

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S APPLICATION)
FOR CONTINUATION OF A PLAN TO MANAGE)
FUEL AND PURCHASED POWER COSTS BY)
ENTERING INTO CERTAIN FORWARD) Case No. 24-____-UT
MARKET TRANSACTIONS,)
)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
)
Applicant.)
_____)**

**DIRECT TESTIMONY
OF
SHANE LEWIS**

June 28, 2024

NMPRC CASE NO. 24-00__-UT
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WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

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1

I. INTRODUCTION AND PURPOSE

2 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

3 **A.** My name is Shane Lewis. I am the Manager of Forward Trading in Wholesale
4 Power Marketing (“WPM”) for Public Service Company of New Mexico (“PNM”
5 or “Company”). My business address is Public Service Company of New Mexico,
6 2401 Aztec Road NE, Albuquerque, NM 87107.

7

8 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS MANAGER OF
9 FORWARD TRADING, WHOLESALE POWER MARKETING.**

10 **A.** I am responsible for the day to day operation of the forward trading group, which
11 is responsible for all day-ahead and long-term wholesale purchases and sales of
12 electricity and purchases and sales of natural gas used in electric generation. The
13 group is also responsible for day-ahead unit commitment and generation dispatch,
14 Western Energy Imbalance Market participation tasks and responsibilities,
15 acquiring ancillary services for the Balancing Authority (“BA”), and assists in
16 complying with all North American Electric Reliability Corporation (“NERC”)
17 criteria.

18

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

21 **A.** My educational background and professional experience is summarized in PNM
22 Exhibit SL-1.

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Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to support PNM’s Application for authorization to continue PNM’s electric supply hedging plan (“Plan”) through calendar year 2029. PNM’s Plan was initially approved by the New Mexico Public Regulation Commission (“Commission”) in Case No. 09-00321-UT for a five year period, and was re-authorized for additional five year periods in Case Nos. 14-00190-UT and 19-00187-UT. PNM is proposing to continue the same Plan, with no modifications, in this case.

Specifically, my testimony describes the types of forward hedging transactions as well as the methodology for conducting hedging transactions under the Plan. I also explain that the hedging transactions conducted under the Plan have been successful in mitigating the volatility of fuel costs in PNM’s fuel and purchased power cost adjustment clause (“FPPCAC”) during the 2019 through 2023 period and the Plan has ensured the procurement and delivery of energy during critical seasonal months, required due to resource delays and capacity needs. . My testimony also explains that PNM has complied with the reporting and annual meeting requirements of the Commission's Final Order in Case No. 19-00187-UT. Finally, my testimony explains why PNM is proposing to continue the hedging program through 2029, pursuant to the same hedging guidelines approved in Case No. 19-00187-UT. If PNM wishes to continue the Plan beyond 2029, it will file an application requesting a continuation of the plan by June 30, 2029. If system and

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1 market conditions change sufficiently prior to 2029, PNM may request approval to
2 modify the hedging guidelines before the end of the five-year Plan period.

3

4 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

5 **A.** Yes, in addition to PNM Exhibit SL-1, I am sponsoring the following exhibits:

- 6 • PNM Exhibit SL-2: Glossary of Abbreviations and Terms
- 7 • PNM Exhibit SL-3: Guidelines for Forward Transactions
- 8 • PNM Exhibit SL-4: FPPCAC Factor Report for December 2023
- 9 • PNM Exhibit SL-5: Annual Hedging Compliance Report for 2023
- 10 • PNM Exhibit SL-6: Henry Hub Gas Daily Jan 2019- June 2024
- 11 • PNM Exhibit SL-7: Henry Hub Futures Prices
- 12 • PNM Exhibit SL-8: Palo Verde Day Ahead On-Peak and Off-Peak Index
- 13 Pricing
- 14 • PNM Exhibit SL-9: PV On-Peak Futures Prices
- 15 • PNM Exhibit SL-10: PV Off-Peak Futures Prices

16

17 **Q. WHY HAVE YOU PREPARED A GLOSSARY FOR THIS TESTIMONY?**

18 **A.** Hedging in the forward markets involves a number of institutions, mechanisms, and
19 types of transactions for which the nomenclature is specialized. The Glossary in
20 PNM Exhibit SL-2 may be helpful in understanding these terms.

21

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1 **Q. PLEASE SUMMARIZE THE PLAN.**

2 **A.** As I mentioned above, PNM is seeking approval to continue through 2029 its
3 hedging program that was approved by the Commission originally in Case No. 09-
4 00321-UT and continued in the same format pursuant to the Commission’s
5 approval in Case Nos. 14-00190-UT and 19-00187-UT. The Plan will be conducted
6 under the guidelines approved in the previous hedging cases as set forth in PNM
7 Exhibit SL-3, and includes the following elements:

- 8 • PNM will continue to flow-through its FPPCAC the gains and losses from
9 its hedging transactions and document them in its monthly FPPCAC Report;
- 10 • PNM will continue to file by April 30 of each year a report comparing the
11 results during the preceding calendar year of its hedging transactions, to the
12 daily index, thereby showing the results of hedging transactions conducted
13 under the Plan compared to the indexes resulting from transactions
14 conducted in the daily market. As will be explained later in this testimony,
15 PNM proposes to only include those hedging transactions entered into with
16 the intent to mitigate price volatility, but not transactions whose purpose
17 was to ensure delivery of energy during critical seasonal peak periods (such
18 as those transactions necessitated by delayed commercial operation of
19 replacement resources);
- 20 • PNM will offer to meet with the Commission’s Utility Division Staff
21 (“Staff”) and interested parties within 45 days of the annual April 30th filing
22 to explain the results that are detailed in the annual report and to respond to

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1 any questions that they may have about the report, should Staff or parties
2 desire to so meet; and

- 3 • PNM will file, by June 30, 2029, its recommendations regarding a
4 continuation of the Plan and whether any modifications to the guidelines
5 should be implemented after consultation with Staff and other interested
6 parties concerning the Plan.

7

8 **Q. DID PNM MEET WITH THE PARTIES TO CASE NO. 19-00187-UT PRIOR**
9 **TO FILING ITS APPLICATION?**

10 **A.** Yes. In Case No. 19-00187-UT, the Commission ordered PNM to make a filing
11 with the Commission no later than June 30, 2024 regarding continuation of the Plan,
12 after discussing with Staff, the parties, and other interested persons whether and
13 under what terms and conditions the Plan should be continued. (See the
14 Recommended Decision, filed November 20, 2019, ("RD"), Findings &
15 Conclusions, ¶¶ 11, 14, and 15).

16

17 PNM held a meeting on May 24, 2024 to discuss continuation of the Plan. PNM
18 invited all parties to Case No. 19-00187-UT and only Staff participated. At this
19 meeting Staff did not object to PNM filing its Application to continue its hedging
20 program.

21

22

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II. BACKGROUND

Q. WHAT IS THE PRIMARY OBJECTIVE OF PNM'S ELECTRIC SUPPLY HEDGING PROGRAM?

A. The primary objective of the Plan is improved management of PNM’s fuel and purchased power costs in order to achieve a net benefit to customers. Hedging transactions conducted under the Plan provide a systematic, cost-levelizing approach to mitigate, over time, the volatility of market prices for electricity and natural gas on energy generated or purchased for jurisdictional customers, and provide other benefits, as I describe below.

Specifically, the Plan allows PNM to participate in the following activities in the forward electric and natural gas markets for the month-ahead and longer term periods with the benefits and costs flowing through PNM’s FPPCAC:

1. Engaging in forward and futures transactions (“Forward Transactions”) to procure energy and natural gas to fuel PNM’s power plants in the forward markets to serve jurisdictional load, including:
 - a. Procurement of electricity through purchases during the current calendar year and for up to two calendar years in advance, at a price set either by contract or through the use of financial instruments, and
2. Procurement of a portion of the natural gas supply required for PNM’s gas-fired generating plants during the current calendar year and for up to two calendar years in advance, at a price set either by contract or through the

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1 use of financial instruments, provided that PNM will hedge no more than
2 30% of projected annual natural gas needs to serve jurisdictional load, with
3 the exception of the prompt month (i.e., the immediately following month).
4 Entering into off-system sales in the forward markets to reduce the volatility
5 of PNM's off-system sales and to enhance margins that benefit
6 jurisdictional ratepayers through the FPPCAC, including:

- 7 a. Off-system sales of anticipated excess energy during the current
8 calendar year and for up to one calendar year in advance, at a price set
9 either by contract or through the use of financial instruments, and
10 b. Sales from PNM's gas-fired generation plants for fixed-margin, "spark-
11 spread" financial transactions during the current calendar year and for
12 up to one calendar year in advance.

13 All of the above described transactions are subject to the guidelines approved by
14 the Commission in Case Nos. 09-00321-UT, 14-00190-UT, and 19-00187-UT, and
15 set forth in PNM Exhibit SL-3.

16
17 **Q. ARE THERE ADVANTAGES OF USING FINANCIAL INSTRUMENTS**
18 **RATHER THAN PHYSICAL CONTRACTS FOR FORWARD**
19 **TRANSACTIONS?**

20 **A.** Yes. There are several advantages, including:

- 21 • Liquidity – Physical contracts do not have a robust market to trade the
22 prompt month (i.e., one month out from the current month) or longer time

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1 periods, while financial contracts are usually quite actively traded and
2 provide market depth in which to negotiate a trade.

- 3 • Price premium for physical contracts – So long as the procurement occurs
4 during the bid week process leading up to a new month or in the last week
5 before the month begins, a physical contract can usually be procured with
6 minimal to no increase in costs. However, when entering into a prompt
7 month or longer term deal, market participants tend to add a premium for
8 physical contracts above what they would charge for a financial transaction.
- 9 • Closing out positions – The lack of market depth in the physical markets
10 makes it difficult to close out open positions.
- 11 • Credit risk – Financial contracts are advantageous in that they carry fewer
12 counterparty credit risk concerns. Physical contracts, on the other hand, tend
13 to use up more credit and carry greater risk costs since they are
14 counterparty-specific while financial contracts are mostly held within a
15 clearing firm, such as ADM Investor Services, Inc (ADMIS).

16
17 **Q. IS PARTICIPATION IN FORWARD MARKETS A COMMON RESOURCE**
18 **MANAGEMENT PRACTICE BY OTHER ELECTRIC UTILITIES?**

19 **A.** Yes, although for proprietary and competitive confidentiality reasons, utilities are
20 generally reluctant to discuss their forward market participation plans. I am aware
21 through my conversations with traders in other utilities that most other utilities
22 participate in the forward markets by conducting activities similar to those proposed
23 in PNM’s Plan. For example, other electric utilities in New Mexico and in Arizona

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1 participate in forward market activities to mitigate and reduce volatility in their
2 portfolios.

3 ***A. Overview Of Hedging Transactions***

4 **Q. PLEASE DESCRIBE IN MORE DETAIL THE TYPES OF INSTRUMENTS**
5 **AND TRANSACTIONS USED IN TRADING IN THE FORWARD**
6 **ELECTRIC AND NATURAL GAS MARKETS. FOR EXAMPLE, WHAT IS**
7 **A FORWARD TRANSACTION?**

8 **A.** For the purposes of the Plan, a Forward Transaction is either a futures contract or a
9 forward contract; they both serve the same function.

10 • A futures contract is an agreement to buy or sell a specific amount of a
11 commodity at a particular price at an agreed-upon future date. The
12 transaction occurs on a commodity exchange such as the New York
13 Mercantile Exchange (“NYMEX”). There is not a specifically identified
14 counterparty for a futures contract unless and until delivery of the
15 commodity is chosen. The contract can be closed at any time up to the
16 delivery date by selling it on the exchange where it was purchased.

17 • A forward contract is a contract with a specific counterparty for the
18 purchase or sale of a specific quantity of a commodity (such as natural gas
19 or electricity) at a specific price. The transaction can be conducted using an
20 electronic platform such as the Intercontinental Exchange (“ICE”) or
21 through brokers; alternatively, the transaction can be made directly with a
22 specific counterparty. Unless the parties agree to terminate a contract early,

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1 the contract terminates with either a financial settlement or physical
2 delivery of the commodity.

3

4 **Q. PLEASE EXPLAIN THE DIFFERENCE BETWEEN USING A CONTRACT**
5 **AND USING A FINANCIAL INSTRUMENT TO CONDUCT A FORWARD**
6 **TRANSACTION.**

7 **A.** There are essentially two mechanisms to lock-in a price for a forward transaction,
8 whether the transaction is a purchase or a sale. One method is an actual contract
9 with a stated price or pricing formula for a physical sale or purchase at a future date
10 or dates certain. The more typical method, used when the objective is to set the
11 price more than one month in advance, is to purchase financial instruments that
12 guarantee the future price. Commonly, electric pricing in the forward markets is set
13 through the use of financial instruments with the quantity and price of the energy
14 based on contract strips of monthlies, quarterlies, and calendar strips. When the
15 time comes to actually procure the energy, PNM can convert its financial contract
16 into physical supply by purchasing a physical index product which, when combined
17 with the financial contract, creates a procurement of physical energy at the fixed
18 price originally set in the financial contract.

19

20 **Q. PLEASE PROVIDE AN EXAMPLE TO ILLUSTRATE THE PROCESS**
21 **YOU DESCRIBED.**

22 **A.** For example, PNM could enter into a financial futures contract to purchase
23 electricity in June 2025 at \$50/MWh. Let's assume that the actual price of

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1 electricity in June 2025 settles at \$60/MWh. In June 2025, PNM would purchase
2 electricity at the index price that settles at \$60/MWh, but will settle the financial
3 contract at a \$10/MWh profit. PNM's net cost of the electricity would therefore be
4 hedged at \$50/MWh.

5

6 **Q. WHAT IS A CONTRACT STRIP?**

7 **A.** A contract strip is a contract that consists of a block of energy for a set period of
8 time in either the on-peak period or off-peak period for the duration of the contract
9 period, at a specified price and quantity. A "Calendar Strip Contract" is a contract
10 that covers a calendar year period at a specified price and quantity. One benefit of
11 a Calendar Strip product, whether financial or physical, is the ability to purchase or
12 sell a product such as Firm Power for the whole calendar year period at a set price
13 with the same counterparty for the term of the contract. For example, if PNM were
14 to purchase a 50 MW around-the-clock 2025 Calendar Strip Contract for Firm
15 Power at \$42, it would include 50 MW for all hours during the calendar year priced
16 at \$42 per MWh. If the actual market price at the time of the settlement was higher,
17 PNM would be reimbursed for the cost difference, or observe an opportunity gain
18 for a lower fixed priced purchase. If the actual market price were lower, PNM
19 would still pay \$42 per MWh. This illustrates the potential disadvantage of a
20 forward transaction: PNM may have to pay more than the actual market price at the
21 time the transaction is closed. However, even then there is a benefit from the
22 mitigation of price volatility, and the risk of paying an even higher price is
23 alleviated.

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1

2 **Q. HOW IS A FINANCIAL ENERGY TRANSACTION SETTLED?**

3 **A.** In a financial transaction the buyer purchases the total quantity at a fixed price and
4 the seller takes the “floating” or market price at settlement date. A financial
5 transaction term sheet, therefore, contains a settlement date and a method for
6 determining the settlement price, usually an index price. The settlement price is
7 subtracted from the buyer’s fixed price, which is then multiplied by the total
8 quantity for the period covered in the term sheet. For the buyer of the fixed price
9 contract, if the resulting dollar amount is a positive number then the seller pays the
10 buyer that amount. If the resulting dollar amount is a negative number then the
11 buyer pays the seller that amount.

12

13 **Q. ARE THERE STANDARD QUANTITIES AND TIME PERIODS FOR**
14 **POWER TRANSACTIONS?**

15 **A.** Yes. The standard quantity for power transactions is in increments of 25 MW.
16 However, it is also possible to enter into non-standard quantities by going directly
17 to a specific customer or seller. The standard period for power transactions are one-
18 month, quarters comprised of three-month periods, or calendar years.

19

20 **Q. ARE THERE ALSO STANDARD LOCATIONS FOR DELIVERY AND**
21 **RECEIPT?**

22 **A.** Yes, there are standard locations for the delivery and receipt of power. These
23 standard locations tend to be points where generation and/or transmission lines

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1 converge. Some standard locations in the southwestern U.S. are Palo Verde, Mead
2 and SP-15. There are also standard locations that fewer customers are able to use.
3 These locations include Four Corners, Shiprock, West-Wing and Pinnacle Peak (in
4 Arizona). Of course, a transaction can have a specific delivery or receipt location
5 that is not considered a standard delivery/receipt point.

6

7 **Q. WHAT TYPE OF FORWARD TRANSACTIONS ARE USED FOR THE**
8 **PURCHASE OF NATURAL GAS FOR POWER PLANT FUEL?**

9 **A.** The forward markets provide a mechanism to purchase natural gas supply for power
10 plant fuel on a physical basis or using financial instruments. The price for a given
11 quantity of gas can be locked-in for specific quantities (i.e., equivalent to certain
12 percentages of PNM's projected retail load) in the applicable forward market period
13 and be backed by contracts for physical natural gas deliveries, typically in either the
14 Permian Basin or the San Juan Basin. The price, however, is set through the use of
15 financial instruments using publicly available, published price indices applicable
16 for the particular forward period in which the transaction is scheduled to occur.

17

18 Typically, these transactions utilize the North American Energy Standards Board
19 ("NAESB") standard form contracts or the International Swaps and Derivatives
20 Association ("ISDA") standard form contracts that PNM has in place with
21 numerous counterparties for physical gas purchases and sales. Actual transactions
22 can be entered into either through bilateral agreement or through electronic trading
23 platforms such as on the Inter-Continental Exchange ("ICE"). Normally, these

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1 types of transactions will be for standardized quantities of gas supply such as 2,500
2 MMBtu per day or 10,000 MMBtu per day. Negotiated agreements are reached
3 through a bilateral process whereby several counterparties are contacted for
4 indicative offers, in order to select the best price. If an electronic trading platform is
5 utilized for the procurement transaction, PNM (and others) can see the offer price
6 for the delivery point for the supply and the quantity that is being negotiated. PNM
7 can accept the deal or place a bid for procurement at the delivery point, with a set
8 volume and price which may be a price lower than the current offer.

9

10 **Q. WHAT TYPE OF FORWARD TRANSACTIONS ARE USED TO**
11 **CONDUCT OFF-SYSTEM SALES?**

12 **A.** An off-system sales transaction is very similar to an energy purchase transaction.
13 The types of standard form contracts, periods of times, and contract amounts of
14 MWh are typically the same as in the case of an energy purchase transaction.
15 Although there are many standard delivery points for power, as described above,
16 PNM makes its sales primarily at a delivery point at or near its base-load generating
17 plants, i.e., at a market hub such as Palo Verde and Four Corners.

18

19 **Q. YOU USED THE TERM “SPARK-SPREAD” ABOVE TO DEFINE A TYPE**
20 **OF OFF-SYSTEM SALE. PLEASE EXPLAIN WHAT SPARK-SPREAD IS.**

21 **A.** The spark-spread is the difference between the projected price for energy and the
22 price for natural gas that could be used to generate energy from the plants on the
23 margin, i.e., intermediate plants or peaking plants. If a spark-spread is a positive

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1 number, then the market price for power is higher than the cost of fuel to generate
2 the power.

3
4 Spark-spreads can and do vary over time, reflecting the market's perception of
5 projected loads and of resources available to meet those loads in a particular time
6 frame. The basic premise behind trading the spark-spread is to sell the spark-spread
7 when it is a large positive number and then close the position if the spark-spread
8 moves to a small positive or negative number. The mechanics behind selling a
9 spark-spread are to sell the power into the market and purchase the quantity of
10 natural gas necessary to generate the power that was sold. When closing the spark-
11 spread position, the power is purchased and the natural gas is sold. A spark-spread
12 trade can be done either with physical power and physical natural gas or with
13 financial power and financial natural gas. It should be noted that a spark-spread
14 position does not need to be closed or settled. Physical power that was sold can be
15 generated and delivered to the purchaser using the physical natural gas that was
16 purchased as the fuel for the power plant.

