$ 2,211,668	\$ 566,867
9										
10	Total	\$ 98,556,866	\$ 14,288,176	\$ 27,807,681	\$ 34,617,707	\$ 49,118,541	\$ 64,728,344	\$ 72,466,690	\$ 97,441,761	\$ 24,975,071
11										
12	Source:	Exhibit SRW-2	WP/DK 50731 Schedule J	WP/DK 51959 Schedule J	WP/DK 53436 Schedule J	WP/DK 54807 Schedule J	WP/ DK 56428 Schedule J	WP/ DK 56887 Schedule J	Schedule J	
13										

TEXAS-NEW MEXICO POWER COMPANY  
FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024  
DOCKET NO. 57816  
HISTORY of DCRF RATES  
SPONSOR: STACY R. WHITEHURST

Exhibit SRW-4  
Page 1 of 1

<u>LINE</u>	<u>DESCRIPTION</u>	<u>2020 DCRF Approved</u>	<u>2021 DCRF Approved</u>	<u>2022 DCRF Approved</u>	<u>2023 DCRF Approved</u>	<u>2024 Q1 DCRF Approved</u>	<u>2024 Q2 DCRF Approved</u>	<u>2025 Q1 DCRF Proposed</u>	<u>UNIT TYPE</u>
1	Residential	\$ 0.002715	\$ 0.005079	\$ 0.006487	\$ 0.009120	\$ 0.011729	\$ 0.012937	\$ 0.017409	kWh
2	Secondary Service < 5kW	\$ 0.004388	\$ 0.008404	\$ 0.007868	\$ 0.009693	\$ 0.012905	\$ 0.014474	\$ 0.020673	kWh
3	Secondary Service > 5kW	\$ 0.513878	\$ 1.043740	\$ 1.356983	\$ 1.804050	\$ 2.264824	\$ 2.587853	\$ 3.522658	Billed kW
4	Primary& Wholesale DLS	\$ 0.268705	\$ 0.494682	\$ 0.587084	\$ 0.523299	\$ 0.515834	\$ 0.628469	\$ 0.839649	Billed kW
5	Transmission	\$ 125.04	\$ 233.28	\$ 278.87	\$ 378.16	\$ 457.78	\$ 503.72	\$ 665.91	per each meter and ESI ID
6	Lighting	\$ 0.009411	\$ 0.018425	\$ 0.023292	\$ 0.033341	\$ 0.044678	\$ 0.050184	\$ 0.067962	kWh
7									
8	Total								
9									
10	Source:	WP/DK 50731 Schedule J	WP/DK 51959 Schedule J	WP/DK 53436 Schedule J	WP/DK 54807 Schedule J	WP/ DK 56428 Schedule J	WP/ 56887 Schedule J	Schedule J	

Distribution Cost Recovery Factor  
Texas-New Mexico Power Company  
Update Period 01/01/18 - 12/31/19

## Summary of Revenue Requirement by Class

Schedule A \$20,473,748

Class	Cumulative PRA Revenue Schedule A	Plus/(Minus) Adjustment	Adjusted Cumulative PRA Revenues	Class Allocation Factor	DCRF Revenues	Class Allocation Factor	Rate (\$)	Unit Type
(a)	(b)	(c)	(d)	(e)		(e)		
Residential	\$ 11,750,232	\$ (1,927,525)		57.3917%	\$ 8,200,227	57.3917%	\$ 0.002715	kWh
Secondary Service < 5kW	208,750	123,304		1.0196%	\$ 145,682	1.0196%	\$ 0.004388	kWh
Secondary Service > 5kW	6,575,390	(1,749,075)		32.1162%	\$ 4,588,819	32.1162%	\$ 0.513878	Billed kW
Primary & Wholesale DLS	1,175,828	(2,438,703)		5.7431%	\$ 820,584	5.7431%	\$ 0.268705	Billed kW
Transmission	298,855	(234,026)		1.4597%	\$ 208,565	1.4597%	\$ 125.04	per each meter and ESI ID
Lighting	464,693	\$40,453		2.2697%	\$ 324,299	2.2697%	\$ 0.009411	kWh
<b>Total</b>	<b>\$ 20,473,748</b>	<b>\$ (6,185,572)</b>	<b>\$ 14,288,176</b>	<b>100.00000%</b>	<b>\$ 14,288,176</b>	<b>100%</b>		

