



Filing Receipt

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Texas-New Mexico Power
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Lewisville, TX 75067
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May 15, 2025

Clerk, Central Records
Public Utility Commission of Texas
1701 N. Congress Ave.
Austin, TX 78711

**Re: Docket No. 57816 - APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY TO
AMEND ITS DISTRIBUTION COST RECOVERY FACTOR**

Pursuant to the Order filed on May 15, 2025, Texas-New Mexico Power Company is filing a clean copy of its Retail and Wholesale Tariffs for approved interim rates effective in 45 days, June 29, 2025 for Distribution Service for the Commission's Central Records Division to stamp "Approved" and retain for future reference.

Please do not hesitate to contact me if you have any questions.

Regards,

Stacy Whitehurst
Vice President of Regulatory Affairs
Texas-New Mexico Power Company
Stacy.Whitehurst@tnmp.com

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

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: June 29, 2025

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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:

- DIC_C = Current Net Distribution Invested Capital
- DIC_{RC} = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- ROR_{AT} = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- DEPR_C = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- DEPR_{RC} = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- 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.

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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

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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

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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:

- DIC_C = Current Net Distribution Invested Capital
- DIC_{RC} = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- ROR_{AT} = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- DEPR_C = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- DEPR_{RC} = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- 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.
- FIT_{RC} = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

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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.

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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.