17

18 **Q. WHAT ARE THE RISKS IN PARTICIPATING IN FORWARD**
19 **TRANSACTIONS?**

20 **A.** There are always risks in market transactions and these risks grow as the timeline
21 for the transaction extends into the future. One risk is counterparty credit risk, since
22 there is always some risk of a default and failure to deliver. Another risk is that
23 unplanned outages of generating units in the Southwest or on transmission lines can

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1 impact the markets and prices in unanticipated ways. Some transactions will be
2 unprofitable, or may be less opportune. It is also unlikely that PNM will be able to
3 hit the most opportune time to lock-in a price. For example, it is possible that a
4 forward price may decline from the price level projected at the time PNM entered
5 into the fixed-price transaction, with the result that PNM paid a higher price than
6 what would have been obtained by waiting (and taking the risk that the price might
7 go up).

8
9 However, speculation on the ups and downs of electric and natural gas prices or
10 otherwise attempting to time the market is not the objective of PNM's Plan. Rather,
11 the Plan is a systematic, cost-levelizing approach to mitigate, over time, the impact
12 of price volatility on PNM's cost to provide electricity to retail customers.
13 Furthermore, the fact that PNM participates in both the natural gas and electric
14 forward markets, although they are frequently complementary, can provide
15 opportunities to mitigate risks in one market by switching to the other.

16
17 Forward market prices for specific delivery months may also arguably carry
18 inherent premiums, due to potential risks and unknowns observed by the market and
19 seller. For example, July through August forward market prices may be marked and
20 offered at levels above anticipated spot pricing, as the summer months have
21 observed daily price spikes and concerns of possible supply constraints due to
22 extreme summer conditions.

23

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1 ***B. PNM's Use Of Hedging Transactions***

2 **Q. DOES PNM USE BOTH FINANCIAL INSTRUMENTS AND PHYSICAL**
3 **CONTRACTS FOR THE SALE AND PURCHASE OF ENERGY IN THE**
4 **FORWARD MARKETS?**

5 **A.** Yes. PNM uses financial instruments based on prices at common trading/delivery
6 points in the Western region, such as at Palo Verde, to lock in a fixed price for a
7 given amount of energy in the future consistent with projections of PNM's future
8 energy needs and with the guidelines described in PNM Exhibit SL-3. For financial
9 energy transactions, typically PNM uses ICE, which is an electronic transaction
10 platform. The ISDA agreement would be used for financial transactions when
11 dealing directly with a counterparty or through the use of a clearing firm such as
12 ADMIS, which clears financial transactions in absence of an ISDA agreement
13 between counterparties.

14
15 For the purchase of energy under a contract, i.e., a physical energy transaction,
16 PNM can either deal directly with a seller or can utilize the services of an energy
17 brokerage firm. Most often the enabling agreement is the Western Systems Power
18 Pool ("WSPP") Agreement, which allows other WSPP members to enter into
19 purchase or sale transactions with PNM. Other enabling agreements typical in the
20 electric industry for physical transactions are the Edison Electric Institute ("EEI")
21 standard form contracts.

22

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1 **Q. DESCRIBE HOW THE CONTRACTS SUCH AS THE WSPP OR ISDA**
2 **WORK, AND THE INFORMATION CONTAINED IN THEM.**

3 **A.** The WSPP Agreement is filed at and approved by the Federal Energy Regulatory
4 Commission (“FERC”) because the agreement primarily deals with the sale or
5 purchase of physical power. Although the WSPP Agreement can be used as a
6 template for any entity to make power contracts, the primary use of the contract is
7 to govern physical power sales between WSPP members. The WSPP agreement
8 provides the flexibility for the buyer and seller to agree to special conditions within
9 a Confirmation, separate from the base agreement. When the WSPP agreement is
10 used for a power sale or purchase, only a term sheet needs to be prepared.
11 Information on the term sheet covers the date of the transaction, buyer’s name,
12 seller’s name, quantity in MW per hour (usually in increments of 25 MW), total
13 MWhs for the transaction, hours for delivery (usually on-peak, off-peak or all hours
14 during period), beginning date and time of delivery, ending date and time of
15 delivery, price expressed as dollars per MWh, point of delivery/receipt, and any
16 transaction-specific conditionsA term sheet for an ISDA financial transaction
17 contains data very similar to that in a physical transaction term sheet.

18

19 **Q. HOW DOES PNM PROCURE NATURAL GAS IN THE FORWARD**
20 **MARKETS?**

21 **A.** PNM procures natural gas supplies in the forward markets by the use of a physical
22 supply contract or through the use of financial instruments.

23

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1 For example, by using financial instruments, the price for the procurement can be
2 set as a fixed price at either the Permian Basin or San Juan Basin by entering into
3 two financial contracts to lock-in a set price. The first financial contract is priced
4 with a Henry Hub settlement while the second contract locks in the basis price or
5 differential between Henry Hub and the Permian basin or San Juan basin (i.e., the
6 basis component of the hedge) depending on which gas plant the hedge is to be
7 used for. The futures contracts are then converted to physical supply by purchasing
8 a physical supply that settles to the respective IFERC basin which was originally
9 hedged while also letting the two financial contracts settle.

10

11 The alternative method, depending on how close it is to delivery month, is to enter
12 into a physical supply contract at the Permian Basin or San Juan Basin at a fixed
13 and stated price.

14

15 If it is determined later that the gas supply is no longer required, the forward
16 position can be reversed by selling back into the financial markets using an identical
17 period and volume. More typically, the trade is kept in place to settle financially.
18 This means the counterparty pays the difference between the agreed price and the
19 market-based settlement price if the market price exceeds the agreed price.
20 (Conversely, PNM would pay the counterparty if the market price is less than the
21 agreed price.) As an example, the counterparty will pay the difference between the
22 fixed price and the IFERC monthly index price for the contract period. The gain on

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1 the transaction is then used as an offset to the cost for a physical purchase at a stated
2 or indexed price.

3
4 During the course of the month, PNM will conduct transactions in the day-ahead or
5 intra-day market to balance gas supply with actual gas-fired generation
6 requirements. Purchased gas that is determined to be surplus of a particular day's
7 projected fuel requirement can be sold off in the day-ahead or intra-day markets.

8

9 **Q. HOW DOES PNM USE FORWARD MARKETS TO MAKE OFF-SYSTEM**
10 **SALES?**

11 **A.** Participating in the forward markets allows PNM to sell power generated by its
12 base-load and/or gas plants in the future using transactions similar to those used to
13 purchase energy. Off-system sales are made with energy that:

14 • Is in excess of the amount projected to be required for jurisdictional load
15 service during the particular forward period or forward on-peak or off-peak
16 period, and

17 • Would contribute positive margin to the FPPCAC when the costs and
18 revenues associated with the transaction are flowed through to customers.

19

20 **Q. MIGHT AN OFF-SYSTEM SALES CONTRACT BE CLOSED EARLY?**

21 **A.** Generally not. If for some reason PNM desired to close a transaction early, the
22 mechanism for doing so is to contract for an opposite position on the date PNM
23 wants the transaction closed. For example, if PNM had sold 25 MW of on-peak

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1 power for September of 2024 and later desired to close the transaction, PNM would
2 take the opposite position in a new market purchase transaction with the same
3 attributes. At that point PNM would have identical sale and purchase transactions
4 that would leave it in a neutral position. This would generally be done to lock in
5 margin or to unwind a position due to changes on the system that reduce the excess
6 amount that is available for off-system sales.

7

8 **Q. PLEASE EXPLAIN HOW PNM ENTERS INTO SPARK-SPREAD**
9 **FORWARD TRANSACTIONS.**

10 **A.** In engaging in spark-spread transactions, PNM analyzes the projected energy price,
11 determines whether PNM could generate energy from its gas-fired power plants at
12 a lower cost and, if so, enters into a financial position, using the standard form
13 contracts described above, to provide power at that price to lock in the margin. For
14 example, PNM would analyze the cost of generation from the Luna generating
15 facility, taking into account its heat rate efficiencies, and could then enter into a
16 spark-spread transaction that would capture the favorable efficiency of that plant
17 compared to the heat rate efficiencies implicit in the market's projected energy
18 price. When the position is closed, PNM would have that margin to use as a credit
19 against fuel costs flowing through the FPPCAC. Essentially, spark-spread
20 transactions are similar in concept to off-system sales.

21

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1 **Q. ARE THERE ANY UNIQUE RISKS ASSOCIATED WITH SPARK-**
2 **SPREAD TRANSACTIONS COMPARED TO OTHER FORWARD**
3 **TRANSACTIONS?**

4 **A.** Yes. The primary risk is that of an unplanned outage at a gas plant which was sold
5 into the market. Such an outage could force the operation of a gas plant that is “out
6 of the money” (i.e., it is a plant that operates at a higher heat rate) in order to deliver
7 energy, rather than to close the deal financially. If that were to happen, the risk
8 would be that PNM would need to actually generate the power from a higher heat-
9 rate plant or alternatively purchase energy at a higher cost in the market.

10

11 **III. PNM’S GUIDELINES AND FORWARD TRANSACTIONS**

12 ***A. Review Processes***

13 **Q. WHAT IS THE PURPOSE OF THE GUIDELINES DESCRIBED IN PNM**
14 **EXHIBIT SL-3?**

15 **A.** The guidelines formalize the Plan’s intention to spread forward fuel procurement
16 transactions over time to facilitate the capture of market price movements over that
17 time period. This reduces volatility and limits over-exposure to forward prices in
18 any particular period of time.

19

20 It is not possible to perfectly time the markets. The intent of hedging transactions
21 is to lock-in prices for supplies up to the indicated percentage amounts in the
22 applicable forward market period. As the forward period draws closer, additional

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1 financial positions might be taken to lock in the price for additional volumes
2 consistent with the guidelines. It is unlikely that this price would be the same for
3 all forward periods, so the final result would be an accumulation of volumes at
4 varied fixed prices resulting in an overall average locked-in price.

5

6 **Q. PLEASE DESCRIBE THE PLAN'S GUIDELINES FOR ENTERING INTO**
7 **NATURAL GAS OR PURCHASED POWER FORWARD**
8 **TRANSACTIONS.**

9 **A.** The guidelines are shown in Table 1 of PNM Exhibit SL-3. These guidelines are
10 applicable to forward transactions for the purchase of both power and natural gas.
11 This is because of the fungible nature between generation by PNM's gas-fired
12 plants and procurement of energy generated by other market participants.
13 Economic dispatch can displace PNM-owned generation with purchased energy if
14 available at the right price. Similarly, natural gas prices and power prices in the
15 forward markets can be compared and the lower-cost procurement activity
16 undertaken. In this manner, not only do ratepayers benefit from the levelization of
17 fuel and energy prices available through participation in the forward markets, but
18 they also benefit from PNM's ability to select from the lower-cost fuel or energy
19 alternatives.

20

21 The guidelines allow up to 85% of the natural gas supply to have its price fixed in
22 the "prompt month", that is, one month out, subject to the qualification that if it was
23 determined that a higher percentage was appropriate, the basis for the decision

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1 would be documented. This percentage decreases to a maximum of 70% in any
2 month for the remainder of the current calendar year (e.g., 2024), decreasing further
3 to a maximum of 60% for anticipated purchases in the first calendar year out (e.g.,
4 2025) and to a maximum of 40% in the second calendar year out (e.g., 2026). These
5 percentages are guidelines, not requirements. Forward transactions for natural gas
6 are subject to the additional condition that PNM will hedge no more than 30% of
7 projected annual natural gas needs to serve jurisdictional load, with the exception
8 of the prompt month.

9
10 **Q. PLEASE DESCRIBE THE GUIDELINES THAT PNM USES FOR OFF-**
11 **SYSTEM SALES AND SPARK-SPREAD TRANSACTIONS.**

12 **A.** These guidelines are shown in Table 2 of PNM Exhibit SL-3. The guidelines focus
13 on the allowable percentage of PNM's base-load and natural gas generation that is
14 projected to be in excess of jurisdictional loads during the applicable periods. The
15 guidelines cover the prompt month, the current calendar year and the first calendar
16 year out. Forward Transactions beyond the first calendar year out are not
17 anticipated by the guidelines, as reflected in Table 2.

18
19 The guidelines allow up to 75% of projected supply of excess generation that could
20 be available for sales into the market to have its price fixed in the prompt month.
21 This percentage decreases to a maximum of 55% in any month for the remainder
22 of the current calendar year (e.g., 2024), decreasing further to a maximum of 25%
23 for anticipated purchases in the first calendar year out (e.g., 2025). As with natural

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1 gas and purchased power transactions, these percentages are guidelines, not
2 requirements. Market conditions could produce the need to increase the percentages
3 used, in which case PNM will document the need and the actions taken.

4

5 **Q. PLEASE PROVIDE AN EXAMPLE OF CONDITIONS THAT MIGHT**
6 **JUSTIFY EXCEEDING THE PERCENTAGE GUIDELINES AND THE**
7 **DOCUMENTATION THAT PNM WOULD PREPARE OF SUCH AN**
8 **EVENT.**

9 **A.** Probably the best example of such a situation would be if PNM became aware of
10 an impending generation plant outage on the system that could impact the market
11 and, therefore, affect prices in the market. In this case, PNM would want to lock-in
12 prices for a greater portion of its prompt month energy supply before market prices
13 reacted to the information on the unplanned outage. PNM would document the
14 triggering event, e.g., when the Company became aware of the upcoming
15 unplanned outage, and the actions taken to increase the prompt month's fixed-price
16 energy supply.

17

18 Additionally, there may be situations in which longer-term changes in generation
19 capacity may require forward procurement for planning reserves to meet standard
20 margins. For example, this could be due to unanticipated shortfalls and delays in
21 new generation, owned or contracted. The need to procure short-term physical
22 forward power for planning reserves does not align directly with the intent of
23 typical hedge transactions, and may skew or cause exceedance of percentages.

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1 These occurrences are documented internally, and have been included in various
2 cases as noted below.

3

4 **Q. HAS PNM EXPERIENCED A SITUATION THAT HAS CAUSED IT TO**
5 **EXCEED THE PERCENTAGE GUIDELINES SINCE THE PLAN WAS**
6 **IMPLEMENTED IN MID-2010?**

7 **A.** No. However, summer market purchases for resource adequacy have been excluded
8 from the calculation of the guideline percentages and have been reviewed and
9 documented internally and documented in Case Nos. 21-00159-UT/21-00260-UT
10 and 21-00215 UT.

11

12 **Q. SINCE THESE GUIDELINES CONTAIN “UP TO” PERCENTAGES, HOW**
13 **WOULD PNM DETERMINE WHAT THE APPROPRIATE PERCENTAGE**
14 **SHOULD BE AT ANY POINT IN TIME?**

15 **A.** PNM uses the Aurora[®] model, a commonly used load and resource management
16 tool in the utility industry. Aurora[®] applies broad details of the generation operating
17 characteristics and market conditions, to project the Company’s probable
18 requirement for fuel to be used for generation or for purchased power if purchased
19 power is more economical than using PNM’s own generation to meet the long-term
20 load forecasts. The model uses PNM’s generation resource mix, and other
21 information impacting the markets and pricing during the relevant period, which
22 typically includes daily, weekly, monthly and forward periods to derive the most
23 economical method to optimize PNM’s portfolio.

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The guidelines are premised on the existence of normal market conditions. However, throughout the forward periods, PNM continually assesses market conditions to determine whether to hold its current financial positions, undertake additional positions within the guidelines, or decrease its positions. Factors assessed include, but are not limited to, the following:

- Historical market conditions and relationships, e.g., in gas prices, power prices, market heat rates;
- Natural gas storage levels, e.g., historical levels, current levels, and projected levels;
- Weather forecasts of Cooling Degree Days (“CDD”) and Heating Degree Days (“HDD”) as well as hurricane projections, snow pack levels, and regional weather forecasts that may impact the gas and energy supply and demand;
- National and regional economic conditions;
- Parallel commodity pricing changes, such as changes in crude oil prices, demand and supply factors;
- Scheduled future maintenance requirements for power plants, gas transport, electricity transmission, natural gas facilities and crude facilities;
- Construction of new infrastructure and the potential market impacts, including power plants, renewable energy plants, gas pipelines, and electric transmission lines;

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- 1 • Regulatory changes, e.g., natural gas pipeline tariff changes, electric
2 transmission tariff changes, and new rules in Regional Transmission
3 Organization (“RTO”) markets or California Independent System Operator
4 (“CAISO”) markets.

5
6 **Q. PLEASE DESCRIBE PNM’S INTERNAL REVIEW PROCESS FOR ITS**
7 **TRANSACTIONS UNDER THE PLAN.**

8 **A.** Long-term transactions, including forward transactions under the Plan, are
9 evaluated through a formal internal review process within the Company to further
10 assess and scrutinize the overall feasibility and appropriateness of the transaction.
11 The PNM internal review process begins with peer and department management
12 review to evaluate a proposed transaction’s appropriateness in relationship to the
13 Plan’s underlying purpose and the guidelines. Department management also
14 reviews the transaction for deliverability or receipt issues such as location and
15 available transmission or pipeline capacity reservations. The transaction is then
16 reviewed to determine if it complies with PNM’s credit risk tolerance and if it is
17 within the internal risk limits set by PNM senior management. Once these reviews
18 are complete and the transaction has been completed, the data is entered into PNM’s
19 tracking computer systems and the risk and credit data are updated and continually
20 assessed. The completed transactions are then documented for use in PNM’s
21 monthly and annual reports on its forward market hedging transactions.

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1 **Q. HAS PNM DOCUMENTED THE RESULTS OF ITS HEDGING PROGRAM**
2 **SINCE IT BEGAN THE PROGRAM IN 2010?**

3 **A.** Yes. PNM's hedging transactions and results are documented monthly and reported
4 to the Commission in PNM's FPPCAC Factor Report and in PNM's Annual
5 Hedging Compliance Reports.

6

7 **Q. PLEASE EXPLAIN HOW THE HEDGING TRANSACTIONS ARE**
8 **DOCUMENTED IN THE MONTHLY FPPCAC FACTOR REPORTS.**

9 **A.** The purpose of reporting these transactions in the monthly FPPCAC report is
10 because the cost and revenues from hedging transactions flow through PNM's
11 FPPCAC and affect the cost of the power and fuel to the FPPCAC during that
12 month. PNM Exhibit SL-4 provides a copy of PNM's FPPCAC report for the month
13 of December 2023, chosen as illustrative because this was a month in which there
14 were several forward transactions that closed.

15

16 In the monthly FPPCAC reports, forward transactions for both physical hedges and
17 financial hedges are reported in the supporting work papers included in the report
18 on page 2/9 for generation fuel expenses; on page 3/9 for purchase power expense,
19 including both physical and financial transactions; and on page 5/9 for off-system
20 sales. The hedging transactions closing in December 2023 are summarized on pages
21 8/9 and 9/9 of Exhibit SL-4. A summary of the total cost and revenues associated
22 with the hedging program since it began in May, 2010 is presented on lines 31 and
23 32 of page 8. For example, Column D, line 31 shows a net gain (i.e., revenues were

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1 greater than expenses) from financial transactions; Column E reports on the
2 expenses for the purchase of physical product and Column F reports on the revenues
3 from physical sales. The net of the values reported on lines 31 and 32 in these
4 columns represents a net gain or loss that has passed-through the FPPCAC.

5
6 **Q. PLEASE EXPLAIN HOW HEDGING TRANSACTIONS ARE**
7 **DOCUMENTED IN PNM'S ANNUAL HEDGING REPORTS.**

8 **A.** The purpose of the annual report is to compare the results of a hedging transaction
9 that closed on a certain date with the results that PNM would have otherwise
10 realized in a purchase or sell transaction on that date in the daily market – i.e., in
11 the absence of PNM's authorization to conduct a hedging transaction. Therefore,
12 hedging transaction results (i.e., the Average Deal Price) are compared to the results
13 if the transaction had occurred in the daily or day-ahead market (i.e., the Average
14 Index Price). Gains and losses (lost opportunity costs) are reported for each type of
15 transaction and for the month in which a hedging transaction closed. In other words,
16 a hedge might have been undertaken in January to close and deliver in July. The
17 annual report shows the average price of the forward deals for July and compares it
18 to the price that would have been applicable if the deals had been made in the day-
19 ahead market instead. A positive amount reflects additional gains that were realized
20 while a negative value represents a lost opportunity for entering into the July
21 contract back in January. An example of the annual report for calendar year 2023
22 is provided in PNM Exhibit SL-5. For the months in which transactions occurred,
23 the report shows the average deal price, the average settled index price, the

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1 difference between the price, the quantity purchased or sold in MWh, the number
2 of transactions, and the net gain or loss of the transaction relative to the applicable
3 index price.