## Schedule J: Summary of Distribution Cost Recovery Factor

WP DK 51959 Schedule J  
Page 1 of 1

Distribution Cost Recovery Factor  
Texas-New Mexico Power Company  
Update Period 01/01/18 - 12/31/20

Summary of Revenue Requirement by Class  
Schedule A \$35,506,467

Class	Cumulative PRA Revenue Schedule A	Plus/(Minus) Adjustment	Adjusted Cumulative PRA Revenues	Class Allocation Factor	DCRF Revenues	Billing Units	Rate (\$)	Unit Type
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential	\$ 20,377,765	\$ (4,310,724)		57.3917%	\$ 15,959,301	3,141,988,456	\$ 0.005079	kWh
Secondary Service < 5kW	362,024	103,663		1.0196%	\$ 283,527	33,736,109	\$ 0.008404	kWh
Secondary Service > 5kW	11,403,328	(377,213)		32.1162%	\$ 8,930,770	8,556,508	\$ 1.043740	Billed kW
Primary & Wholesale DLS	2,039,172	(2,894,666)		5.7431%	\$ 1,597,023	3,228,381	\$ 0.494682	Billed kW
Transmission	518,288	(276,577)		1.4597%	\$ 405,909	1,740	\$ 233.28	per each meter and ESI ID
Lighting	805,890	\$56,731		2.2697%	\$ 631,151	34,254,542	0.018425	kWh
<b>Total</b>	<b>\$ 35,506,467</b>	<b>\$ (7,698,786)</b>	<b>\$ 27,807,681</b>	<b>100.000000%</b>	<b>\$ 27,807,681</b>			

## Schedule J: Summary of Distribution Cost Recovery Factor

Distribution Cost Recovery Factor  
Texas-New Mexico Power Company  
Update Period 01/01/18 - 12/31/21

## Summary of Revenue Requirement by Class

Schedule A \$40,249,813

Class	Cumulative PRA Revenue Schedule A	Plus/(Minus) Adjustment	Adjusted Cumulative PRA Revenues	Class Allocation Factor	DCRF Revenues	Billing Units	Rate (\$)	Unit Type
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential	\$ 23,100,052	\$ (2,760,640)		57.3917%	\$ 19,867,691	3,062,675,636	\$ 0.006487	kWh
Secondary Service < 5kW	410,387	(301,168)		1.0196%	\$ 352,962	44,859,215	\$ 0.007868	kWh
Secondary Service > 5kW	12,926,710	958,424		32.1162%	\$ 11,117,892	8,193,096	\$ 1.356983	Billed kW
Primary & Wholesale DLS	2,311,587	(3,307,626)		5.7431%	\$ 1,988,130	3,386,450	\$ 0.587084	Billed kW
Transmission	587,527	(319,127)		1.4597%	\$ 505,315	1,812	\$ 278.87	per each meter and ESI ID
Lighting	913,550	\$98,032		2.2697%	\$ 785,718	33,732,703	0.023292	kWh
<b>Total</b>	<b>\$ 40,249,813</b>	<b>\$ (5,632,106)</b>	<b>\$ 34,617,707</b>	<b>100.00000%</b>	<b>\$ 34,617,707</b>			

## Schedule J: Summary of Distribution Cost Recovery Factor

WP DK 54807 Schedule J  
Page 1 of 1

Distribution Cost Recovery Factor  
Texas-New Mexico Power Company  
Update Period 01/01/18 - 12/31/22