4

5 **Q. HAVE RECENT FORWARD PURCHASES FOR SUMMER RESOURCE**
6 **ADEQUACY BEEN INCLUDED IN THE ANNUAL HEDGING REPORT**
7 **AND DO THEY REQUIRE DISTINCTIVE DOCUMENTATION GOING**
8 **FORWARD?**

9 **A.** Yes. All forward transactions, including those transacted for summer resource
10 adequacy, have been included in PNM Exhibit SL-5, and have been documented
11 with the same methodology for calculating opportunity gains and losses. While the
12 approach has been to include these transactions in the report, including the results
13 calculation, we are of the opinion that the transactions entered into for resource
14 adequacy and planning reserve margin are not primarily transacted with the intent
15 to minimize price volatility; rather, they are transacted to ensure there is sufficient
16 energy and capacity to meet the planning requirements of the system and to reliably
17 meet peak demands. While the procurement strategy has enforced minimizing costs
18 and transacting at the best prices, deliverability of energy and diversification of
19 supply has been a top priority. As the forward purchases for summer resource
20 adequacy transactions are entered into with a different intent than typical hedge
21 transaction to minimize price volatility, continuing to include a comparison
22 calculation and reported opportunity gain or loss does not serve the purpose of the
23 hedging reporting. PNM recommends that in future annual reports any resource

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1 adequacy transactions be reported and documented, but that they not be included in
2 the calculations for opportunity gains and losses.

3

4 **Q. WHAT ARE THE INDEX PRICES AGAINST WHICH THE AVERAGE**
5 **DEAL PRICE IS COMPARED?**

6 **A.** PNM uses publicly available indexes that are commonly used in the electric and
7 natural gas industries as indexes for pricing electric or natural gas purchases and
8 sales. These include the *ICE Day-Ahead Power Price*, the average monthly price
9 reported in *Inside FERC* and the average daily price reported in *Gas Daily*. These
10 indexes vary by location of transactions; for example, the gas price may vary
11 between the Permian Basin in southeastern New Mexico/West Texas and the San
12 Juan Basin in northwestern New Mexico, or for electricity trades at Four Corners
13 or at Palo Verde. PNM uses the most applicable index relating to the location of the
14 transaction.

15

16 **IV. BENEFITS OF FORWARD HEDGING TRANSACTIONS**

17 **Q. DOES PARTICIPATING IN THE FORWARD PURCHASED POWER**
18 **MARKETS BENEFIT PNM'S CUSTOMERS?**

19 **A.** Yes. Participating in the forward purchased power markets offers a number of
20 benefits to PNM's customers, including:

- 21 • Procurement of energy in the forward markets enables PNM to lock in
22 prices and make adjustments over time as pricing relationships and levels

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1 change, both for energy and for natural gas, thereby levelizing prices and
2 mitigating the impact of price volatility on PNM's overall energy costs.

3 These benefits have been documented in the monthly and annual
4 compliance reports;

- 5 • The dispatch of PNM's resources can be planned in advance with known
6 energy prices and margins, or energy can be substituted for generation from
7 a PNM plant at an advantageous price locked in during a previous forward
8 market period

- 9 • The utility's ability to enter into forward transactions at illiquid hubs, such
10 as Four Corners or San Juan. Due to illiquidity in the daily and hourly
11 markets at these hubs, the ability to conduct Forward transactions has
12 provided PNM more options in managing its position if opportunities
13 develop; and

- 14 • Provides the framework for forward energy and natural gas procurement to
15 ensure that supply is secured prior to sensitive delivery dates, in which there
16 are potential constraints, shared geographical short-falls in supply and
17 strong regional demand.

18
19 **Q. PRIOR TO THE COMMISSION'S APPROVAL OF THE PLAN IN CASE**
20 **NO. 09-00321-UT, HOW DID PNM MANAGE THE DISPATCH OF ITS**
21 **GENERATION RESOURCES FOR PNM JURISDICTIONAL**
22 **CUSTOMERS?**

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1 **A.** Prior to the approval of the Plan in Case No. 09-00321-UT, PNM managed the
2 dispatch of its generation resources on a day-to-day basis. The Company and its
3 ratepayers were exposed to 100 percent of the market swings in fuel and energy
4 commodity costs. PNM could seek opportunities to lower costs for the
5 jurisdictional portfolio only through market purchases of energy and through off-
6 system sales in the hourly or day-ahead energy markets. Daily management of
7 generation resources included a focus on the following key activities:

- 8 • Economic dispatch of resources to balance supply resources with customer load
9 throughout each day,
- 10 • Planning and scheduling resources using economic dispatch to meet forecast
11 loads for the day-ahead, and
- 12 • Ensuring that the PNM system has enough reserves to reliably serve
13 jurisdictional customers.

14
15 However, in the hourly and day-ahead markets, opportunities for economy
16 purchases or additional off-system sales were limited and PNM was primarily a
17 price-taker and, therefore, subject to the volatility and potentially large swings in
18 fuel and energy prices inherent in the daily gas and electric energy markets. There
19 were limited opportunities for PNM to plan for economy energy purchases or to
20 enter into off-system transactions that could help reduce the cycling or ramping of
21 its power plants. Similarly, there were limited opportunities to make off-system
22 sales to improve revenue margins.

23

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1 **Q. HOW DID IMPLEMENTATION OF THE PLAN ADDRESS THESE**
2 **LIMITATIONS?**

3 **A.** The forward markets offer broader and longer-term opportunities for optimizing
4 PNM’s generation resource portfolio, both operationally and financially. Forward
5 markets are the markets for the month-ahead or longer periods of time, which could
6 be up to two to three years. By participating in the forward markets, PNM has been
7 able to mitigate its exposures to market volatility and adjust its generation
8 management practices to capture benefits provided by those markets, for example:

- 9 • PNM has been able to price shop for energy and natural gas supplies, subject
10 to the hedging guidelines set forth in PNM Exhibit SL-3;
- 11 • PNM has been able to enter into off-system sales transactions with other
12 utilities that need energy and/or capacity to meet their load or reserve
13 margin requirements or that need to compensate for a planned generator
14 outage. These transactions helped enhance the economical operation of
15 PNM’s generation portfolio by reducing the cycling and ramping of PNM’s
16 base-load generation plants and resulting in increased margins to credit to
17 retail customers through the operation of the FPPCAC;
- 18 • PNM has been able to take advantage of entering into forward transactions
19 at the less liquid hubs, such as Four Corners or San Juan, whenever the
20 opportunity presented itself. PNM was not necessarily obligated to transact,
21 but having the ability to do such deals has provided for more options in
22 balancing the portfolio;

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- 1 • PNM has actively used financial instruments to reduce resource price
2 volatility and improve the price stability of PNM’s energy resources.
3 Additionally, the use of financial instruments helps to mitigate counterparty
4 credit risk and the risks associated with unplanned generation outages; and
5 • Revenue margins have been enhanced by taking advantage of PNM’s
6 generation plant efficiencies compared to those less efficient plants that
7 were setting the forward price.

8

9 **Q. GIVEN THE RESULTS OF PNM’S HEDGING PLAN TO DATE, IS IT**
10 **REASONABLE TO CONTINUE WITH THE PROGRAM?**

11 **A.** Yes. Market conditions fluctuate and change over time. PNM continues to analyze
12 hedging opportunities and risks in accordance with the guidelines. The purpose of
13 the hedging program is to mitigate cost volatility to the FPPCAC. Because market
14 conditions at the present time do not warrant multiple hedging transactions, it does
15 not mean that an occasional opportunity may present itself for a hedge to ensure
16 price stability or provide a benefit from an off-system sales transaction. And, over
17 the next few years, other opportunities may arise as well.

18

19 It is not possible to design a hedging plan that only promises favorable outcomes,
20 but continuation of the Plan will allow PNM to continually assess revenue
21 opportunities and mitigate cost risks that exist in the natural gas and electric
22 markets. Authorization to hedge is not a mandate to do so; it is allowing PNM to
23 conduct a hedge when it believes that jurisdictional customers will benefit from

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1 doing so, whether just to better manage fuel costs or to seize opportunity for margin
2 gains to flow through the FPPCAC.

3
4 Without the Plan, the Company and customers would be exposed to the entire risk
5 of price volatility in the gas and electric markets. While the benefits on an
6 individual transaction, month or year may be incremental, over time the Plan
7 reduces exposure to price volatility and provides a mechanism with defined
8 guidelines, internal controls, and documented results that enables PNM to better
9 manage costs for fuel and energy.

10

11 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

12 **A. Yes.**

GCG#532656

Résumé of Shane Lewis

PNM Exhibit SL-1

Is contained in the following 1 page.

SHANE T. LEWIS

EDUCATIONAL AND PROFESSIONAL SUMMARY

Address: Public Service Company of New Mexico
2401 Aztec Rd. NE, Building A
Albuquerque, New Mexico 87107

Position: Manager, Forward Power Trading – February 2022-Present

Education: The University of New Mexico
Bachelor of Business Administration – Finance, 2007
Master of Business Administration – Marketing/Marketing Management, 2010

Previous Positions: New England Financial – Albuquerque, NM
Financial Services Representative – July 2007 – Sep 2010

Public Service Company of New Mexico – Albuquerque, NM
Market Risk Analyst – September 2010 – June 2014
Real Time Trader – July 2014 – June 2016
Power Prescheduler – July 2016 – January 2022

Glossary of Abbreviations and Terms

PNM Exhibit SL-2

Is contained in the following 2 pages.

GLOSSARY OF TERMS

Around the Clock (ATC or RTC): All 24 hours in a day, every day, for a given time period.

Average Deal Price: The mathematical weighted average of the price paid / received under the transaction.

CAISO MRTU: California Independent System Operator (CAISO) Market Redesign and Technology Upgrade (MRTU) – a redesign of the CAISO model to ensure power suppliers have fair open access to the transmission system within the CAISO control area, resulting in the delivery of the least cost electricity to its consumers.

Calendar Strip Contract: A contract that covers a calendar year period at a specified price and quantity.

EEI: Edison Electric Institute is the association of U.S. Shareholder-Owned Electric Companies. The EEI Master Agreement was developed by the members to serve as an alternative to other energy agreements.

FERC: Federal Energy Regulatory Commission is a federal agency within the U.S. Department of Energy.

Financial: Indicates a transaction in which exchanges are financial (cash) and no physical assets (energy) is transferred.

Financial Swap: In finance, a *swap* is a derivative in which counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. In the case of power or gas markets a fixed price cash payment for a defined period power\gas contract is swapped for a floating price (power daily index or gas monthly or daily index) cash payment. The seller\purchaser receives\pays the fixed price component and the opposite counterparty receives\pays the floating price component of the swap.

FPPCAC: Fuel and Purchased Power Cost Adjustment Clause

Gas Daily Index: A natural gas industry trade journal published each business day by Platts publications which publishes the results of a survey that provides indicative midpoint pricing for next day physical natural gas deliveries.

Henry Hub: A distribution hub in Earth, Louisiana that interconnects with nine interstate and four intrastate pipelines and is used as a common pricing point for natural gas futures contract traded on the NYMEX and transactions on ICE.

IFERC Index: A natural gas industry trade journal published each month by Platts publications which publishes the results of a survey providing indicative weighted average prices for physical monthly base-load supply delivered to a large number of trading points, including El Paso Permian.

GLOSSARY OF TERMS

ICE: Intercontinental Exchange is an electronic web based trading platform serving global markets for energy (power and gas) as well as other commodities.

ISDA: ISDA Master Agreement is an international agreement that is used for financial type transactions.

MMBtu: A standard unit of measurement, British Thermal Unit, used to denote the amount of heat energy in fuels. A BTU is the amount of heat required to increase the temperature of a pint of water (which weighs exactly 16 ounces) by one degree Fahrenheit. MMBTU stands for one million BTUs.

NAESB: North American Energy Standards Board Master Agreement is similar to the EEI Master Agreement in that it is another alternative agreement for energy transactions.

NYMEX: New York Mercantile Exchange where financial transactions for commodities such as energy and metals are executed.

On-Peak: For the Western Interconnection, defined as 0600 – 2200 PPT Monday - Saturday.

Off-Peak: For the Western Interconnection, defined as 0000 – 0600, 2200 – 2400 PPT Monday – Saturday, and 0000 – 2400 PPT Sundays, and NERC defined Holidays.

Physical: Indicates a transaction in which cash is exchanged for the receipt\delivery of a physical asset (energy).

Aurora[®]: A commonly used load and resource management tool in the utility industry.

Spark Spread: The difference between the market price of electricity and its cost of production. The spark spread can be negative or positive. If it is negative, the utility company loses money, while if it is positive, the utility company makes money. This measure is important because it helps utility companies determine their bottom lines (profits). If the spark spread is small on a particular day, electricity production might be delayed until a more profitable spread arises.

WECC: The Western Electricity Coordinating Council (WECC) is the Regional Entity responsible for coordinating and promoting bulk electric system reliability in the Western Interconnection.

WSPP: Formerly known as Western Systems Power Pool, the WSPP agreement was developed by the members for energy transactions. The WSPP contract is FERC approved and allows WSPP members to transact at market rates in non-mitigated regions.

Guidelines for Forward Transactions

PNM Exhibit SL-3

Is contained in the following 1 page.

TABLE 1

**GUIDELINES FOR FORWARD TRANSACTIONS –
NATURAL GAS OR PURCHASED POWER**

These guidelines apply to the amount of energy required to meet jurisdictional loads projected for the forward planning period, subject to the condition that PNM will hedge no more than 30% of projected annual natural gas needs to serve jurisdictional load, with the exception of the prompt month.

PROMPT MONTH (one month out from current month) – provide fixed price certainty for up to 85% of the projected month’s energy requirement

CURRENT CALENDAR YEAR – provide fixed price certainty for up to 70% of the projected annual energy requirement

1ST CALENDAR YEAR OUT – provide fixed price certainty for up to 60% of the projected annual energy requirement

2ND CALENDAR YEAR OUT – provide fixed price certainty for up to 40% of the projected annual energy requirement

Note: Market conditions could produce the need to increase the percentages used. In such circumstances, PNM will document the need and actions taken

TABLE 2

**GUIDELINES FOR FORWARD TRANSACTIONS –
OFF-SYSTEM OR SPARK-SPREAD TRANSACTIONS**

These guidelines apply to excess energy generation supply or capacity that PNM anticipates will be available in the forward planning period and in excess of jurisdictional load for the applicable on-peak or off-peak market

PROMPT MONTH (one month out from current month) – provide fixed price certainty for up to 75% of the fixed price length and projected month’s excess generation

CURRENT CALENDAR YEAR – provide fixed price certainty for up to 55% of the fixed price length and projected calendar year’s excess generation

1ST CALENDAR YEAR OUT – provide fixed price certainty for up to 25% of the fixed price length and projected calendar year’s excess generation

Note: Market conditions could produce the need to increase the percentages used. In such circumstances, PNM will document the need and actions taken.

FPPCAC Factor Report for December 2023

PNM Exhibit SL-4

Is contained in the following 10 pages.



PNM
Main Offices
414 Silver Ave. SW
Albuquerque, NM 87102

January 22, 2024

Melanie Sandoval
New Mexico Public Regulation Commission
PO Box 1269
Santa Fe, NM 87504

RE: PNM's Fuel and Purchased Power Cost Adjustment Clause Factor Report for December 2023

Dear Ms. Sandoval:

In compliance with 17.9.550 NMAC ("Rule 550") and consistent with the Final Orders of the New Mexico Public Regulation Commission ("Commission") in Case No. 19-00159-UT and Case No. 18-00096-UT, Public Service Company of New Mexico ("PNM") hereby files its FPPCAC Factor Report for the month of December 2023 with supporting work papers. The fuel factor that PNM implemented effective October 1, 2023 was at the 5% cap; any balancing account uncollected amount at the end of 2023 will carry over into 2024 in accordance with PNM's FPPCAC methodology.

This filing is being made electronically. The original will be held and made available for review upon request. Filing of the work papers in native format, as required by Final Order in Case No. 18-00096-UT, will be made separately. If you have any questions regarding this filing, please contact me at 505 241-2881.

Respectfully,

/s/ Steve Schwebke
Steve Schwebke
Senior Project Manager, Regulatory

Cc: Ed Rilkoff (NMPRC Staff) Elisha Leyba-Tercero (NMPRC Staff)
Bradford Borman (NMPRC Staff) Gabriella Dasheno (NMPRC Staff)
John Bogatko (NMPRC Staff) NMAG (Utilityfilings@nmag.gov)

PUBLIC SERVICE COMPANY OF NEW MEXICO

Rule 550 FPPCAC Factor Report

Billing/Current Month: December 2023

I. SUMMARY FPPCAC FACTOR INFORMATION

1. Type of Factor (fixed, rolling average, monthly)	Fixed-Quarterly
2. Effective Date of Factor	December 1, 2023
3. Billing Month's System Factor /kWh	\$0.0499394
4. Per kWh Base Rate Cost of Fuel and Purchased Power / kWh	\$0.00000
5. Number of Months Factor is Applicable	3 Months
6. Time Period of Data Used to Calculate Factor:	Oct 1, 2023 - Dec 31, 2023
7. Cumulative (Over)/Under Collection at end of Current Month	\$64,923,430
8. Applicable Case No(s). For FPPCAC Approvals	19-00159-UT 18-00096-UT
9. Supporting Workpapers	Attached

**Supporting Workpapers
Page Number**

II. CURRENT MONTH JURISDICTIONAL FUEL AND PURCHASED POWER EXPENSES

1. ACCOUNT 501/547

a) COAL	\$	1,184,743	2
b) GAS	\$	6,254,629	2
c) OIL	\$	-	2
d) RENEWABLE (RENW)	\$	-	2
e) TOTAL ACCT 501/547	\$	<u>7,439,372</u>	

2. ACCOUNT 518 - NUCLEAR FUEL EXPENSE

\$	1,256,541	2
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3. ACCOUNT 555 - PURCHASED POWER EXPENSE

a) FIRM/CAPACITY			
FIRM (Valencia)	\$	893,915	3
HAZARD SHARING / EMERGENCY	\$	1,123	3
SPINNING RESERVES	\$	-	3
TOTAL FIRM/CAPACITY	\$	<u>895,038</u>	3
b) PURCHASE POWER AGREEMENTS	\$	(12,776)	3
c) CONTINGENT/UNIT COMMITMENT (Other)	\$	-	3
d) ECONOMY PURCHASES	\$	<u>19,535,585</u>	3
e) TOTAL PURCHASED POWER EXPENSE	\$	<u>20,417,847</u>	3

4. LESS ACCOUNT 447 - SALES FOR RESALE

a) FIRM/CAPACITY			
CAPACITY	\$	-	
FIRM	\$	-	
HAZARD SHARING / EMERGENCY	\$	(2,995)	5
SPINNING RESERVES	\$	-	
b) CONTINGENT	\$	-	
c) ECONOMY (100% Off-System sales)	\$	(12,225,577)	5
d) FIRM SURPLUS	\$	-	
SYSTEM SALES	\$	-	
BLOCK SALES	\$	-	
OTHER FIRM SALES	\$	-	
e) TOTAL SALES FOR RESALE	\$	<u>(12,228,572)</u>	5

5. APPLICABLE FUEL AND PURCHASED POWER EXPENSE

SUB-TOTAL OF ITEMS 1(e) + 2 + 3(e) + 4(e)	<u>\$</u>	<u>16,885,187</u>	
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III. CURRENT MONTH FUEL AND PURCHASED POWER REVENUES

6. APPLICABLE KWH SALES

TOTAL NON-RENEWABLE ENERGY BILLED CURRENT MONTH		472,447,369	6
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7. FUEL AND PURCHASED POWER REVENUES

a) FPPCAC REVENUES	\$	23,908,792	6
b) REVENUE ADJUSTMENTS	\$	(409,603)	6
c) TOTAL FUEL AND PURCHASED POWER REVENUES	\$	<u>23,499,189</u>	6

8. INCREASED OR (DECREASED) FUEL AND PURCHASED POWER

CURRENT MONTH EXPENSE - (ITEM II 5 LESS ITEM III 7.c.)	\$	(6,614,002)	
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9. BALANCING ACCOUNT

a) INCREASED FUEL AND PURCHASED POWER EXPENSE PRIOR MONTHS	\$	71,394,642	
b) CARRYING CHARGE (OVER)COLLECTION @2.4%	\$	-	
CARRYING CHARGE UNDER COLLECTION @2.4%	\$	142,789	
c) FUEL AND PURCHASED POWER COST ADJUSTMENT REVENUE BILLED IN THE CURRENT MONTH (ITEM 8)	\$	<u>(6,614,002)</u>	
SUBTOTAL: ITEM 9a through ITEM 9c	\$	64,923,430	
d) OTHER ADJUSTMENTS/RULE 550 VARIANCE (ITEMIZE) PRIOR MONTH(S)			
e) BALANCING ACCOUNT TOTAL (OVER)/UNDER COLLECTED	<u>\$</u>	<u>64,923,430</u>	

PUBLIC SERVICE COMPANY OF NEW MEXICO

Generation Fuel Expense-December 2023

No.	Description	PNM Electric Retail (2)						Report Reference
		Cost (\$)	Energy (MWh)	(\$/MWh)	(%)	Cost (\$)	Energy (MWh)	
1	Coal							
2	San Juan (4)	-	-	-	100.00%	-	-	
3	San Juan 65	-	-	-	0.00%	-	-	
4	San Juan Fuel Handling	-	-	-	100.00%	-	-	
5	Four Corners	1,169,127	64,974	20.16	100.00%	1,169,127	64,974	
6	Four Corners Fuel Handling	15,616	-	-	100.00%	15,616	-	
7	Total Coal	1,184,743	64,974	18.23		1,184,743	64,974	1.a)
8								
9	Gas							
10	Four Corners Gas	140,637	-	-	100.00%	140,637	-	
11	Afton Gas	2,079,457	123,728	16.44	100.00%	2,079,457	123,728	
12	Load Side Afton Gas (1)	-	-	-	100.00%	-	-	
13	Afton Gas-Physical Hedge (3)	-	-	-	100.00%	-	-	
13a	Afton Tax Reversal - FAC	(45,769)	-	-	100.00%	(45,769)	-	
14	Reeves Gas	815,602	21,081	36.42	100.00%	815,602	21,081	
15	Load Side Reeves Gas (1)	114,782	3,152	36.42	100.00%	114,782	3,152	
16	Reeves Gas-Physical Hedge (3)	-	-	-	100.00%	-	-	
16a	Reeves Tax Reversal - FAC	(47,838)	-	-	100.00%	(47,838)	-	
17	Luna Gas	1,384,756	74,876	18.47	100.00%	1,384,756	74,876	
18	Luna Gas-Physical Hedge (3)	-	-	-	100.00%	-	-	
18a	Luna Tax Reversal - FAC	(1,661)	-	-	100.00%	(1,661)	-	
19	Lordsburg Gas	20,030	688	29.11	100.00%	20,030	688	
20	Lordsburg Gas-Physical Hedge (3)	-	-	-	100.00%	-	-	
20a	Lordsburg Tax Reversal - FAC	-	-	-	100.00%	-	-	
21	Rio Bravo (4)	1,381,734	36,595	36.60	100.00%	1,381,734	36,595	
22	Load Side Rio Bravo (1)	324,819	8,876	36.60	100.00%	324,819	8,876	
23	Rio Bravo Gas-Physical Hedge (3)	-	-	-	100.00%	-	-	
23a	Rio Bravo Tax Reversal - FAC	(42,524)	-	-	100.00%	(42,524)	-	
24	La Luz Gas	133,820	4,889	26.58	100.00%	133,820	4,889	
25	Load Side La Luz Gas (1)	-	-	-	100.00%	-	-	
26	La Luz Gas-Physical Hedge (3)	-	-	-	100.00%	-	-	
26a	La Luz Tax Reversal - FAC	(3,877)	-	-	100.00%	(3,877)	-	
27	Gas - Physical Settlement	659	-	-	100.00%	659	-	
28	Gas - Financial Settlement	-	-	-	100.00%	-	-	
29	Total Gas	6,254,629	273,885	22.84		6,254,629	273,885	1.b)
30								
31	Solar Energy-System Resources (40 MW)	-	4,967	-	100.00%	-	4,967	
32	Subtotal Solar	-	4,967	-		-	4,967	1.d)
33								
34	San Juan Oil	-	-	-	100.00%	-	-	
35	Rio Bravo Oil	-	-	-	100.00%	-	-	
36	Total Oil	-	-	-		-	-	1.c)
37								
38	Subtotal 1.e)	7,439,372	343,825	21.64		7,439,372	343,825	1.e)
39								
40	Nuclear							
41	Palo Verde	1,692,889	225,349	7.51	100.00%	1,692,889	225,349	
42	Palo Verde Fuel Handling	(436,348)	-	-	100.00%	(436,348)	-	
43	DOE Amortization (5)	-	-	-	100.00%	-	-	
44	Total Nuclear	1,256,541	225,349	7.51		1,256,541	225,349	2.
45								
46	Total Fuel	8,695,913	569,175	15.28		8,695,913	569,175	
47								
48								
49	Excluded From Fuel Clause							
50								
51	Excluded Costs in 501							
52	San Juan Surface Mine Decommissioning	104,008	-	-	0.00%	-	-	
53	San Juan Underground Mine Decommissioning	78,177	-	-	0.00%	-	-	
54	Four Corners Mine Decommissioning	15,890	-	-	0.00%	-	-	
55	Total Excluded Costs in 501	198,075	-	-		-	-	
56								
57	Excluded Solar							
58	Solar Energy-REA	-	16,777	-	0.00%	-	-	
59	Total Excluded Solar	-	16,777	-		-	-	
60								
61	Total Excluded From Fuel Clause	198,075	16,777	-		-	-	
62								
63	Total	8,893,988	585,952	15.18		8,695,913	569,175	

- (1) Load Side used for transmission support
- (2) Allocation percentages from Case 16-00276-UT
- (3) Physical Purchases of Hedged Gas-Page 10
- (4) Average Price Includes Oil and Gas Costs for San Juan and Rio Bravo. Reflects final SJGS participant coal adjustment, reducing cost to PNM Electric Retail.
- (5) DOE (Department of Energy) Spent Nuclear Fuel Regulatory Liability Amortization

PUBLIC SERVICE COMPANY OF NEW MEXICO

Purchase Power Expense-December 2023

No.	Description	Demand	Energy	Total	Demand	Energy	PNM Electric Retail				Report Reference	
		Cost (\$)	Cost (\$)	Cost (\$)	Energy (MWh)	Cost (\$/MWh)	Demand Charge Share (%)	Energy Share (%)	Cost (\$)	Energy (MWh)		
1												
2	Firm/Capacity Purchases											
3	Valencia (4)	1,738,339	158,917	1,897,256	2,761	43.49	0.00%	100.00%	158,917	2,761		
4	Load Side Valencia (1), (4)	-	773,866	773,866	17,794	43.49	0.00%	100.00%	773,866	17,794		
5	Valencia Gas Hedge	-	-	-	-	-	0.00%	100.00%	-	-		
5a	Valencia Tax Reversal - FAC	-	(38,867)	(38,867)	-	-	0.00%	100.00%	(38,867)	-		
6	SRSR Emergency Purchases (2)	-	1,123	1,123	32	-	0.00%	100.00%	1,123	32		
7	Hazard Sharing	-	-	-	-	-	0.00%	100.00%	-	-		
8	Spinning Reserves (3)	-	-	-	-	-	0.00%	100.00%	-	-		
9	Spinning Reserves - Frequency Response (3)	-	-	-	-	-	77.86%	77.86%	-	-		
10	Total Firm/Capacity Purchases	1,738,339	895,038	2,633,377	20,587	43.48			895,038	20,587		3.a)
11												
12	Purchase Power Agreements (9)											
13	Arroyo	1,119,000	566,207	1,685,207	30,729	18.43	0.00%	100.00%	566,207	30,729		
14	San Juan	-	-	-	-	-	0.00%	100.00%	-	-		
15	Jicarilla I	199,400	(578,982)	(379,582)	2,131	(271.76)	0.00%	100.00%	(578,982)	2,131		
16	Total Purchase Power Agreements	1,318,400	(12,776)	1,305,624	32,860	(253.33)			(12,776)	32,860		3.b)
17												
18	Economy Purchases											
19	Purchase Power - Financial (5)	-	-	-	-	-	0.00%	100.00%	-	-		
20	Purchase Power - Physical (6)	-	2,894,160	2,894,160	29,760	97.25	0.00%	100.00%	2,894,160	29,760		
21	Purchase Power - Energy Buy Back (7)	-	303,755	303,755	-	-	0.00%	100.00%	303,755	-		
22	Purchase Power - EIM (8)	-	13,482,213	13,482,213	160,482	84.01			13,482,213	160,482		
23	Other Purchased Power	53,324	2,864,575	2,917,899	52,787	54.27			2,855,457	52,049		
24	Total Economy Purchases	53,324	19,544,703	19,598,027	243,029	80.42			19,535,585	242,292		3.d)
25												
26	Total Purchased Power	3,110,063	20,426,966	23,537,028	296,476	68.90		84.0105014	20,417,847	295,739		3.e)
27												
28												
29	Excluded From Fuel Clause											
30												
31	Contingent/Unit Commitment Purchases											
32	Geothermal	-	423,085	423,085	4,201	100.70	0%	0%	-	-		
33	Red Mesa Wind	-	722,710	722,710	21,724	33.27	0%	0%	-	-		
34	NMWECC	-	1,154,547	1,154,547	41,917	27.54	0%	0%	-	-		
35	La Joya II Wind	-	701,703	701,703	40,143	17.48	0%	0%	-	-		
36	Solar Direct	-	152,433	152,433	7,015	21.73	0%	0%	-	-		
37	Special Services Contract	-	-	-	95,421	-	0%	0%	-	-		
38	Total Contingent/Unit Commitment Purchases	-	3,154,478	3,154,478	210,422	14.99			-	-		
39												
40	Total Excluded From Fuel Clause	-	3,154,478	3,154,478	210,422	14.99			-	-		
41												
42	Total	3,110,063	23,581,443	26,691,506	506,898	46.52			20,417,847	295,739		

- (1) **Load Side used for transmission support**
- (2) **Emergency Assistance:** Energy provided to a Party under Emergency conditions when power supply to the Party's Firm Commitments is threatened or curtailed as referenced in Southwest Reserve Sharing Group (SRSR) Participant Agreement
- (3) **Spinning Reserve:** The amount of unloaded generating capacity maintained to meet peak loads.
- (4) **Demand Charges:** Valencia demand charge costs are recovered through base rates and are not included in the fuel factor.
- (5) **Purchase Power-Financial:** Financially settled power purchase-hedge transactions
- (6) **Purchase Power-Physical:** Physically settled power purchase-hedge transactions. Includes monthly settlement of 2023 resource adequacy forward transactions.
- (7) **Purchase Power-Energy Buy Back:** Power purchase from cogeneration and small power production facilities under Rate No. 12
- (8) **Purchase Power-EIM:** EIM Purchases and Sales are broken out from Other Purchased Power and Economy Sales (respectively) for transparency; the monthly reported EIM transactions are not indicative of future EIM savings and costs. Overall EIM savings and costs will be reported on an annual basis to the NMPRC.

PUBLIC SERVICE COMPANY OF NEW MEXICO

Allocations-December 2023

No.	Resource Allocators	Allocation	
1	San Juan	100.00%	Energy Allocator-NMPRC
2	Four Corners	100.00%	Energy Allocator-NMPRC
3	Palo Verde	100.00%	Energy Allocator-NMPRC
4	Afton	100.00%	Energy Allocator-NMPRC
5	Valencia	100.00%	Energy Allocator-NMPRC
6	Reeves	100.00%	Energy Allocator-NMPRC
7	Luna	100.00%	Energy Allocator-NMPRC
8	Lordsburg	100.00%	Energy Allocator-NMPRC
9	Rio Bravo	100.00%	Energy Allocator-NMPRC
10	SRSR/Hazard Sharing Emergency Purchases	100.00%	Energy Allocator-NMPRC
11	Hedging	100.00%	Financial and Physical Sales and Purchases
12	Load Side	100.00%	Energy Allocator-NMPRC
13	La Luz	100.00%	Energy Allocator-NMPRC
14	Solar Energy-System Resources	100.00%	Energy Allocator-NMPRC
15	Spinning Reserves	100.00%	Energy Allocator-NMPRC
16	Spinning Reserves - Frequency Response	77.86%	Transmission Allocator-NMPRC/FERC (1)

(1) Transmission Allocator was calculated using transmission demands as approved in Case 16-00276-UT.

PUBLIC SERVICE COMPANY OF NEW MEXICO

Off System Sales-December 2023

No.	Description	Demand Revenue (\$)	Energy Revenue (\$)	Total Revenue (\$)	Energy (MWh)	Share (%)	PNM Electric Retail Revenue (\$)	Energy (MWh)	Report Reference
	Firm/Capacity Off-System Sales								
1	SRSB Emergency	-	2,995	2,995	79	100.00%	2,995	79	
2	Hazard Sharing	-	-	-	-	100.00%	-	-	
3	Spinning Reserves	-	-	-	-	100.00%	-	-	
4	SUBTOTAL	-	2,995	2,995	79		2,995	79	4. a)
5									
6	Other Sales Credit (1)	-	74,084	74,084	-		74,084	-	
7	Economy Sales - Financial (2)	-	468,646	468,646	-	100.00%	468,646	-	
8	Economy Sales - Physical (3)	-	1,236,566	1,236,566	29,760	100.00%	1,236,566	29,760	
9	Economy Sales - EIM (4)	-	9,396,488	9,396,488	173,367		9,396,488	173,367	
10	Economy Sales	-	3,043,720	3,043,720	77,487		2,046,757	51,274	
11	Economy Sales - Special Services Contract	-	(996,964)	(996,964)	(26,213)		(996,964)	(26,213)	
12	Total Economy Sales	-	13,222,541	13,222,541	254,401		12,225,577	228,188	4. e)
13									
14	Total Off-System Sales	-	13,225,536	13,225,536	254,480		12,228,572	228,267	4. e)

(1) Revenue credit from Redispatch Services and Load Side Generation Services offered under PNM's OATT

(2) Sales Power-Financial: Financially settled power sales-hedge transactions

(3) Sales Power-Physical: Physically settled power sales-hedge transactions

(4) Sales Power-EIM: EIM Purchases and Sales are broken out from Other Purchased Power and Economy Sales

(respectively) for transparency; the monthly reported EIM transactions are not indicative of future EIM savings and costs.

Overall EIM savings and costs will be reported on an annual basis to the NMPRC.

PUBLIC SERVICE COMPANY OF NEW MEXICO

PNM Electric Retail Revenue Detail

December 2023

No.	Voltage Class	KWH	Report Reference
1	Secondary Voltage	351,054,525	
2	Primary Voltage	58,351,335	
3	Substation Voltage	37,927,481	
4	Subtransmission Voltage	1,516,417	
5	Transmission Voltage	23,597,611	
6	Total Non-Renewable KWh	472,447,369	
7	Renewable KWh	149,722,251	
8	Total KWh	622,169,621	6
9			
10			
11		\$	
12	FPPCAC \$	\$ 23,908,792	6. a)
13	Sky Blue II Solar \$	\$ (63,131)	6. b)
14	Solar Direct \$	\$ (346,472)	6. b)
15	Total Non-Renewable \$	\$ 23,499,189	6. c)
16	Total Renewable \$	\$ -	
17	Total \$	\$ 23,499,189	6. c)
18			
19			
20	CUSTOMER RENEWABLE PRODUCTION CREDIT (1)		
21	Renewable Production Energy, kWh	851,261	
22	Renewable Production Credit, \$	\$ (41,968)	

1. Pursuant to Section 62-16-4(C) effective June 4, 2019, PNM credits certain customers for fuel and power purchases of one year or less on the amount of electricity purchased from PNM equal to the verified production of renewable energy produced or hosted by the customers. As approved in the Final Order in Case No. 19-00159-UT, these credits will be collected from other customers through the FPPCAC. This is being reported in the FPPCAC monthly reports as required by PNM's Rider No. 23.

PUBLIC SERVICE COMPANY OF NEW MEXICO
PNM System Overview-December 2023

No.	Sources	PNM Retail Non-Renewable MWhs	PNM Retail Renewable MWhs	PNM Non-Retail MWhs	Total MWhs	Supporting Workpapers Page Number
1	Generation					
2	Coal	64,974	-	-	64,974	Page 2, Line 7
3	Gas	273,885	-	-	273,885	Page 2, Line 29
4	Solar (40 MW)	4,967	-	-	4,967	Page 2, Line 32
5	Nuclear	225,349	-	-	225,349	Page 2, Line 44
6	Sub-Total	569,175	-	-	569,175	
7						
8	Purchases					
9	Long Term Purchase Power Agreements	53,447	-	-	53,447	Page 3, Line 10, 16
10	Economy	242,292	-	737	243,029	Page 3, Line 25
11	Sub-Total	295,739	-	737	296,476	
12						
13	Renewable					
14	Solar (Non 40 MW)	-	16,777	-	16,777	Page 2, Line 58
15	Wind	-	103,785	-	103,785	Page 3, Lines 33, 34 & 35
16	Geothermal	-	4,201	-	4,201	Page 3, Line 32
17	Solar Direct	-	-	7,015	7,015	Page 3, Line 36
18	Special Services Agreement	-	-	95,421	95,421	Page 3, Line 37
19	Sub-Total	-	124,763	102,436	227,199	
20						
21	Total Sources	864,913	124,763	103,173	1,092,850	
22						
23						
24	Uses					
25	Sales					
26	Firm/Capacity	79	-	-	79	Page 5, Line 4
27	Economy	228,188	-	26,213	254,401	Page 5, Line 12
28	Sub-Total	228,267	-	26,213	254,480	
29						
30	Load					
31	Billed	472,447	149,722	-	622,170	Note 1
32	Renewable Excess/(Deficit)	-	(24,959)	-	(24,959)	
33	Unbilled & Losses	164,199	-	76,961	241,159	
34	Sub-Total	636,646	124,763	76,961	838,370	
35						
36	Total Uses	864,913	124,763	103,173	1,092,850	

(I) Billed Retail Renewable & Non-Renewable load reconciles to PNM's billing system.