Summary of Revenue Requirement by Class  
Schedule A \$62,836,920

Class	Cumulative PRA Revenue Schedule A	Plus/(Minus) Adjustment	Adjusted Cumulative PRA Revenues	Class Allocation Factor	DCRF Revenues	Billing Units	Rate (\$)	Unit Type
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential	\$ 36,063,177	\$ (3,311,351)		57.3917%	\$ 28,189,966	3,090,853,748	\$ 0.009120	kWh
Secondary Service < 5kW	640,685	(548,939)		1.0196%	\$ 500,813	51,666,934	\$ 0.009693	kWh
Secondary Service > 5kW	20,180,831	(1,067,095)		32.1162%	\$ 15,775,009	8,744,218	\$ 1.804050	Billed kW
Primary & Wholesale DLS	3,608,787	(8,543,643)		5.7431%	\$ 2,820,927	5,390,658	\$ 0.523299	Billed kW
Transmission	917,231	(368,769)		1.4597%	\$ 716,983	1,896	\$ 378.16	per each meter and ESI ID
Lighting	1,426,210	\$121,419		2.2697%	\$ 1,114,844	33,437,197	0.033341	kWh
<b>Total</b>	<b>\$ 62,836,920</b>	<b>\$ (13,718,378)</b>	<b>\$ 49,118,541</b>	<b>100.00000%</b>	<b>\$ 49,118,541</b>			

## Schedule J: Summary of Distribution Cost Recovery Factor

Distribution Cost Recovery Factor  
Texas-New Mexico Power Company  
Update Period 01/01/18 - 12/31/23

## Summary of Revenue Requirement by Class

Schedule A \$86,318,054

Class	Cumulative PRA Revenue Schedule A	Plus/(Minus) Adjustment	Adjusted Cumulative PRA Revenues	Class Allocation Factor	DCRF Revenues	Billing Units	Rate (\$)	Unit Type
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential	\$ 49,539,395	\$ (4,805,224)		57.391696%	\$ 37,148,694	3,167,290,409	\$ 0.011729	kWh
Secondary Service < 5kW	880,142	(529,885)		1.019650%	\$ 660,003	51,143,405	\$ 0.012905	kWh
Secondary Service > 5kW	27,722,017	(2,664,089)		32.116129%	\$ 20,788,238	9,178,742	\$ 2.264824	Billed kW
Primary & Wholesale DLS	4,957,301	(13,287,724)		5.743064%	\$ 3,717,390	7,206,565	\$ 0.515834	Billed kW
Transmission	1,260,009	(468,053)		1.459728%	\$ 944,858	2,064	\$ 457.78	per each meter and ESI ID
Lighting	1,959,189	\$165,265		2.269733%	\$ 1,469,161	32,883,203	0.044678	kWh
<b>Total</b>	<b>\$ 86,318,054</b>	<b>\$ (21,589,710)</b>	<b>\$ 64,728,344</b>	<b>100.000000%</b>	<b>\$ 64,728,344</b>			

Distribution Cost Recovery Factor  
Texas-New Mexico Power Company  
Update Period 01/01/18 - 06/30/24

## Summary of Revenue Requirement by Class

Schedule A \$92,788,425

Class	Cumulative PRA Revenue Schedule A	Plus/(Minus) Adjustment	Adjusted Cumulative PRA Revenues	Class Allocation Factor	DCRF Revenues	Billing Units	Rate (\$)	Unit Type
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential	\$ 53,252,851	\$ (5,736,095)		57.3917%	\$ 41,589,863	3,214,920,108	\$ 0.012937	kWh
Secondary Service < 5kW	946,117	(526,452)		1.0196%	\$ 738,906	51,049,091	\$ 0.014474	kWh
Secondary Service > 5kW	29,800,050	(1,982,766)		32.1161%	\$ 23,273,496	8,993,361	\$ 2.587853	Billed kW
Primary & Wholesale DLS	5,328,898	(11,760,891)		5.7431%	\$ 4,161,808	6,622,134	\$ 0.628469	Billed kW
Transmission	1,354,459	(489,328)		1.4597%	\$ 1,057,817	2,100	\$ 503.72	per each meter and ESI ID
Lighting	2,106,049	\$173,797		2.2697%	\$ 1,644,800	32,775,396	\$ 0.050184	kWh
<b>Total</b>	<b>\$ 92,788,425</b>	<b>\$ (20,321,735)</b>	<b>\$ 72,466,690</b>	<b>100.00000%</b>	<b>\$ 72,466,690</b>			

# TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

## 6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: June 27, 2025

Page No.:138.1

Revision: 6

### 6.1.1.6.7 RIDER DCRF – DISTRIBUTION COST RECOVERY FACTOR

#### AVAILABILITY

Each Retail Customer connected to the Company's transmission or distribution system will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule § 25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