PUBLIC SERVICE COMPANY OF NEW MEXICO
Reconciliation of the Retail Forward Transactions Summary as of December 2023

No.	A	B	C	D	E	F	Report Reference	Workpaper Reference	
	Average Deal Price	Average Settle Price	(Purchase)/Sale Quantity	Note (2) Gain/(Loss)- Financial \$	(Purchase) Physical Flow \$	Sale Physical Flow \$			
1	Carry Forward from Prior Month								
2	Natural Gas Transactions-MMBtu								
3				3,185,689	(292,454,971)	58,804,149	Prior Month Filing		
4							1.b	Page 2	
5							1.b	Page 2	
5.1	-		-		-			Page 9	
6								Page 9	
7	Total - Current Month Amounts, #1							1.b	Page 2/3
8									
9	Off-System Sales/(Purchases) Transactions MWhs								
10							3. d)	Page 3	
10.1							3. d)	Page 3	
11	64.75	39.55	18,600	468,646	-		4. c)	Page 5	
11.1							4. c)	Page 5	
12	97.25		(29,760)		(2,894,160)		3. d)	Page 3	
12.1							3. d)	Page 3	
13	41.55		29,760			1,236,566	4. c)	Page 5	
13.1							4. c)	Page 5	
14	Total - Current Month Amounts, #2								
15			18,600	468,646	(2,894,160)	1,236,566			
16	Spark-Spread Transactions								
17	Natural Gas-MMBtu:								
18							1.b	Page 2	
19							1.b	Page 2	
20								Page 9	
21								Page 2/3	
22	Power-MWh:								
23							3. d)	Page 3	
24							4. c)	Page 5	
25							3. d)	Page 3	
26							4. c)	Page 5	
27	Total - Current Month Amounts, #3								
28									
29	Current Month Total for 1,2,3								
30			18,600	468,646	(2,894,160)	1,236,566			
31	Cumulative Financial Hedges Gain/(Loss) as of Current Month (1)								
32	Cumulative Revenues/(Costs) of Physical Sales/(Purchases) as of Current Month (1)								
				3,654,335	(295,349,131)	60,040,716			

Footnotes:

- (1) Cumulative Balance since May 2010
- (2) Gain/(Loss)-Financial is calculated as follows: (A-B)*C
- (3) Current Month Detail Calculation on Page 9

PUBLIC SERVICE COMPANY OF NEW MEXICO
Physical Purchases of Hedged Gas for December 2023

		Plant Afton Generation			
No.	Description	MMBtus	\$	Price	Workpaper Reference
1	Percent Allocation	100.00%	100.00%		
2					
3	PNM Hedged MMBtus-Must Take	-	-	-	
4	PNM Hedged - Tax	-	-	-	
5	Other Hedged MMBtus	-	-	-	
6	Market Purchases (Burned MMBTU)	-	-	-	
7	Total MMBtus Purchased	-	-	-	
8	Variable Transportation Costs	-	-	-	
9	Total Plant Cost	-	-	-	Page 2
10					
11	PNM Electric Share Gas Purchase Allocation	-	-	-	
12	PNM Electric Share Gas Var. Transportation Allocation	-	-	-	
13	PNM Electric Retail Share Allocation	-	-	-	Page 2
14					
15	PNM Hedged MMBtus-Must Take	-	-	-	
16	Market Purchases	-	-	-	
17	PNM Electric Share Gas Var. Transportation Allocation	-	-	-	
18	Total PNM Electric Retail Calculation	-	-	-	
19					
20	Physical Hedge Increase/(Decrease) (1)		-		Page 2
21					
22	(1) Calculation line 18 less line 13 dollars				
23					
24					
25					
		Lordsburg Generation			
No.	Description	MMBtus	\$	Price	Workpaper Reference
26	Percent Allocation	100.00%	100.00%		
27					
28					
29	PNM Hedged MMBtus-Must Take	-	-	-	
30	PNM Hedged - Tax	-	-	-	
31	Other Hedged MMBtus	-	-	-	
32	Market Purchases (Burned MMBTU)	-	-	-	
33	Total MMBtus Purchased	-	-	-	
34	Variable Transportation Costs	-	-	-	
35	Total Plant Cost	-	-	-	Page 2
36					
37	PNM Electric Share Gas Purchase Allocation	-	-	-	
38	PNM Electric Share Gas Var. Transportation Allocation	-	-	-	
39	PNM Electric Retail Share Allocation	-	-	-	Page 2
40					
41	PNM Hedged MMBtus-Must Take	-	-	-	
42	Other Hedged MMBtus	-	-	-	
43	Market Purchases	-	-	-	
44	PNM Electric Share Gas Var. Transportation Allocation	-	-	-	
45	Total PNM Electric Retail Calculation	-	-	-	
46					
47	Physical Hedge Increase/(Decrease) (2)		-		Page 2
48					
49	(2) Calculation line 45 less line 39 dollars				
50					
		Luna Generation			
No.	Description	MMBtus	\$	Price	Workpaper Reference
51	Percent Allocation	100.00%	100.00%		
52					
53					
54	PNM Hedged MMBtus-Must Take	-	-	-	
55	PNM Hedged - Tax	-	-	-	
56	Other Hedged MMBtus	-	-	-	
57	Market Purchases (Burned MMBTU)	-	-	-	
58	Total MMBtus Purchased	-	-	-	
59	Variable Transportation Costs	-	-	-	
60	Total Plant Cost	-	-	-	Page 2
61					
62	PNM Electric Share Gas Purchase Allocation	-	-	-	
63	PNM Electric Share Gas Var. Transportation Allocation	-	-	-	
64	PNM Electric Retail Share Allocation	-	-	-	Page 2
65					
66	PNM Hedged MMBtus-Must Take	-	-	-	
67	Other Hedged MMBtus	-	-	-	
68	Market Purchases	-	-	-	
69	PNM Electric Share Gas Var. Transportation Allocation	-	-	-	
70	Total PNM Electric Retail Calculation	-	-	-	
71					
72	Physical Hedge Increase/(Decrease) (3)		-		Page 2
73					
74	(3) Calculation line 70 less line 64 dollars				
75					
76					
77					
		Off System Sales and Purchases			
No.	Description	MMBtus	\$	Price	Reference
78	Gas Purchases for Plant Use	-	-	-	
79	Off System Sale of Gas	-	-	-	
80					
81	Gain/(Loss) on Gas Sale	-	-	-	Page 2

Annual Hedging Compliance Report for 2023

PNM Exhibit SL-5

Is contained in the following 37 pages.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S)
APPLICATION FOR CONTINUATION)
OF A PLAN TO MANAGE FUEL AND)
PURCHASED POWER COSTS BY)
ENTERING INTO CERTAIN FORWARD) Case No. 19-00187-UT
MARKET TRANSACTIONS,)
)
PUBLIC SERVICE COMPANY OF)
NEW MEXICO,)
)
Applicant.)
_____)**

**PUBLIC SERVICE COMPANY OF NEW MEXICO’S
ANNUAL HEDGING COMPLIANCE REPORT FOR
CALENDAR YEAR 2023**

INTRODUCTION

Public Service Company of New Mexico (“PNM” or “Company”) files its Annual Hedging Compliance Report for Calendar Year 2023 (“Report”) pursuant to the November 20, 2019 Recommended Decision that was approved in the above captioned proceeding by the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) via Final Order on December 4, 2019 (“Final Order”), which approved continuation of PNM’s Hedging Program for 2020 through 2024.

Consistent with the Final Order, the costs and benefits of hedged transactions pass through PNM’s Fuel and Purchased Power Cost Adjustment Clause (“FPPCAC”). Monthly reports on hedged transactions are included in the supporting work papers filed with the Commission in PNM’s monthly FPPCAC Report pursuant to 17.9.550 NMAC. An annual report is required to be filed by April 30 of each year based on a continuation of the reporting requirements initially established in Case No. 09-00321-UT. These requirements are:

1. To report on the results of the Hedging Plan for the prior calendar year including natural gas or purchased power to serve load, off-system sales and spark-spread transactions, for both financial hedges and physical hedges,
2. To provide a comparison of the Hedging Plan results to day-ahead transactions, and
3. To identify any open positions as of year-end, which PNM is authorized to file separately under seal.

Additionally, PNM is also required to promote budget billing at least four times per year in either its bill insert or in the bill message field. PNM addresses this requirement subsequently in this Report.

RESULTS AND COMPARISON TO DAY-AHEAD TRANSACTIONS

A Glossary of Terms that defines certain key terms related to forward market transactions referenced in this Report is attached as PNM Exhibit F.

PNM Exhibits A, B and C to this Report provide the information for calendar year 2023 that is responsive to requirements 1 and 2, above. Confidential PNM Exhibit D provides information responding to reporting requirement No. 3, above; a redacted form of PNM Exhibit D is attached with this Report.

The exhibits provide information as described below:

- PNM Exhibit A: Hedged Power for Jurisdictional Sale and Purchase Transactions;
- PNM Exhibit B: Spark Spread Sale and Purchase Transactions;
- PNM Exhibit C: Hedged Gas for Jurisdictional Load Sale and Purchase Transactions; and
- PNM Exhibit D: Summary of Hedge Program Open Positions at Year-End 2023.

For each month in which transactions occurred, the exhibits provide the following:

- Column A: Average Deal Price;
- Column B: Average Settled Index Price;
- Column C: Average Difference to Settled Index, which is the difference between the average deal price and average settled index price;
- Column D: (Purchase) or Sale Quantity in MWh or MMbtu;
- Column E: Number of Transactions; and

- Column F: Gain or Loss, which is the Average Difference to Index price in Column C times the (Purchase)/Sale Quantity in Column D.

PNM Exhibits A, B and C provide average prices for purchases and sales, the total number of transactions, and the total MMBtus and MWhs purchased or sold. Column F of the exhibits provides the net opportunity gain or loss of each type of transaction by month and is both the result of the transaction(s) and the comparison to the applicable index.¹

Overall, PNM Exhibits A, B and C show that hedging transactions in the forward market that closed during the calendar year, when compared to the applicable index, experienced a net opportunity loss of (\$95,637,071) over the period January 2023 through December 2023. Additional explanation is offered in the detailed summaries below.

HEDGED POWER FOR JURISDICTIONAL SALE AND PURCHASE TRANSACTIONS

PNM Exhibit A provides a summary by month of the hedged power for jurisdictional sale and purchase transactions that were undertaken and closed during 2023 in the following categories:

- Financial Purchases On-Peak Power;
- Financial Purchases Off-Peak Power;
- Financial Sales On-Peak Power;
- Financial Sales Off-Peak Power;
- Physical Purchases On-Peak Power;
- Physical Purchases Off-Peak Power;
- Physical Sales On-Peak Power; and
- Physical Sales Off-Peak Power.

¹ The fact that losses may occur in hedging transactions has been recognized by the Commission. For example, the Recommended Decision in Case No. 19-00187-UT, Findings of Fact and Conclusions of Law, No. 16 includes the statement that “PNM has acknowledged that some transactions entered into under the plan will be unprofitable. The fact that a particular Forward Transaction may be unprofitable does not necessarily mean that the Forward Transaction is ‘unfair, unjust or unreasonable.’” PNM has noted that the primary objective of its Hedging Plan is the improved management of fuel and purchased power costs by reducing volatility in fuel and purchased power expenses and in off-system sales. Recommended Decision, p. 5.

These transactions have been netted when there are multiple parts to the transactions, e.g., with SP15 hedges,² to avoid the type of duplicative reporting that might appear to inflate transaction volumes. The Hedged Power for Jurisdictional Sale and Purchase Transactions includes, and in fact is entirely comprised of, the short-term market purchases (460 MW in total capacity) that were entered into prior to and during 2023 to provide necessary capacity during summer peak periods due to delays in the commercial operation dates of San Juan Generating Station and Palo Verde Nuclear Generating Station replacement resources. As such, these transactions serve a different purpose than the traditional hedges normally listed in this report, and PNM believes they should not be accounted in the same manner as traditional hedges. PNM has reported them in that manner, nonetheless.

As shown on page 3 of PNM Exhibit A, the comparison of these transactions to the applicable index calculates to a net opportunity loss of (\$95,595,430) for the calendar year.

SPARK SPREAD SALE AND PURCHASE TRANSACTIONS

PNM Exhibit B shows by month spark spread sale and purchase transactions that were closed during 2023 in the following transaction categories:

- Financial Purchases On-Peak Power;
- Financial Sales On-Peak Power;
- Financial Sales Off-Peak Power;
- Physical Sales On-Peak Power;
- Physical Sales Off-Peak Power;
- Financial Purchases Gas;
- Financial Sales Gas;
- Physical Purchases Gas; and
- Physical Sales Gas.

² SP15 is a commonly used term referring to the South of Path 15 trading hub in Southern California.

As shown on page 3 of PNM Exhibit B, there were no spark spread sale and purchase transactions for 2023.

HEDGED GAS FOR JURISDICTIONAL LOAD SALE AND PURCHASE TRANSACTIONS

PNM Exhibit C presents information on hedged gas sale and purchase transactions for jurisdictional load during 2023 in the following categories:

- Financial Purchases Gas;
- Financial Sales Gas;
- Physical Purchases Gas; and
- Physical Sales Gas.

As shown on page 2 of PNM Exhibit C, these transactions resulted in a net opportunity loss for the year of (\$41,641).

SUMMARY OF HEDGE PROGRAM OPEN POSITIONS

Confidential PNM Exhibit D is a summary of the hedging program's open positions as of December 31, 2023. These are hedges entered into during 2023 that will close during calendar year 2024. The upper tables in this exhibit present a summary of the open positions by strategy, i.e., Off-System Sales and Purchases transactions and Spark Spread transactions. The lower table in this exhibit presents the information on a monthly basis.

Confidential PNM Exhibit D is being separately filed under seal in accordance with the Order Approving Application in Case No. 19-00187-UT. Consistent with the Protective Order issued on April 27, 2016, Confidential PNM Exhibit D will be provided to persons that have signed a confidentiality agreement and who are not participants in the energy markets. Confidential PNM Exhibit D must be maintained as confidential information for two years from the date that this

Report is filed, as provided in the Protective Order. A redacted version of PNM Exhibit D is attached to this report.

COMPLIANCE WITH BUDGET BILLING PROMOTION:

As noted previously, PNM is required to promote Budget Billing at least four times per year in either its bill insert or in the bill message field. Documentation of these promotions for 2023 are included in PNM Exhibit E to this report.

Respectfully submitted,

PUBLIC SERVICE COMPANY OF NEW MEXICO

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PNM EXHIBIT A

**Hedged Power for Jurisdictional Sale and Purchase Transactions –
2023 Consisting of 3 pages**

PUBLIC SERVICE COMPANY OF NEW MEXICO

**Summary of Hedging Program
January 2023 to December 2023**

HEDGED POWER FOR JURISDICTIONAL SALE AND PURCHASE TRANSACTIONS

		A	B	C	D	E	F	
			Note (1)			Note (3)	Note (2)	
	Jan-23	Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
1								
1a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
1b	Financial Purchases Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
1c	Financial Sales On-Peak Power	\$82.00	\$141.44	(\$59.44)	10,000	1	(\$594,376)	
1d	Financial Sales Off -Peak Power	\$81.00	\$128.70	(\$47.70)	8,600	1	(\$410,248)	
1e	Physical Purchases On-Peak Power	\$97.25	\$141.44	(\$44.19)	(16,000)	1	\$707,002	
1f	Physical Purchases Off-Peak Power	\$97.25	\$128.70	(\$31.45)	(13,760)	1	\$432,797	
1g	Physical Sales On-Peak Power	\$144.74	\$141.44	\$3.30	16,000	1	\$52,800	
1h	Physical Sales Off-Peak Power	\$132.00	\$128.70	\$3.30	13,760	1	\$45,408	
1i	Total January 2023						\$233,382	
		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
2	Feb-23							
2a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
2b	Financial Purchases Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
2c	Financial Sales On-Peak Power	\$82.00	\$69.32	\$12.68	9,600	1	\$121,724	
2d	Financial Sales Off -Peak Power	\$81.00	\$63.75	\$17.25	7,200	1	\$124,182	
2e	Physical Purchases On-Peak Power	\$97.25	\$69.32	\$27.93	(15,360)	1	(\$428,998)	
2f	Physical Purchases Off-Peak Power	\$97.25	\$63.75	\$33.50	(11,520)	1	(\$385,891)	
2g	Physical Sales On-Peak Power	\$72.62	\$69.32	\$3.30	15,360	1	\$50,688	
2h	Physical Sales Off-Peak Power	\$67.05	\$63.75	\$3.30	11,520	1	\$38,016	
2i	Total February 2023						(\$480,280)	
		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
3	Mar-23							
3a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
3b	Financial Purchases Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
3c	Financial Sales On-Peak Power	\$82.00	\$61.37	\$20.63	10,800	1	\$222,820	
3d	Financial Sales Off -Peak Power	\$81.00	\$66.28	\$14.72	7,775	1	\$114,451	
3e	Physical Purchases On-Peak Power	\$97.25	\$61.37	\$35.88	(17,280)	1	(\$620,032)	
3f	Physical Purchases Off-Peak Power	\$97.25	\$66.28	\$30.97	(12,440)	1	(\$385,272)	
3g	Physical Sales On-Peak Power	\$64.67	\$61.37	\$3.30	17,280	1	\$57,024	
3h	Physical Sales Off-Peak Power	\$69.58	\$66.28	\$3.30	12,440	1	\$41,052	
3i	Total March 2023						(\$569,957)	
		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
4	Apr-23							
4a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
4b	Financial Purchases Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
4c	Financial Sales On-Peak Power	\$49.00	\$63.37	(\$14.37)	10,000	1	(\$143,672)	
4d	Financial Sales Off -Peak Power	\$53.00	\$67.59	(\$14.59)	8,000	1	(\$116,688)	
4e	Physical Purchases On-Peak Power	\$97.25	\$63.37	\$33.88	(16,000)	1	(\$542,125)	
4f	Physical Purchases Off-Peak Power	\$97.25	\$67.59	\$29.66	(12,800)	1	(\$379,699)	
4g	Physical Sales On-Peak Power	\$63.87	\$63.37	\$0.50	10,000	1	\$5,000	
4h	Physical Sales Off-Peak Power	\$68.09	\$67.59	\$0.50	8,000	1	\$4,000	
4i	Total April 2023						(\$1,173,184)	
		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
5	May-23							
5a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
5b	Financial Purchases Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
5c	Financial Sales On-Peak Power	\$49.00	\$28.01	\$20.99	10,400	1	\$218,248	
5d	Financial Sales Off -Peak Power	\$53.00	\$21.34	\$31.66	8,200	1	\$259,622	
5e	Physical Purchases On-Peak Power	\$97.25	\$28.01	\$69.24	(16,640)	1	(\$1,152,077)	
5f	Physical Purchases Off-Peak Power	\$97.25	\$21.34	\$75.91	(13,120)	1	(\$995,955)	
5g	Physical Sales On-Peak Power	\$28.51	\$28.01	\$0.50	10,400	1	\$5,200	
5h	Physical Sales Off-Peak Power	\$21.84	\$21.34	\$0.50	8,200	1	\$4,100	
5i	Total May 2023						(\$1,660,862)	
		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
6	Jun-23							
6a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
6b	Financial Purchases Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
6c	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
6d	Financial Sales Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
6e	Physical Purchases On-Peak Power	\$179.01	\$35.62	\$143.39	(166,917)	12	(\$23,934,721)	
6f	Physical Purchases Off-Peak Power	\$130.82	\$30.63	\$100.19	(42,184)	11	(\$4,226,451)	
6g	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
6h	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
6i	Total June 2023						(\$28,161,171)	

PUBLIC SERVICE COMPANY OF NEW MEXICO

Summary of Hedging Program

January 2023 to December 2023

HEDGED POWER FOR JURISDICTIONAL SALE AND PURCHASE TRANSACTIONS

		A	B	C	D	E	F	
Jul-23		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
7								
7a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
7b	Financial Purchases Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
7c	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
7d	Financial Sales Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
7e	Physical Purchases On-Peak Power	\$198.48	\$109.23	\$89.25	(165,284)	13	(\$14,751,671)	
7f	Physical Purchases Off-Peak Power	\$156.82	\$69.65	\$87.18	(54,234)	12	(\$4,728,006)	
7g	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
7h	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
7i	Total July 2023						(\$19,479,677)	
Aug-23		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
8								
8a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
8b	Financial Purchases Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
8c	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
8d	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
8e	Physical Purchases On-Peak Power	\$208.66	\$142.67	\$65.98	(173,281)	13	(\$11,433,112)	
8f	Physical Purchases Off-Peak Power	\$152.39	\$62.93	\$89.47	(38,501)	11	(\$3,444,535)	
8g	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
8h	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
8i	Total August 2023						(\$14,877,646)	
Sep-23		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
9								
9a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
9b	Financial Purchases Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
9c	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
9d	Financial Sales Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
9e	Physical Purchases On-Peak Power	\$195.35	\$48.12	\$147.23	(147,721)	11	(\$21,748,822)	
9f	Physical Purchases Off-Peak Power	\$147.91	\$42.60	\$105.31	(42,409)	10	(\$4,465,936)	
9g	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
9h	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
9i	Total September 2023						(\$26,214,757)	
Oct-23		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
10								
10a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
10b	Financial Purchases Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
10c	Financial Sales On-Peak Power	\$66.25	\$59.36	\$6.89	10,400	1	\$71,652	
10d	Financial Sales Off -Peak Power	\$63.00	\$50.96	\$12.04	8,200	1	\$98,754	
10e	Physical Purchases On-Peak Power	\$97.25	\$59.36	\$37.89	(16,640)	1	(\$630,483)	
10f	Physical Purchases Off-Peak Power	\$97.25	\$50.96	\$46.29	(13,120)	1	(\$607,366)	
10g	Physical Sales On-Peak Power	\$61.36	\$59.36	\$2.00	16,640	1	\$33,280	
10h	Physical Sales Off-Peak Power	\$52.96	\$50.96	\$2.00	13,120	1	\$26,240	
10i	Total October 2023						(\$1,007,924)	
Nov-23		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
11								
11a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
11b	Financial Purchases Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
11c	Financial Sales On-Peak Power	\$66.25	\$52.30	\$13.95	10,000	1	\$139,464	
11d	Financial Sales Off -Peak Power	\$63.00	\$51.69	\$11.31	8,025	1	\$90,763	
11e	Physical Purchases On-Peak Power	\$97.25	\$52.30	\$44.95	(16,000)	1	(\$719,142)	
11f	Physical Purchases Off-Peak Power	\$97.25	\$51.77	\$45.48	(12,800)	1	(\$582,095)	
11g	Physical Sales On-Peak Power	\$54.30	\$52.30	\$2.00	16,000	1	\$32,000	
11h	Physical Sales Off-Peak Power	\$53.69	\$51.77	\$1.92	12,840	1	\$24,604	
11i	Total November 2023						(\$1,014,407)	
Dec-23		Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
12								
12a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
12b	Financial Purchases Off -Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0	
12c	Financial Sales On-Peak Power	\$66.25	\$39.95	\$26.30	10,000	1	\$263,020	
12d	Financial Sales Off -Peak Power	\$63.00	\$39.09	\$23.91	8,600	1	\$205,626	
12e	Physical Purchases On-Peak Power	\$97.25	\$39.95	\$57.30	(16,000)	1	(\$916,832)	
12f	Physical Purchases Off-Peak Power	\$97.25	\$39.09	\$58.16	(13,760)	1	(\$800,282)	
12g	Physical Sales On-Peak Power	\$41.95	\$39.95	\$2.00	16,000	1	\$32,000	
12h	Physical Sales Off-Peak Power	\$41.09	\$39.09	\$2.00	13,760	1	\$27,520	
12i	Total December 2023						(\$1,188,948)	

PUBLIC SERVICE COMPANY OF NEW MEXICO

**Summary of Hedging Program
January 2023 to December 2023**

HEDGED POWER FOR JURISDICTIONAL SALE AND PURCHASE TRANSACTIONS

Jan-Dec 2023	A	B	C	D	E	F	
	Average Deal Price \$/MWh	Average Settled Index Price \$/MWh	Average Difference to Settled Index \$/MWh	(Purchase)/Sale Quantity MWh	Number of Transactions	Gain/(Loss)	\$
Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.000	-	0	\$0	
Financial Purchases Off -Peak Power	\$0.00	\$0.00	\$0.000	-	0	\$0	
Financial Sales On-Peak Power	\$67.81	\$64.13	\$3.681	81,200	8	\$298,880	
Financial Sales Off -Peak Power	\$67.06	\$61.39	\$5.673	64,600	8	\$366,462	
Physical Purchases On-Peak Power	\$179.20	\$81.93	\$97.27	(783,123)	57	(\$76,171,012)	
Physical Purchases Off-Peak Power	\$129.03	\$55.74	\$73.29	(280,648)	52	(\$20,568,691)	
Physical Sales On-Peak Power	\$68.36	\$66.09	\$2.277	117,680	8	\$267,992	
Physical Sales Off-Peak Power	\$65.44	\$63.19	\$2.253	93,640	8	\$210,940	
Total 2023 Off System Sales Benefit/(Cost)						(\$95,595,430)	

Footnotes:

- (1) **Average Index Price consists of:**
- i) **Average Index Power prices are a monthly weighted average of the ICE Day-Ahead Power Price for the applicable On-Peak or Off-Peak Index.**
 - ii) **Average Index Financial Gas prices are equal to the Platt's monthly Inside FERC price for El Paso Natural Gas Company: San Juan Basin or El Paso Natural Gas Company: Permian Basin.**
- (2) **Gain/(Loss)-Financial is calculated as follows: (A-B)*D**

PNM EXHIBIT B

Spark Spread Sale and Purchase Transactions – 2023

Consisting of 4 pages

PUBLIC SERVICE COMPANY OF NEW MEXICO
Summary of Hedging Program
January 2023 to December 2023

SPARK SPREAD SALE AND PURCHASE TRANSACTIONS

		A	B	C	D	E	F
		Note (1)			Note (3)		Note (2)
Jan-23		Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
1							
1a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
1b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
1c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
1d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
1e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
1f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1j	Total January 2023						\$0
	Feb-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
2							
2a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
2b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
2c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
2d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
2e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
2f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2j	Total February 2023						\$0
	Mar-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
3							
3a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
3b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
3c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
3d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
3e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
3f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3k	Total March 2023						\$0
	Apr-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
4							
4a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
4b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
4c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
4d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
4e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
4f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4j	Total April 2023						\$0
	May-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$

PUBLIC SERVICE COMPANY OF NEW MEXICO
Summary of Hedging Program
January 2023 to December 2023

SPARK SPREAD SALE AND PURCHASE TRANSACTIONS

		A	B	C	D	E	F
5							
5a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
5b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
5c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
5d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
5e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
5f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5j	Total May 2023						\$0
	Jun-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
6							
6a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
6b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
6c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
6d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
6e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
6f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6j	Total June 2023						\$0
	Jul-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
7							
7a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
7b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
7c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
7d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
7e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
7f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
7g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
7h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
7i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
7j	Total July 2023						\$0
	Aug-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
8							
8a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
8b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
8c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
8d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
8e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
8f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
8g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
8h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
8i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
8j	Total August 2023						\$0
	Sep-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
9							
9a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
9b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
9c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
9d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
9e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0

PUBLIC SERVICE COMPANY OF NEW MEXICO
Summary of Hedging Program
January 2023 to December 2023

SPARK SPREAD SALE AND PURCHASE TRANSACTIONS

		A	B	C	D	E	F
9f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
9g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
9h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
9i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
9j	Total September 2023						\$0
	Oct-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
10							
10a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
10b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
10c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
10d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
10e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
10f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
10g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
10h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
10i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
10j	Physical Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
10k	Total October 2023						\$0
	Nov-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
11							
11a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
11b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
11c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
11d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
11e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
11f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
11g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
11h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
11i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
11j	Total November 2023						\$0
	Dec-23	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
12							
12a	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
12b	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
12c	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
12d	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
12e	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
12f	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
12g	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
12h	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
12i	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
12j	Total December 2023						\$0
	Jan-Dec 2023	Average Deal Price \$/MWh or \$/MMBtu	Average Index Price \$/MWh or \$/MMBtu	Average Difference to Index \$/MWh or \$/MMBtu	(Purchase)/Sale Quantity MMBtu or MWh	Number of Transactions	Gain/(Loss) \$
	Financial Purchases On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
	Financial Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
	Financial Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
	Physical Sales On-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
	Physical Sales Off-Peak Power	\$0.00	\$0.00	\$0.00	0	0	\$0
	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	Total 2023 Spark Spread Benefit/(Cost)						\$0

PUBLIC SERVICE COMPANY OF NEW MEXICO
Summary of Hedging Program
January 2023 to December 2023

SPARK SPREAD SALE AND PURCHASE TRANSACTIONS

A B C D E F

Footnotes:

- (1) Average Index Price consists of:
- i) Average Index Power prices are a monthly weighted average of the ICE Day-Ahead Power Price for the applicable On-Peak or Off-Peak Index.
 - ii) Average Index Financial Gas prices are equal to the Platt's monthly Inside FERC price for El Paso Natural Gas Company: San Juan Basin or El Paso Natural Gas Company: Permian Basin.
 - iii) Average Index Physical Gas prices are a monthly weighted average of the Platt's Gas Daily price for El Paso, San Juan or the Platt's Gas Daily price for El Paso, Permian.
- (2) Gain/(Loss) \$ is calculated as follows: C*D

PNM EXHIBIT C

Hedged Gas for Jurisdictional Load Sale and Purchase Transactions –2023

Consisting of 3 pages

PUBLIC SERVICE COMPANY OF NEW MEXICO
Summary of Hedging Program
January 2023 to December 2023

HEDGED GAS FOR JURISDICTIONAL LOAD SALE AND PURCHASE TRANSACTIONS

		A	B	C	D	E	F
		Average Deal Price \$/MMBtu	Note (1) Average Index Price \$/MMBtu	Average Difference to Index \$/MMBtu	(Purchase)/Sale Quantity MMBtu	Note (3) Number of Transactions	Note (2) Gain/(Loss) \$
1		Jan-23					
1a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
1e	Total January 2023						\$0
2		Feb-23					
2a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
2e	Total February 2023						\$0
3		Mar-23					
3a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
3e	Total March 2023						\$0
4		Apr-23					
4a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
4e	Total April 2023						\$0
5		May-23					
5a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
5e	Total May 2023						\$0
6		Jun-23					
6a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
6e	Total June 2023						\$0
7		Jul-23					
7a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
7b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
7c	Physical Purchases Gas	\$2.38	\$2.10	\$0.27	(152,439)	2	(\$41,641)

PUBLIC SERVICE COMPANY OF NEW MEXICO
Summary of Hedging Program
January 2023 to December 2023

HEDGED GAS FOR JURISDICTIONAL LOAD SALE AND PURCHASE TRANSACTIONS

	7d	Physical Sales Gas	A \$0.00	B \$0.00	C \$0.00	D 0	E 0	F \$0
7e	Total July 2023							(\$41,641)
	Aug-23		Average Deal Price \$/MMBtu	Average Index Price \$/MMBtu	Average Difference to Index \$/MMBtu	(Purchase)/Sale Quantity MMBtu	Number of Transactions	Gain/(Loss) \$
8								
	8a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	8b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	8c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	8d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
8e	Total August 2023							\$0
	Sep-23		Average Deal Price \$/MMBtu	Average Index Price \$/MMBtu	Average Difference to Index \$/MMBtu	(Purchase)/Sale Quantity MMBtu	Number of Transactions	Gain/(Loss) \$
9								
	9a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	9b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	9c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	9d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
9e	Total September 2023							\$0
	Oct-23		Average Deal Price \$/MMBtu	Average Index Price \$/MMBtu	Average Difference to Index \$/MMBtu	(Purchase)/Sale Quantity MMBtu	Number of Transactions	Gain/(Loss) \$
10								
	10a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	10b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	10c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	10d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
10e	Total October 2023							\$0
	Nov-23		Average Deal Price \$/MMBtu	Average Index Price \$/MMBtu	Average Difference to Index \$/MMBtu	(Purchase)/Sale Quantity MMBtu	Number of Transactions	Gain/(Loss) \$
11								
	11a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	11b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	11c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	11d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
11e	Total November 2023							\$0
	Dec-23		Average Deal Price \$/MMBtu	Average Index Price \$/MMBtu	Average Difference to Index \$/MMBtu	(Purchase)/Sale Quantity MMBtu	Number of Transactions	Gain/(Loss) \$
12								
	12a	Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	12b	Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	12c	Physical Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	12d	Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
12e	Total December 2023							\$0
	Jan-Dec 2023		Average Deal Price \$/MMBtu	Average Index Price \$/MMBtu	Average Difference to Index \$/MMBtu	(Purchase)/Sale Quantity MMBtu	Number of Transactions	Gain/(Loss) \$
		Financial Purchases Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
		Financial Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
		Physical Purchases Gas	\$2.38	\$2.10	\$0.27	(152,439)	2	(\$41,641)
		Physical Sales Gas	\$0.00	\$0.00	\$0.00	0	0	\$0
	Total 2023 Hedged Gas for Jurisdictional Load Benefit/(Cost)							(\$41,641)

Footnotes:

- (1) Average Index Price consists of:
- i) Average Index Financial Gas prices are equal to the Platt's monthly Inside FERC price for El Paso Natural Gas Company: San Juan Basin or El Paso Natural Gas Company: Permian Basin.
 - ii) Average Physical Gas prices are equal to a monthly weighted average of 30% Inside FERC price (El Paso Natural Gas Company: San Juan Basin or El Paso Natural Gas Company:

PUBLIC SERVICE COMPANY OF NEW MEXICO
Summary of Hedging Program
January 2023 to December 2023

HEDGED GAS FOR JURISDICTIONAL LOAD SALE AND PURCHASE TRANSACTIONS

A B C D E F
Permian Basin) and 70% Platt's Gas Daily price (El Paso, San Juan or the Platt's Gas Daily price for El Paso, Permian).

(2) Gain/(Loss) \$ is calculated as follows: C*D

CONFIDENTIAL PNM EXHIBIT D REDACTED

Open Hedge Transactions – 12/31/2023

Consisting of 3 pages

PUBLIC SERVICE COMPANY OF NEW MEXICO
SUMMARY OF HEDGING PROGRAM OPEN POSITIONS AS OF 12/31/2023

STRATEGY SUMMARY								
Note (1)								
Product	Trade Date	Term	Hub	Purch/Sale	Financial/ Physical	MW	Total MWH	Trade Price
██████████	██████████	██████████	██	█	█	█	██████	\$ ████
██████████								

STRATEGY SUMMARY								
Note (1)								
Product	Trade Date	Term	Hub	Purch/Sale	Financial/ Physical	MW/MMBTU	Total MWH/MMBTU	Trade Price
SPARK SPREAD TRANSACTIONS								

- (1) On-Peak hours for the Western Interconnection are defined as 0600 - 2200 PPT Monday - Saturday
Off-Peak hours for the Western Interconnection are defined as 0000 - 0600, 2200 -2400 PPT Monday - Saturday
Saturday and 0000 - 2400 PPT Sundays and NERC defined Holidays

PUBLIC SERVICE COMPANY OF NEW MEXICO
SUMMARY OF HEDGING PROGRAM OPEN POSITIONS AS OF 12/31/2023

Total MWH Off Peak Sales Phys

Total MWH Off Peak Purch Phys

MONTHLY SUMMARY

SPARK SPREAD TRANSACTIONS
MWH/MM

Month	Fin/Phys	MW's	BTU	Avg. Price

PNM EXHIBIT E

Documentation of Budget Billing Promotions – 2023

- Preparing your home for summer
- How PNM helped NM renters
- Dog safety as temperatures warm
- Safety around downed powerlines
- Add more security to your PNM.com account
- How to plan for your monthly electric bill

Inside

March 2023

A monthly resource for PNM customers

energyworks®



Time to start preparing your home for summer



Dog safety as temperatures warm



A dog's natural instinct is to protect the customer's property. During the summer, this is even greater as pets typically spend the day outside.

PNM visits your property once a month to obtain a meter reading. Please secure your dog on the day PNM is scheduled to read your meter so we can safely access it and take the meter reading. We appreciate your help with making our visit to your property quick and safe by maintaining easy access to the meter and keeping your dogs away from the electric meter area.

Visit [PNM.com/identify-meter-read-date1](https://www.pnm.com/identify-meter-read-date1) to view the day your meter is scheduled to be read.

Add additional security to your PNM.com account

A strong password can help keep your online accounts safe and most people are opting for something even more secure. PNM is helping you do just that by offering Additional Account Security with your PNM.com online account. To enable this feature, login to your PNM.com online account, and go to your Account Summary and look for the link in the green bar. PNM will then text or email you a one-time code to enter every time you login. Signing up for this feature helps to immediately neutralize the risks associated with compromised passwords. If a password is hacked, guessed, or even phished, that password alone is no longer enough to give an intruder access without this second layer of security sent directly to you.



PNM.com

Solar PV Program: [PNM.com/solar](https://www.pnm.com/solar)

Residential rebates & discounts: [PNM.com/rebates](https://www.pnm.com/rebates)

Business rebates & discounts: [PNM.com/bizrebates](https://www.pnm.com/bizrebates)

Energy tips & more: [PNM.com/save](https://www.pnm.com/save)

PNM Power Saver: [PNMPowerSaver.com](https://www.pnm.com/power-saver) 1-866-471-7906

Refrigerator Recycling: [PNM.com/fridge](https://www.pnm.com/fridge) - 1-877-838-1139

PNM Sky Blue: [PNM.com/PNMSkyBlue](https://www.pnm.com/PNMSkyBlue)

Get your bill paperless via email: [PNM.com/paperless](https://www.pnm.com/paperless)

The energy efficiency line on your bill pays for programs that save energy and avoid the cost of new electricity generation.

Phone

Residential services: 1-888-DIAL-PNM (1-888-342-5766)

Payments: 1-844-PNM-PYMT

(1-844-766-7968)

TDD – TTY: 711

Call center hours: Monday–Friday, 7:30A.M.–6P.M.

(For outages, call 24/7)

Call before you dig: 811

Email: pnmcustomerservice@pnm.com

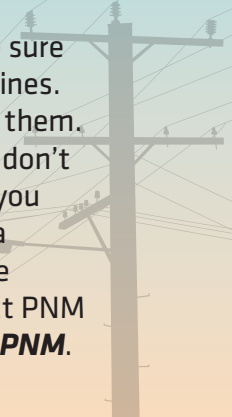
Chat: [PNM.com](https://www.pnm.com)

Text:

Text #REG to 78766 to register. Msg and data rates may apply.

Safety around downed power lines

When working outside, be sure to stay away from power lines. Don't work near or around them. If you spot a downed line, don't approach it. Just because you may not see sparks from a downed line, it may still be energized. Instead, contact PNM immediately at **888-DIAL-PNM**.



SUMMER

is just around the corner

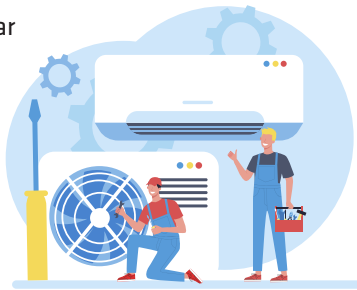
Start preparing your home for summer

As the weather starts to turn warmer here in New Mexico, it's time to start thinking about ways to save during the warmer months. Small changes lead to big results and PNM wants to help save you energy and money throughout your home.

Air Conditioner Maintenance

is a must. Servicing your air conditioner by performing general maintenance such as replacing, or cleaning air filters can lower your cooling system's energy consumption by up to 15 percent.

Add an annual calendar reminder for the first day of spring to check your air conditioner's evaporator coil. This should be cleaned annually to ensure the system is performing optimally.



Use your ceiling fans to offset cooling costs.



Cooling your home with ceiling fans will allow you to raise your thermostat four degrees. This can help lower your electricity bills without sacrificing overall comfort. In the summer, fan blades should be turning counterclockwise so air pushes downward, making the home feel cooler.

Of course, make sure to turn off the ceiling fans when the house is empty.

Seal those ducts.

Air loss through ducts can lead to high energy costs, accounting for nearly 30 percent of a cooling system's energy consumption. By sealing and insulating your ducts you can lower your energy bills.

Visit [PNM.com/tips](https://www.pnm.com/tips) for more ways to learn how to save energy and money on your electric bill.

How PNM helped New Mexico renters



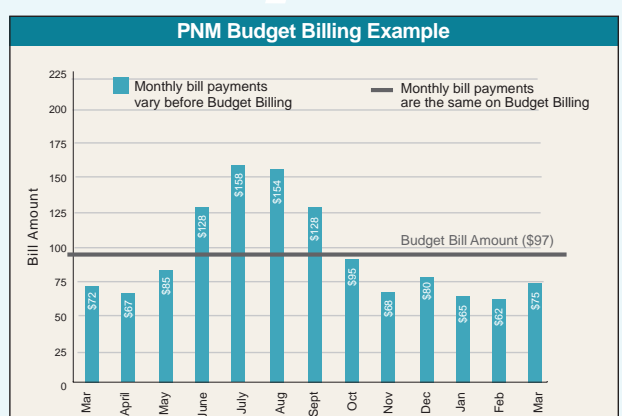
PNM is proud to share that more than \$8.6 million of the Emergency Rental Assistance Program (ERAP) funding was awarded to more than 12,000 PNM customers in need of utility assistance through a partnership with the State of New Mexico's Department of Finance and Administration since the inception of the program, back in the summer of 2021.