#### MONTHLY RATE

The Competitive Retailer, on behalf of the Retail Customer, will be assessed this distribution service charge adjustment based on the monthly per unit cost (DCRF) multiplied times the Retail Customer's appropriate monthly billing determinant (kWh or Billing kW or Per Meter and per ESI ID). The DCRF shall be calculated for each rate according to the following formula:

$$\text{DCRF} = \frac{[(\text{DIC}_C - \text{DIC}_{RC}) * \text{ROR}_{AT}] + (\text{DEPR}_C - \text{DEPR}_{RC}) + (\text{FIT}_C - \text{FIT}_{RC}) + (\text{OT}_C - \text{OT}_{RC}) - \Sigma(\text{DISTREV}_{RC\text{-CLASS}} * \% \text{GROWTH}_{CLASS})}{\text{ALLOC}_{CLASS} / \text{BD}_{C\text{-CLASS}}}$$

rounded to nearest \$.000001

Where:

- $\text{DIC}_C$  = Current Net Distribution Invested Capital
- $\text{DIC}_{RC}$  = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{ROR}_{AT}$  = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- $\text{DEPR}_C$  = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- $\text{DEPR}_{RC}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- $\text{FIT}_C$  = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.

# TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

## 6.1. Rate Schedules

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$FIT_{RC}$  = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

$OT_c$  = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$OT_{RC}$  = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$DISTREV_{RC-CLASS}$  (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) =  $(DIC_{RC-CLASS} * ROR_{AT}) + DEPR_{RC-CLASS} + FIT_{RC-CLASS} + OT_{RC-CLASS}$ .

$\%GROWTH_{CLASS} = \frac{Growth\ in\ Billing\ Determinants\ by\ Class}{BC_{RC-CLASS}} = \frac{(BD_{C-CLASS} - BD_{RC-CLASS})}{BC_{RC-CLASS}}$

$DIC_{RC-CLASS}$  = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$  = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$  = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$  = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class ( less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes

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as approved by the commission in the electric utility's last comprehensive base-rate case.

The Allocation Factor for each listed rate schedule is as follows:

Class	Class Allocation Factor
Residential	57.3917%
Secondary Service < 5 kW	1.0196%
Secondary Service > 5 kW	32.1162%
Primary& Wholesale DLS	5.7431%
Transmission	1.4597%
Lighting	2.2697%

$BD_{C-CLASS} =$  Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS} =$  Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

### MONTHLY RATE

Residential Service	\$ 0.017409	kWh
Secondary Service (Less Than or Equal to 5 kW)	\$0.020673	kWh
Secondary Service (Greater Than 5 kW)	\$3.522658	Billed kW
Primary Service	\$0.839649	Billed kW
Transmission Service*	\$665.91	Per ESI ID
	\$665.91	Per Meter
Lighting Service	\$0.067962	kWh

\*Monthly rate assessed on each ESI ID and each meter that is charged under Rate Schedule 6.1.1.1.5

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

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### Historical DCRF Rates – Distribution Cost Recovery Factor

Effective Date	Docket No.	Residential Service (Per kWh)	Secondary Service < 5kW (Per Billing kW)	Secondary Service >5kW (Per Billing kW)	Primary Service (Per Billing kW)	Transmission Service (Per ESI ID and Meter)	Lighting Service (Per kWh)
-	-						
Nov. 17, 2024	56887	\$0.012937	\$0.014474	\$2.587853	\$0.628469	\$503.72	\$0.050184
July 28, 2024	56428	\$0.011729	\$0.012905	\$2.264824	\$0.515834	\$457.78	\$0.044678
Sept. 1, 2023	54807	\$0.009120	\$0.009693	\$1.804050	\$0.523299	\$378.16	\$0.033341
Sept. 1, 2022	53436	\$0.006487	\$0.007868	\$1.356983	\$0.587084	\$278.87	\$0.023292
Sept. 1, 2021	51959	\$0.005079	\$0.008404	\$1.043740	\$0.494682	\$233.28	\$0.018425
Sept. 1, 2020	50731	\$0.002715	\$0.004388	\$0.513878	\$0.268705	\$125.04	\$0.009411

### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION DELIVERY SERVICE

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### 3.3 RIDER DCRF –DISTRIBUTION COST RECOVER FACTOR

#### AVAILABILITY

Each WDSC will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule § 25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

#### MONTHLY RATE

The WDSC receiving service will be assessed this distribution service charge adjustment based on the monthly per unit cost (WDCRF) multiplied times the WDSC's appropriate monthly billing determinant. The WDCRF shall be calculated for each rate according to the following formula:

$$\text{WDCRF} = \frac{[(\text{DIC}_C - \text{DIC}_{RC}) * \text{ROR}_{AT}) + (\text{DEPR}_C - \text{DEPR}_{RC}) + (\text{FIT}_C - \text{FIT}_{RC}) + (\text{OT}_C - \text{OT}_{RC}) - \Sigma(\text{DISTREV}_{RC\text{-CLASS}} * \% \text{GROWTH}_{\text{CLASS}})] * \text{ALLOC}_{\text{CLASS}}}{\text{BD}_{C\text{-CLASS}}}$$

rounded to nearest \$.000001

Where:

- $\text{DIC}_C$  = Current Net Distribution Invested Capital
- $\text{DIC}_{RC}$  = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{ROR}_{AT}$  = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- $\text{DEPR}_C$  = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- $\text{DEPR}_{RC}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- $\text{FIT}_C$  = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.
- $\text{FIT}_{RC}$  = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION DELIVERY SERVICE

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$OT_C$  = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$OT_{RC}$  = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$DISTREV_{RC-CLASS}$  (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) =  $(DIC_{RC-CLASS} * ROR_{AT}) + DEPR_{RC-CLASS} + FIT_{RC-CLASS} + OT_{RC-CLASS}$ .

$\%GROWTH_{CLASS}$  Growth in Billing Determinants by Class) =  $(BD_{C-CLASS} - BD_{RC-CLASS}) / BC_{RC-CLASS}$

$DIC_{RC-CLASS}$  = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$  = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$  = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$  = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes as approved by the commission in the electric utility's last comprehensive base-rate case.

## TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION DELIVERY SERVICE

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The Allocation Factor for each listed rate schedule is as follows:

Class	Class Allocation Factor
Residential	57.3917%
Secondary Service < 5kW	1.0196%
Secondary Service > 5kW	32.1162%
Primary& Wholesale DLS	5.7431%
Transmission	1.4597%
Lighting	2.2697%

$BD_{C-CLASS} =$  Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS} =$  Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

### MONTHLY RATE

Wholesale Distribution Service Customer	\$0.839649	Per Billing kW
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### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**P.U.C. DOCKET NO. 57816**

**BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS**

**APPLICATION OF  
TEXAS-NEW MEXICO POWER COMPANY  
FOR APPROVAL TO AMEND ITS  
DISTRIBUTION COST RECOVERY FACTOR**

**PREPARED DIRECT TESTIMONY AND EXHIBITS  
OF KEITH C. NIX**

**ON BEHALF OF  
TEXAS-NEW MEXICO POWER COMPANY**

**MARCH 14, 2025**

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EXHIBIT KCN-1 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

EXHIBIT KCN-2 – MAP OF TNMP SERVICE TERRITORY

**I. INTRODUCTION AND QUALIFICATIONS**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PLACE OF EMPLOYMENT.**

A. My name is Keith C. Nix. I am Vice President of Operations for Texas-New Mexico Power Company ("TNMP" or "Company"). My business address is 577 N. Garden Ridge Blvd., Lewisville, Texas 75067.

**Q. PLEASE DESCRIBE YOUR POSITION WITHIN THE COMPANY AND AREAS OF RESPONSIBILITY WITHIN TNMP.**

A. As the Vice President of Operations, I provide executive leadership and management for TNMP's Operations organization. I direct activities related to the planning, design, construction, and operation and maintenance of the TNMP transmission and distribution systems through oversight of field crews and associated management.