The Emergency Rental Assistance Program was federally funded by the CARES Act, and was designed to help people with rent relief and utility assistance during COVID. Throughout 2021 and 2022, PNM partnered closely with the state's program, sending them hundreds of customer applications requesting electric utility assistance, and inviting them to the monthly PNM Good Neighbor Fund Bill Assistance events – an opportunity for customers to learn and apply for PNM and ERAP programs, maximizing the amount of financial assistance available to those in need.

PNM continues to offer online and in-person applications for financial assistance to customers who may be struggling to keep up with the rising costs of household expenses. Visit [PNM.com/billhelp](https://www.pnm.com/billhelp) to learn more about how PNM can help.

How to plan for your monthly electric bill

Budget Billing gives you more predictable energy bills by balancing seasonal highs and lows, taking the guesswork out of your monthly bill. Once signed up, you'll pay a similar amount every month – making budgeting and planning much easier. You still pay for the energy you use, but your total costs are spread evenly throughout the year. Budget Billing amounts are evaluated twice a year, usually in February and August, and may go up or down based on your actual usage and updated energy costs. Visit [PNM.com/budgetbilling](https://www.pnm.com/budgetbilling) to learn more and to sign-up.



Inside

- PNM helps bring water to Navajo families
- Receive up to \$370 for your past-due PNM bill
- Electrical outlet safety
- Taking the surprise out of your PNM bill
- Customer information protection
- Electrifying future



PNM helps bring sustainable water to Navajo (Dine) Families

Protecting your data while doing business online

PNM cares about customer data protection and we encourage you to utilize simple practices to ensure your data is safe and secure when doing business online. We would like you, as a customer, to be safe in maintaining your privacy and security by using strong passwords, two-factor authentication where offered, and by knowing and understanding how to spot a scam email or text. Limiting the amount of personal information posted on social media is another way to help avoid becoming a target by cybercriminals and identity thieves. Exercise caution and judgement when interacting with unsolicited emails, text messages, or calls to minimize your online risk. Following these simple steps and guidelines will help you remain safe online and more importantly keep your information private and secure.



The future is electric

PNM will pay customers up to \$500 for installing qualifying EV chargers

Residential customers can get up to \$500 for an ENERGY STAR certified Level 2 EV Charger, which also qualifies customers for the Whole-Home EV Rate to charge their EVs overnight for a lower electric rate.

We have incentives for business customers, too.

Visit ev.PNM.com for more information.



PNM.com

- Outages:** outagemap.PNM.com
- Solar PV Program:** PNM.com/solar
- Residential rebates & discounts:** PNM.com/rebates
- Business rebates & discounts:** PNM.com/bizrebates
- Energy tips & more:** PNM.com/save
- PNM Power Saver:** PNMPowerSaver.com 866-471-7906
- Refrigerator Recycling:** PNM.com/fridge 877-838-1139
- PNM Sky Blue:** PNM.com/PNMSkyBlue
- Get your bill via email:** PNM.com/paperless

Phone

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- TDD – TTY:** 711
- Call center hours:** Monday–Friday, 7:30A.M.–6P.M. (For outages, call 24/7)
- Call before you dig:** 811
- Email:** pnmcustomerservice@pnm.com
- Chat:** PNM.com
- Text:** Text #REG to 78766 to register. Msg and data rates may apply.

2023 Isotopes Ticket Offer

Buy one get one FREE!*



Albuquerque Isotopes vs.

<i>Sugar Land Space Cowboys</i>	Thursday, June 8	6:35 PM
<i>Sacramento River Cats</i>	Wednesday, July 26	6:35 PM
<i>El Paso Chihuahuas</i>	Thursday, August 17	6:35 PM
<i>Reno Aces</i>	Thursday, September 7	6:35 PM
<i>Oklahoma City Dodgers</i>	Wednesday, September 20	6:05 PM

*Purchase online at <https://am.ticketmaster.com/isotopes/PNM23>. Users must sign up or create an account in order to purchase this offer online. This coupon is also redeemable at the Isotopes Park Box Office. Tickets must be purchased in multiples of two. Offer is subject to availability in Reserved Level seating and only valid for the specified dates. No upgrades. Schedule is subject to change.

The energy efficiency line on your bill pays for programs that save energy and avoid the cost of new electricity generation.



PNM helps bring sustainable water to Navajo (Diné) Families

Ground water levels for the City of Gallup and surrounding Navajo communities have dropped approximately 200 feet over the past 10 years.

More than 40 percent of Navajo Nation households rely on hauling water to meet their daily needs. In some areas, there is zero access to groundwater or any running water.

This month marks an important time when PNM hands over the virtual keys that will provide critical water infrastructure to the Navajo people.

The San Juan Generating Station, which used water to produce electricity, provided energy to homes and businesses across New Mexico while adding economic support to this region.

Decades later, as PNM led the closure of the power plant, we committed that our step out of coal was not a step out of surrounding communities. PNM is grateful to the state's Energy Transition Act that we were able to provide economic support to our San Juan employees, 27 percent of whom were Navajo, the coal mine employees, 50 percent of whom were Navajo, and funding for economic development and Indian Affairs.

Transferring our critical water infrastructure helps deliver water to meet the current and future demands of more than 43 Navajo Nation chapters and the City of Gallup. By transferring our existing infrastructure, these chapters avoid the construction of a new water intake system in a less ideal area of the river, saving millions of dollars.

This project secures a sustainable water supply to meet the future population needs of a quarter of a million people in these communities. Access to clean and sufficient water is essential in life, and PNM is proud to be a part of this resounding solution.

Visit USBR.gov/uc/progact/navajo-gallup for more information.

Receive up to \$370 toward your past-due PNM bill



**PNM
GOOD
NEIGHBOR
FUND**

We know keeping up with bills can be challenging, especially in the summer when energy usage is high. That is why PNM offers various programs to help you get caught up on your past-due electric bill and avoid disconnection.

Every year, the PNM Good Neighbor Fund distributes hundreds of thousands of dollars to thousands of limited-income families in the areas PNM serves, with up to \$370 credited directly on qualified customer bills once per year. This program is funded through the generosity of our employees, shareholders, and customers.

Checkout the enclosed flyer or visit PNM.com/help to review the eligibility guidelines, what you will need, and how to apply for assistance.

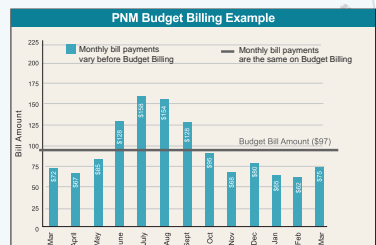
Electrical outlet safety

A Ground Fault Circuit Interrupter (GFCI) is a safety device that helps protect you against electric shock. GFCIs are typically used where outlets can be exposed to water. They're installed either as an outlet or as a circuit breaker in your electrical panel. You should test your GFCIs periodically.



Budget Billing

Budget Billing gives you more predictable energy bills by balancing seasonal high and lows, taking the guesswork out of your monthly bill. Once signed up, you'll pay a similar amount every month - making budgeting and planning much easier.



PNM.com/budgetbilling

YOUR CURRENT ELECTRICITY CHARGES

Meter Read	Meter Read Date	Days Billed	Meter Present	Meter Previous	Meter Constant	Total kWh	Rate
Actual	07/28/2023	30	28393	- 27828	X 1.000	= 565.000	1A
Electricity You Used			Block 1	450.000 kWh@ \$ 0.0779432		\$35.07	
			Block 2	115.000 kWh@ \$ 0.1240339		\$14.26	
Fuel Cost Adjustment:							
Non-Renewable: 82.4% of kWh			465.560 kWh@ \$ 0.0384004		\$17.88		
Renewable: 17.6% of kWh			99.440 kWh@ \$ 0.0000000		\$0.00		
Renewable Energy Rider			565.000 kWh@ \$ 0.0056760		\$3.21		
Transportation Electrification R53			565.000 kWh@ \$ 0.0001237		\$0.07		
Customer Charge					\$7.11		
Cost-Effective Energy Saving Prog.			3.409%			\$2.65	
City/County Franchise Fee			3.000%			\$2.41	
Gross Receipts Tax							
State			4.8750%			\$4.03	
County			1.1875%			\$0.98	
City			1.5625%			\$1.29	
Current Electricity Charges						\$88.96	

YOUR BUDGET BILL

Budget Bill Balance	\$338.83
Current Budget Bill Payment Amount	\$43.00

DUE DATE

08/21/2023

AMOUNT DUE

\$43.00

ACCOUNT NUMBER

Service Address:

Page: 2 of 2

MESSAGE CENTER







Budget Billing Customers: At the close of the Budget Billing year in August, all Budget Billing accounts are reviewed and adjusted for the next 12 months to ensure the amounts are not too high or too low. Your new Budget Billing payment amount of \$94.00 will take effect in September. Your amount is based on your past year's energy use and Budget Billing balance. If you have any questions, please call us.

August is one of the highest energy usage months of the year. July and August typically battle for the top spot. That makes it a great time to sign up for Budget Billing. You still pay for all the energy you use, but your bill will be the same every month, removing the ups and downs caused by seasonal fluctuation like hot summers, and that's great for your budget. You can even sign up online. For more information, go to PNM.com/budgetbilling.

The PNM Cooling rebate helps reduce the cost for residential customers to purchase and install certain energy-efficient cooling equipment, such as refrigerated air, swamp coolers, or window units in your homes. Visit PNM.com/coolrebate for more information.

PNM is seeing a surge in reports from customers that scammers are spoofing the PNM name and phone number and pretending to be with PNM. These scammers are telling customers that they are past due on their payment and threatening to disconnect electric service if the balance is not paid (with a prepaid gift card or Zelle) within an hour. If you receive a call similar to this, please hang up, verify your own balance on your PNM bill, or call us at 888-DIAL-PNM (888-342-5766). Scammers know how much customers rely on cooling during this time of year. Don't fall for their scare tactics.

WAYS TO PAY YOUR BILL

-  **Free Paperless Bill:** Save paper & reduce clutter. Sign up at PNM.com/paperless. Then you can choose how you would like to pay.
-  **Free Online Click-to-Pay:** Pay from your checking, savings or money market account. Sign up at PNM.com/pay.
-  **Free Automatic Payment:** Recurring payments from your checking or savings account with a paper bill or an email bill, your choice. Sign up for Automatic Payment at PNM.com/pay.
-  **Online Banking:** pay your PNM bill online at your bank's website. Visit your bank website for more information.
-  **Pay in person:** Visit dozens of participating Western Union offices. See PNM.com/wu for current locations. \$1.00 fee applies.
-  **Pay by Credit, Debit Card or Electronic Check:** Make one-time payments with Visa, MasterCard & Discover online at PNM.com/pay or by calling 1-844-PNM-PYMT (844-766-7968). A \$2.00 processing fee applies. PNM does not receive any portion of this fee.

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer (EFT) from your account or to process the payment as a check. When we make an EFT, funds may be withdrawn from your account the same day we receive your payment, and your check will not be returned to you from your financial institution.

Visit PNM.com/paybill for more information on these and other bill options available to you.

- Need help paying your summer PNM bill?
- Hot Air Balloon Safety
- Protect yourself against copper theft
- 2024 Rate Change
- NMPRC meetings are open to the public
- Safety around downed powerlines

Inside



Need help paying your summer PNM bill?

Protect yourself against copper theft

September is Copper Theft Awareness Month. Copper theft is an issue that plagues businesses, residents, and utilities every year. Copper theft is illegal, costs customers thousands of dollars to replace, and it also poses a serious safety hazard.

PNM works with law enforcement to prevent this crime and encourages you to keep an eye out for copper theft. If you have information on copper theft, call **Crime Stoppers** at **505-843-STOP** (7867) or anonymously at **P3tips.com**. For business owners, there are protective devices that you can purchase that barricade the doors to transformers and meters that covers locks and handles deterring access. Visit **PNM.com/energy-and-copper-theft** for more.

If you notice any electrical equipment or facility that has been hit by thieves, do not touch the transformer or meter, or any wires looking out of place. The wires may still be energized and are a serious safety hazard. Call PNM at **888-DIAL-PNM** so we can make the area safe.



2024 Rate Change

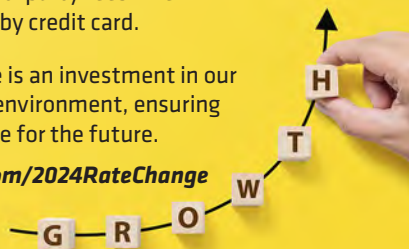
PNM is committed to keeping your electricity bill among the lowest in the nation. Our last request to increase rates was in 2016 and since then, we have invested hundreds of millions of dollars to build a more reliable, resilient and cyber-safe electric system. PNM has asked our regulators, the New Mexico Public Regulation Commission, to respectfully review our costs and expenses and adjust electric rates effective early 2024. The increase is less than 1% in residential customer bills (that's just \$.75 a month for the average residential customer) and here's what is included:

- Improvements to the electric system are required to ensure customers have the power when they need it.
- \$2.6 billion invested to support the grid and ensure reliability.
- Increasing reliability through critical infrastructure upgrades and rebuilding aging equipment.
- Helping economically challenged customers by expanding customer outreach and education.

- Enhancing customer service so that we can respond to your requests faster.
- Eliminating third-party fees when customers pay by credit card.

The 2024 Rate Change is an investment in our communities and our environment, ensuring reliability and resilience for the future.

Learn more at **PNM.com/2024RateChange**



PNM.com

- Outages:** outagemap.pnm.com
- Solar PV Program:** pnm.com/solar
- Residential rebates & discounts:** pnm.com/rebates
- Business rebates & discounts:** pnm.com/bizrebates
- Energy tips & more:** pnm.com/save
- PNM Power Saver:** pnmpowersaver.com 866-471-7906
- Refrigerator Recycling:** pnm.com/fridge 877-838-1139
- PNM Sky Blue:** pnm.com/PNMSkyBlue
- Get your bill via email:** pnm.com/paperless

Phone

- Residential services:** 888-DIAL-PNM (888-342-5766)
- Payments:** 844-PNM-PYMT (844-766-7968)
- TDD – TTY:** 711
- Call center hours:** Monday–Friday, 7:30A.M.–6P.M. (For outages, call 24/7)
- Call before you dig:** 811
- Email:** pnmcustomerservice@pnm.com
- Chat:** pnm.com
- Text:** Text #REG to 78766 to register. Msg and data rates may apply.

Safety around downed power lines

When working outside, be sure to stay away from power lines. Don't work near or around them. If you spot a downed line, don't approach it. Just because you may not see sparks from a downed line, it may still be energized. Instead, contact PNM immediately at **888-DIAL-PNM**.

The energy efficiency line on your bill pays for programs that save energy and avoid the cost of new electricity generation.



Do you need help paying your summer PNM bill?

Earlier this summer, PNM's parent company created a new one-time quarter of a million PNM Summer Heat Bill Help Fund that helped about 1,600 families pay their high electric bills after this year's record-setting heatwave with a \$150 credit for each qualified customer. While that program is now closed, PNM's parent company just infused the longstanding PNM Good Neighbor Fund with an additional \$300,000 to further help qualified limited-income customers pay their past-due electric bills with a credit of up to \$170.

If you do not qualify for financial assistance, but still need help with your PNM bill, PNM can still help you by giving you more time to pay through requesting a payment extension or by enrolling in PNM Budget Billing, which removes the month-to-month fluctuations on your bill so you pay the same amount each month. Customers can contact PNM for these arrangements at **888-DIAL-PNM** (888-342-5766).



**PNM
GOOD
NEIGHBOR
FUND**

Hot Air Balloon Safety

As October approaches, hot air balloons will soon fill our skies. It is part of what makes New Mexico so special. Here are some tips to ensure you enjoy the balloon fiesta safely.



Do not touch a balloon wrapped in a power line. Electricity seeks the nearest path to ground, which means an energized line that poses no danger to a balloon hanging on one wire could become deadly for everyone involved if a single onlooker touches the ground and the balloon or a tether at the same time.



If a balloon hits a power line, pole, or other electrical equipment, do not go near it or touch it. **Call 911**, then call PNM at **888-DIAL-PNM**.

When driving, pull over safely to view the balloons in the sky.



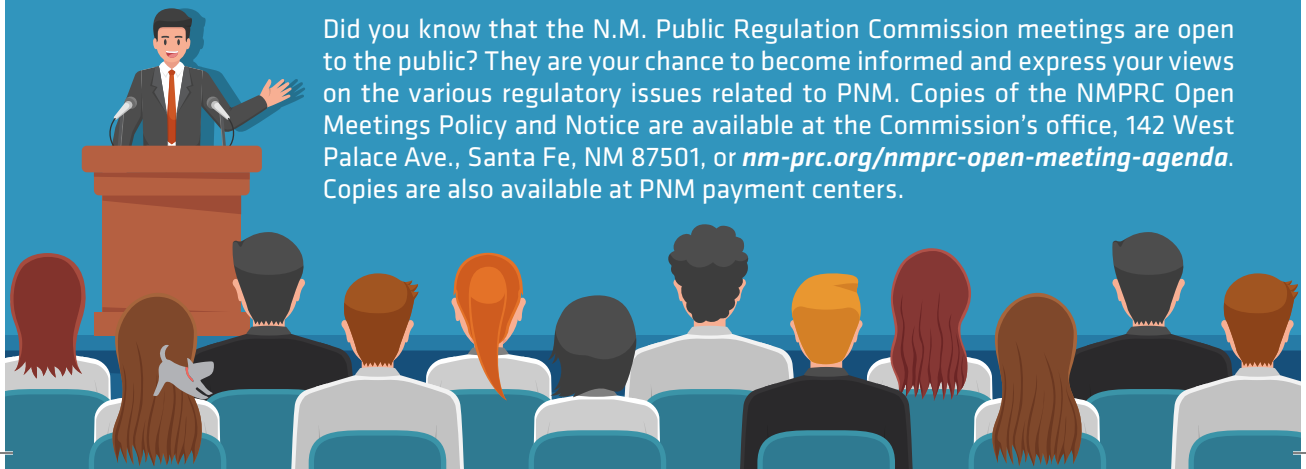
How PNM responds:

PNM line crews are trained and experienced in assisting balloons entangled in poles and wires and we work closely with our first responders to make sure everyone is on the same page. Once we know the exact location of the incident:

- ✓ PNM crews determine the best approach to making the scene safe for first responders
- ✓ Once the scene is safe, first responders can provide rescue/first aid, if required, to balloon occupants
- ✓ Once everyone is safe, PNM crews will remove the balloon and perform any necessary repairs to the power lines or equipment

NMPRC meetings are open to the public

Did you know that the N.M. Public Regulation Commission meetings are open to the public? They are your chance to become informed and express your views on the various regulatory issues related to PNM. Copies of the NMPRC Open Meetings Policy and Notice are available at the Commission's office, 142 West Palace Ave., Santa Fe, NM 87501, or nm-prc.org/nmprc-open-meeting-agenda. Copies are also available at PNM payment centers.



Inside

- Safety tips to keep your home merry & bright
- Where to recycle your live Christmas tree
- Save energy and money this holiday season
- PNM employees giving back to nonprofits
- Give the Gift of Power
- How to plan for your monthly electric bill



Holiday safety tips to keep your home merry and bright



Looking for ways to save energy this holiday season?