**Q. WOULD YOU BRIEFLY SUMMARIZE YOUR ACADEMIC AND PROFESSIONAL BACKGROUND?**

A. Exhibit KCN-1 describes my background and experience.

**Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY BODIES?**

A. Yes. I have sponsored testimony before the New Mexico Public Regulatory Commission ("NMPRC") in Case No. 09-00260-UT and before the Public Utility Commission of Texas ("PUCT") in Docket Nos. 48401, 51959, 51752, 52347, 53146, 53436, 53856, 54807, 56045, 56428, 56887, and 56954.

**II. PURPOSE OF TESTIMONY**

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A. I will present an overview of TNMP's service territory and the distribution system TNMP has in place to serve its customers. Since its last Distribution Cost Recovery Factor (DCRF) filing with a June 30, 2024, ending test year, TNMP has invested approximately \$209 million in gross distribution plant to meet the needs of its customers through the second half of calendar year 2024. I will discuss the factors that determine the need for this investment on TNMP's system. Finally, I will support the distribution capital additions TNMP has made during the period ending December 31, 2024 and discuss the various types of projects completed during this period.

**Q. DO YOU SPONSOR ANY EXHIBITS WITH YOUR TESTIMONY?**

1 A. Yes. I am sponsoring Exhibits KCN-1 and KCN-2. In addition, I am supporting Schedule  
2 B-1-1 in Exhibit ARA-2 attached to the testimony of TNMP witness, Arin Apodaca. Each  
3 of these exhibits was prepared by me or under my supervision and is true and correct to  
4 the best of my knowledge and belief.

5 **III. OVERVIEW OF TNMP**

6 **Q. PLEASE PROVIDE AN OVERVIEW OF TNMP AND DESCRIBE THE TNMP SERVICE**  
7 **TERRITORY.**

8 A. TNMP is a Transmission and Distribution Service Provider that provides electric delivery  
9 service to approximately 278,000 end-use customers across Texas. TNMP's service  
10 territory consists of four non-contiguous geographic regions: North Texas, Central Texas,  
11 Gulf Coast, and West Texas. A map of TNMP's service area is included as Exhibit KCN-  
12 2.

13 The North Texas Region includes the city of Lewisville, as well as a number of  
14 communities across North Texas, including Petrolia, Olney, Nocona, Pilot Point,  
15 Princeton, Leonard, Emory, and Bogata. While Lewisville is a metropolitan area, the  
16 balance of this region is characterized by small communities and rural areas. The North  
17 Texas region is experiencing high growth rates in the area northeast of the Dallas-Fort  
18 Worth Metroplex, especially in the Princeton area as the continuing expansion of the DFW  
19 economy is creating a growing need for additional residential and commercial  
20 development. Data centers are also rapidly expanding into this region and adding to the  
21 overall growth rate.

22 TNMP's Central region is headquartered in the town of Clifton, west of Waco, TX. It  
23 consists of a number of small communities in a largely rural setting but has also recently  
24 seen a period of customer growth in the form of new residential and small commercial  
25 customers primarily.

26 The Gulf Coast region is located south of Houston in Galveston County and west in  
27 Brazoria County. This region contains about one-half of TNMP's customers. It includes  
28 suburban communities (League City, Friendswood, Alvin, Dickinson, Texas City, and  
29 LaMarque) south of Houston and heavy industrial load in the Texas City Industrial Park in  
30 Galveston County. This region also extends into Brazoria County, including the towns of  
31 West Columbia, Angleton, and Brazoria. TNMP's Gulf Coast Region continues to

1 experience high residential and commercial growth in the south Houston area as well as  
2 industrial growth in the Texas City industrial area.

3 TNMP's West Texas region is centered in Pecos and Fort Stockton and extends north to  
4 Kermit and south to Sanderson. Pecos continues to be the center of the development of  
5 the oil and gas industry in the Permian Basin. This area has experienced extremely high  
6 growth in electric demand as oil and gas development continues to expand in the Permian  
7 basin as well as data center development. This area has also been receiving numerous  
8 data center loads and proposed projects.

9 In summary, TNMP has continued to see growth throughout its service territory requiring  
10 new distribution investment since its last DCRF filing. New additions include substation  
11 construction and upgrades needed for new load and additional capacity, new distribution  
12 feeders to serve these new loads and upgrades to existing distribution feeders to serve  
13 new loads and additions to existing loads.

14 **IV. DISTRIBUTION CAPITAL INVESTMENT**

15 **Q. WHAT DISTRIBUTION CAPITAL INVESTMENT IS INCLUDED IN THIS DCRF FILING?**

16 A. TNMP has included distribution capital investment in Distribution plant in Federal Energy  
17 Regulatory Commission ("FERC") Uniform System of Accounts 360 through 374, and  
18 distribution-related General and Intangible plant in FERC Accounts 303, 391, and 397.  
19 TNMP has included distribution capital investment made from June 30, 2024 through  
20 December 31, 2024 in this filing.

21 **Q. WHAT FACTORS DETERMINE THE NEED FOR CAPITAL INVESTMENT?**

22 A. There are several factors that determine the need for distribution capital investment on  
23 TNMP's system. The first is load growth ("Load Growth") – both in number of new  
24 customers served, as well as increased electrical demand by existing customers. As I  
25 discussed earlier in my testimony, TNMP's service territory is experiencing high growth in  
26 many areas due to the continued high level of growth in the Texas economy. Distribution  
27 facilities are the last segment of plant connected to our customers, and thus are most  
28 directly impacted by customer growth. New customer growth will directly impact meters,  
29 services, line transformers, and eventually require new feeders or the upgrade of existing  
30 feeders, and the need for new distribution substations or the upgrading of existing stations.

31 The second factor that drives the need for additional distribution capital investment is asset  
32 management ("Asset Management"). Projects in this category primarily target the

1 replacement of aging infrastructure that is at or approaching the end of its useful life.  
2 TNMP has targeted projects to replace aging portions of its infrastructure and update  
3 obsolete technology. An ongoing Asset Management effort is required to maintain the  
4 reliability of TNMP's delivery system and integrate new technology.

5 The third factor that determines the need for additional distribution capital investment is  
6 system reliability ("System Reliability"). Each year in each of its regions, TNMP Operations  
7 and Engineering personnel review worst performing circuits and other reliability issues to  
8 identify projects that can be undertaken to improve reliability. These projects typically  
9 involve installation of equipment such as smart grid elements, trip savers, fault indicators,  
10 or reclosers. There may also be projects to install additional sectionalizing switches or  
11 new contingency circuit ties to increase flexibility to restore customers during outages. In  
12 each case these projects are undertaken to improve System Reliability.

13 The fourth factor is Capital Replacement ("Capital Replacement"). These are projects to  
14 replace elements of the distribution system that are damaged by weather events and man-  
15 made events such as vehicle pole damage or equipment failure. Also included in this  
16 project classification is the need to relocate facilities due to requests of outside agencies  
17 (such as TXDOT) as part of those agencies expansion plans that could impact TNMP  
18 distribution infrastructure.

19 **Q. PLEASE DESCRIBE THE DISTRIBUTION CAPITAL INVESTMENT MADE BY TNMP**  
20 **SINCE TNMP'S LAST DCRF FILING.**

21 **A.** TNMP has invested approximately \$209 million in gross distribution capital additions in  
22 the second half of calendar year 2024 that were not included in its last DCRF filing. In  
23 addition to the core distribution system elements in FERC accounts 360 through 374,  
24 TNMP has also added distribution-related plant in FERC accounts 303 (software), 391  
25 (computer and network hardware) and 397 (communication equipment). The primary goal  
26 of these investments is to serve new customer load and assure the reliability of TNMP's  
27 distribution system. Capital additions to address each of the four factors listed above were  
28 made to achieve these goals.

29 **Q. AS REQUIRED BY THE DCRF FILING INSTRUCTIONS, PLEASE PROVIDE A LIST OF**  
30 **THE COMPLETED DISTRIBUTION PROJECTS BEING PROPOSED FOR ADDITION**  
31 **TO RATE BASE, IN-SERVICE DATES, AND DESCRIPTIONS OF ALL PROJECTS**  
32 **GREATER THAN \$100,000.**

A. The list of distribution projects over \$100,000 is included as Schedule B-1-1 of Exhibit ARA-2 attached to the testimony of TNMP witness Arin Apodaca. This schedule lists all of the projects with total gross distribution plant additions of greater than \$100,000 for the second half of calendar year 2024. Each project is identified with its Project Number and Project Title. Within each project, the capital additions for each FERC account number are shown for the period from June 30, 2024 through December 31, 2024. As required, this schedule also shows the in-service date for the project. The last column of the schedule identifies the Project Type: Load Growth, Asset Management, System Reliability, or Capital Replacement.

**Q. PLEASE DESCRIBE THE PROJECTS IN SCHEDULE B-1-1 THAT ARE INCLUDED FOR EACH OF THE PROJECT TYPES.**

A. The projects listed in Schedule B-1-1 include both "Blanket" projects and "Specific" projects. Blanket projects are established in each area to charge capital projects that are routine in nature, such as "Residential Line Extensions," that can't be individually budgeted. These projects are designated XXX0YY07 and XXX02012, where XXX is the location code and YY is the Blanket designation as shown below:

Project ID	Project Title	Description
XXX-00107	Line Extension – Residential	New Customer – Residential
XXX-00207	Line Extension – Commercial	New Customer – Commercial
XXX-00307	Reliability Projects	Smart Grid, Reclosers, Trip Savers, Fault Indicators, Contingency Projects
XXX-00507	Lighting	Lighting Install
XXX-00607	Distribution Remove and Replace	Agency Relocations, Damage-Replace
XXX-00707	Distribution System Improvements	Undergrounding, Safety Projects, Cap Banks, Voltage Regulators
XXX-00807	Services	New Services
XXX-00907	Transformers	Distribution Transformers
XXX-01007	Meters	Metering Equipment
XXX-02012	Distribution Substation	Substation Capital Replacement

1 Each area charges capital projects for these purposes in these Blankets projects for each  
2 calendar year. In cases where the total expenditures for the year exceeded \$100,000,  
3 these Blanket projects are listed on Schedule B-1-1. The Blanket projects for Residential  
4 and Commercial Line Extensions, Lighting, Services, Transformers, and Meters are  
5 designated on Schedule B-1-1 with a Project Type of Load Growth. Each of these projects  
6 is directly related to line extensions and new equipment to serve new customers. The  
7 Reliability Projects Blankets are designated with a Project Type of System Reliability as  
8 these are smaller projects directly related to the improvement of Service Reliability. The  
9 Distribution Remove and Replace and the Substation Capital Replacement Blankets are  
10 designated with a Project Type of Capital Replacement. These projects are line relocation  
11 projects due to road improvements, replacement of damaged equipment due to storms or  
12 man-made causes such a vehicle damage, and Capital Replacement of substation  
13 equipment. The Distribution System Improvements Blanket is designated with a Project  
14 Type of Asset Management. These are projects for undergrounding lines, to correct safety  
15 issues, or for installation or replacement of capacitors and line regulators.

16 In addition to Blanket Projects, Schedule B-1-1 includes Specific projects that are larger  
17 and non-routine and budgeted individually. There are Specific projects included in each of  
18 the four Project Types. To address Load Growth, there are specific projects for line  
19 reconductoring, new distribution circuits, new substations, and upgrading existing  
20 substations. In the Asset Management Project Type, there are Specific projects to address  
21 the replacement of aging distribution infrastructure elements that are at or approaching  
22 the end of its useful life, including: distribution poles, underground cable replacements,  
23 regulators, reclosers, circuit breakers, substation transformers, and switches. In addition,  
24 there are Asset Management Specific projects to upgrade technology elements such as  
25 station relays, communication equipment, and computer software. To address System  
26 Reliability, there are Specific projects to build circuit ties to provide alternate distribution  
27 feeds, system hardening, and animal mitigation. Finally, in the Capital Replacement  
28 Project Type, there are Specific projects for large agency relocation projects and major  
29 repair or replacement of distribution equipment.

30 **Q. PLEASE DESCRIBE HOW TNMP DETERMINES THAT MAJOR DISTRIBUTION**  
31 **CAPITAL ADDITIONS ARE NEEDED.**

32 **A.** In determining the need for distribution capital additions, TNMP is responding to the four  
33 factors identified earlier in my testimony: Load Growth, Asset Management, System