The PNM Home Energy Checkup is a FREE service where our Energy Specialists will complete an in-person or virtual assessment of your home, safely install different energy saving measures (or deliver if the virtual appointment was chosen) and provide a comprehensive energy report with tips and rebate recommendations to help you continue to save energy and money. Some items you may receive include:

- LED Light Bulbs
- Advanced Power Strips
- Weather Stripping
- Door Sweeps
- Outlet Gaskets
- Big Gap Filler
- Smart Thermostat

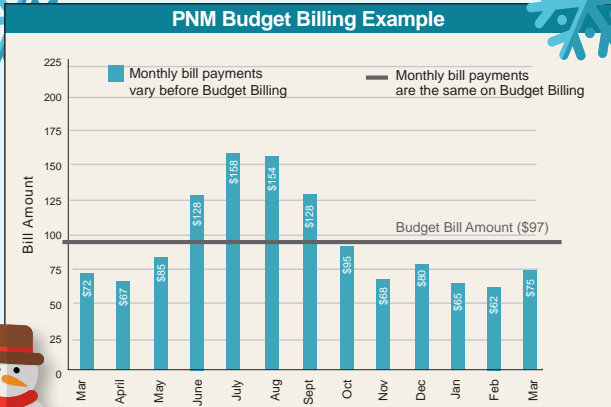
Once your checkup is complete, you'll have access to several rebates for the replacement of old, inefficient appliances with ENERGY STAR certified models.

Visit PNM.com/checkup to schedule a PNM Home Energy Checkup.



How to plan for your monthly electric bill

Budget Billing gives you more predictable energy bills by balancing seasonal highs and lows, taking the guesswork out of your monthly bill. Once signed up, you'll pay the same amount every month - making budgeting and planning much easier. You still pay for the energy you use, but your total costs are spread evenly throughout the year. Budget Billing amounts are evaluated twice a year, usually in February and August, and may go up or down based on your actual usage and updated energy costs. Visit PNM.com/budgetbilling to learn more and to sign-up.



Contact Us

- Outages:** outagemap.PNM.com
- Solar PV Program:** PNM.com/solar
- Residential rebates & discounts:** PNM.com/rebates
- Business rebates & discounts:** PNM.com/bizrebates
- Energy tips & more:** PNM.com/save
- PNM Power Saver:** PNMPowerSaver.com 866-471-7906
- PNM Sky Blue:** PNM.com/PNMskyBlue

- Customer Service:** 888-DIAL-PNM (888-342-5766)
- Payments:** 844-PNM-PYMT (844-766-7968) PNM.com/billpay
- TDD - TTY:** 711 pnmcustomerservice@pnm.com
- Chat:** PNM.com
- Customer Service hours:** Monday-Friday, 7:30A.M.-6P.M. (For outages, call 24/7)
- Text:** Text #REG to 78766 to register. Msg and data rates may apply.
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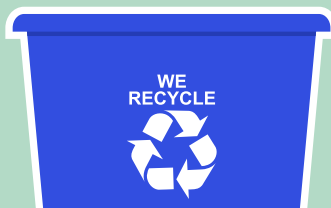
Scan QR for customer payment options.

The energy efficiency line on your bill pays for programs that save energy and avoid the cost of new electricity generation.



Treecycling

Once the holidays are over, please consider recycling your live Christmas tree. PNM, along with the cities of Albuquerque and Rio Rancho will be offering free treecycling after the holidays. Keep an eye on our website at PNM.com and social media for updates and information.





Holiday safety tips to keep your home merry and bright



Decorations: Inspect your electric decorations before use. Damaged wires and connections may cause serious shock or start a fire. Turn off electrical decorations before leaving home or going to bed.



Candles: Battery-operated candles are a safer option. Don't use flame candles on a tree or evergreens. Keep them away from decorations and wrapping paper.



Electrical Outlets: Don't overload electric outlets. They can cause a fire. Don't place extension cords where they could cause a tripping hazard.



Holiday Trees: A fresh tree will help minimize the danger of fire from dry needles. Check a live tree's water daily and keep the stand filled with water. Purchase a fire-resistant artificial tree. Keep your tree at least 3 feet from all heat sources.



Outdoor Decorating: All decorations should be marked for outdoor use. Keep all ladders away from power lines. Outdoor extension cords and light strings should be kept clear of snow and water.



Smoke Detectors: Test your smoke alarms monthly and make sure that your house is protected by an adequate number of working alarms.



Child Safety: Young children should be kept away from holiday lights, electrical decorations, and extension cords to prevent electrical shock and burns.

More tips at [PNM.com/holiday-safety](https://www.pnm.com/holiday-safety)

Don't fall for holiday scams!

Scam calls increase during the holiday season, so be extra careful! Typically, scammers posing as PNM employees claim a bill is past-due, threaten to shut off power, and demand immediate payment in the form of a gift card. Hang up and call 888-DIAL-PNM.

More tips at [PNM.com/scams](https://www.pnm.com/scams)



Give the Gift of Power

Paying towards someone's PNM bill is generous and brings financial relief to them. If you would like to give the gift of power to someone, it is easy to do. All you need is their name and address. Then, call us at 888-DIAL-PNM during business hours, Monday through Friday between 7:30 a.m. and 6 p.m., we'll input the customer's account information for you, help with the processing, and then we will notify the recipient of your gift. Your gift can also be done anonymously.



PNM employees giving back to nonprofit communities



Employee volunteers celebrating service to communities. Photo courtesy of Fullbright Photography

Each year, PNM recognizes exemplary volunteers and their community giving to local nonprofits. It's a tough call each year to select the employees who have given above and beyond to serve their communities.

PNM continued celebrations of its Foundation's 40 years of community giving and awarded 40 employees with \$1,000 to gift to the local nonprofit of their choice. These employees each volunteered over 40 hours of their personal time (some gave more than double that time) and, in many cases, gave personal donations to support crucial services of local nonprofits. A few excellent volunteer awardees have already designated their donations to: Seed2Need, St. Felix Pantry, and Animal Humane Association of New Mexico.

Congratulations to these very deserving awardees and the community nonprofits who will be receiving a little more support during the holidays.

PNM EXHIBIT F

Glossary of Terms

Consisting of 2 pages

Around the Clock (ATC or RTC): All 24 hours in a day, every day, for a given time period.

Average Deal Price: The mathematical weighted average of the price paid / received under the transaction.

CAISO MRTU: California Independent System Operator (CAISO) Market Redesign and Technology Upgrade (MRTU) – a redesign of the CAISO model to ensure power suppliers have fair open access to the transmission system within the CAISO control area, resulting in the delivery of the least cost electricity to its consumers.

Calendar Strip Contract: A contract that covers a calendar year period at a specified price and quantity.

EEI: Edison Electric Institute is the association of U.S. Shareholder-Owned Electric Companies. The EEI Master Agreement was developed by the members to serve as an alternative to other energy agreements.

FERC: Federal Energy Regulatory Commission is a federal agency within the U.S. Department of Energy.

Financial: Indicates a transaction in which exchanges are financial (cash) and no physical assets (energy) is transferred.

Financial Swap: In finance, a *swap* is a derivative in which counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. In the case of power or gas markets a fixed price cash payment for a defined period power\gas contract is swapped for a floating price (power daily index or gas monthly or daily index) cash payment. The seller\purchaser receives\pays the fixed price component and the opposite counterparty receives\pays the floating price component of the swap.

FPPCAC: Fuel and Purchased Power Cost Adjustment Clause

Gas Daily Index: A natural gas industry trade journal published each business day by Platts publications which publishes the results of a survey that provides indicative midpoint pricing for next day physical natural gas deliveries.

Henry Hub: A distribution hub in Earth, Louisiana that interconnects with nine interstate and four intrastate pipelines and is used as a common pricing point for natural gas futures contract traded on the NYMEX and transactions on ICE.

IFERC Index: A natural gas industry trade journal published each month by Platts publications which publishes the results of a survey providing indicative weighted average prices for physical monthly base-load supply delivered to a large number of trading points, including El Paso Permian.

ICE: Intercontinental Exchange is an electronic web based trading platform serving global markets for energy (power and gas) as well as other commodities.

ISDA: ISDA Master Agreement is an international agreement that is used for financial type transactions.

MMBtu: A standard unit of measurement, British Thermal Unit, used to denote the amount of heat energy in fuels. A BTU is the amount of heat required to increase the temperature of a pint of water (which weighs exactly 16 ounces) by one degree Fahrenheit. MMBTU stands for one million BTUs.

NAESB: North American Energy Standards Board Master Agreement is similar to the EEI Master Agreement in that it is another alternative agreement for energy transactions.

NYMEX: New York Mercantile Exchange where financial transactions for commodities such as energy and metals are executed.

On-Peak: For the Western Interconnection, defined as 0600 – 2200 PPT Monday - Saturday.

Off-Peak: For the Western Interconnection, defined as 0000 – 0600, 2200 – 2400 PPT Monday – Saturday, and 0000 – 2400 PPT Sundays, and NERC defined Holidays.

Physical: Indicates a transaction in which cash is exchanged for the receipt\delivery of a physical asset (energy).

Aurora[®]: A commonly used load and resource management tool in the utility industry.

Spark Spread: The difference between the market price of electricity and its cost of production. The spark spread can be negative or positive. If it is negative, the utility company loses money, while if it is positive, the utility company makes money. This measure is important because it helps utility companies determine their bottom lines (profits). If the spark spread is small on a particular day, electricity production might be delayed until a more profitable spread arises.

WECC: The Western Electricity Coordinating Council (WECC) is the Regional Entity responsible for coordinating and promoting bulk electric system reliability in the Western Interconnection.

WSPP: Formerly known as Western Systems Power Pool, the WSPP agreement was developed by the members for energy transactions. The WSPP contract is FERC approved and allows WSPP members to transact at market rates in non-mitigated regions.

Source: Case No. 19-00187-UT, Direct Testimony of Chase M. Cheshire, PNM Exhibit CMC-2

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S APPLICATION)
FOR CONTINUATION OF A PLAN TO MANAGE)
FUEL AND PURCHASED POWER COSTS BY)
ENTERING INTO CERTAIN FORWARD)
MARKET TRANSACTIONS)
)
)
**PUBLIC SERVICE COMPANY OF)
NEW MEXICO,)
)
)
Applicant.)****

Case No. 19-00187-UT

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of **Public Service Company of New Mexico’s Annual Hedging Compliance Report for Calendar Year 2023** was emailed to parties below on April 30, 2024:

NMPRC Records Bureau	Prc.records@prc.nm.gov;
Ana Kippenbrock	Ana.Kippenbrock@prc.nm.gov;
Anne Haskins	Anne.haskins@pnm.com;
Anthony Medeiros	Anthony.medeiros@prc.nm.gov;
Bradford Borman	Bradford.borman@prc.nm.gov;
Cholla Khoury	Cholla.khoury@prc.nm.gov;
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Ed Rilkoff	ed.rilkoff@prc.nm.gov;
Elisha Leyba-Tercero	Elisha.leyba-tercero@prc.nm.gov;
Gabriella Dasheno	Gabriella.dasheno@prc.nm.gov;
Gideon Elliot	gelliot@nmag.gov;
Jack Sidler	Jack.Sidler@state.nm.us;
John Verheul	john.verheul@pnmresources.com;
Justin Rivord	Justin.rivord@pnm.com;
Kelly Gould	kelly@thegouldlawfirm.com;
Peter J. Gould, Esq.	peter@thegouldlawfirm.com;
Stacey Goodwin, Esq.	Stacey.Goodwin@pnmresources.com;
Steve Schwebke	Steven.schwebke@pnm.com;

Dated this 30th day of April, 2024.

By: /s/ Justin Rivord
Justin Rivord, Project Manager
PNM Regulatory Planning and Policy
Public Service Company of New Mexico

GCG#

Henry Hub Gas Daily January 2019-Present

PNM Exhibit SL-6

Is contained in the following 1 page.

Henry Hub Daily Index Prices 2019-Present

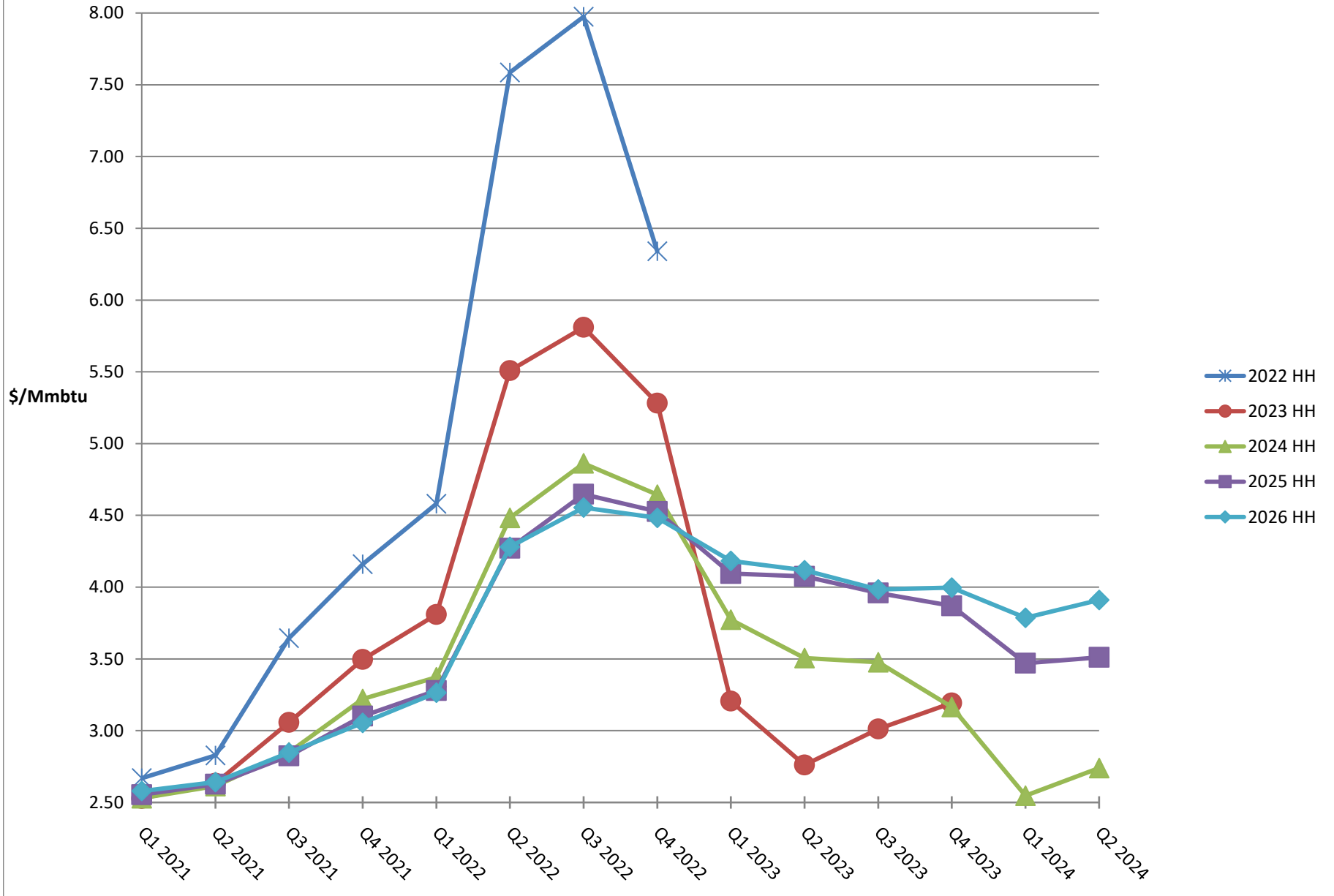


Henry Hub Futures Prices

PNM Exhibit SL-7

Is contained in the following 1 page.

HENRY HUB FUTURES Prices 2022-2026

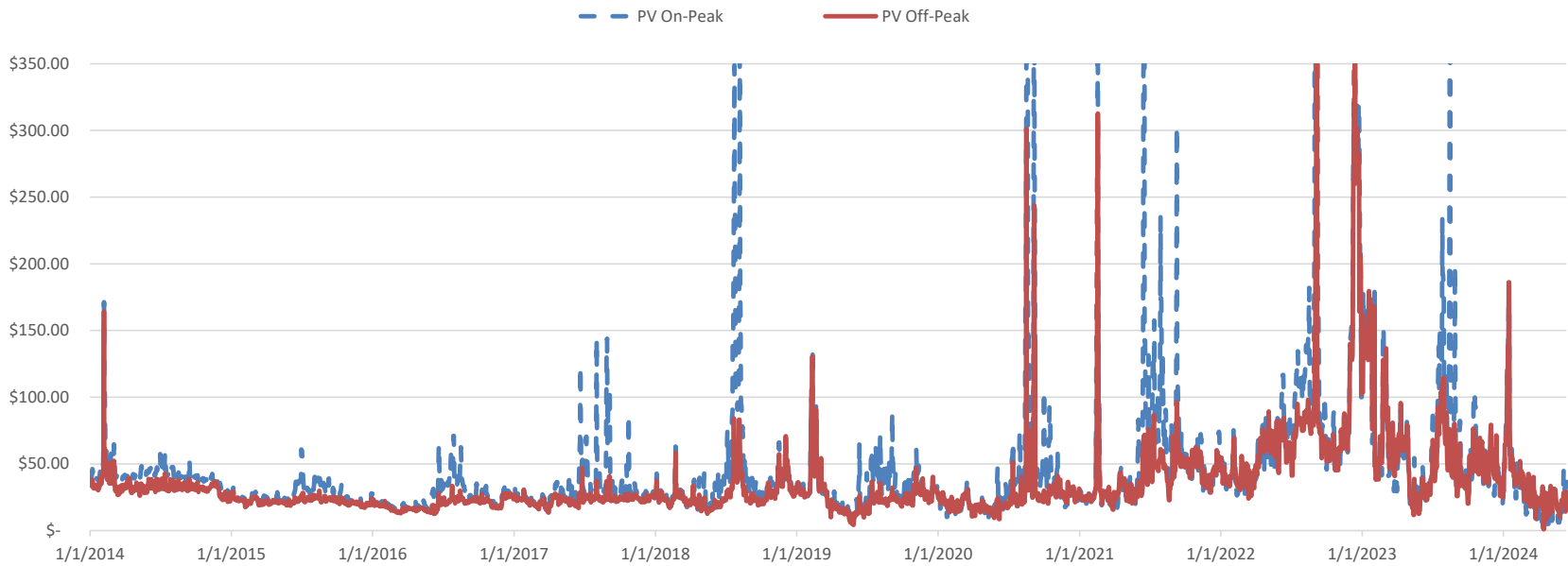


Palo Verde Day Ahead On-Peak and Off-Peak Index Pricing

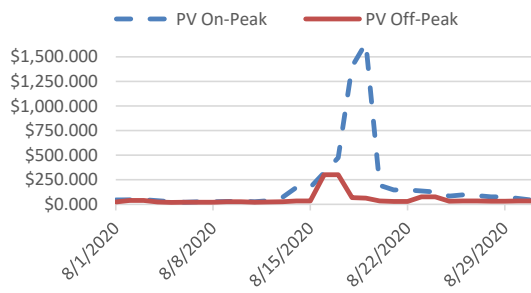
PNM Exhibit SL-8

Is contained in the following 1 page.

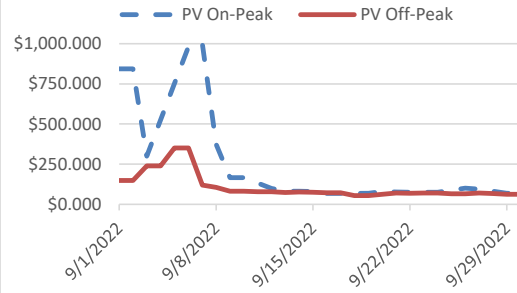
Palo Verde Day Ahead
On-Peak and Off-Peak
Index Pricing
2014 - Present



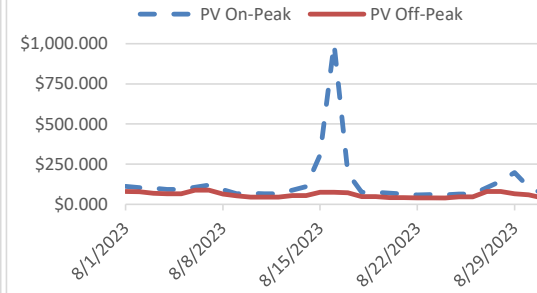
Palo Verde Day Ahead
On-Peak and Off-Peak
Index Pricing
August 2020



Palo Verde Day Ahead
On-Peak and Off-Peak
Index Pricing
September 2022



Palo Verde Day Ahead
On-Peak and Off-Peak
Index Pricing
August 2023

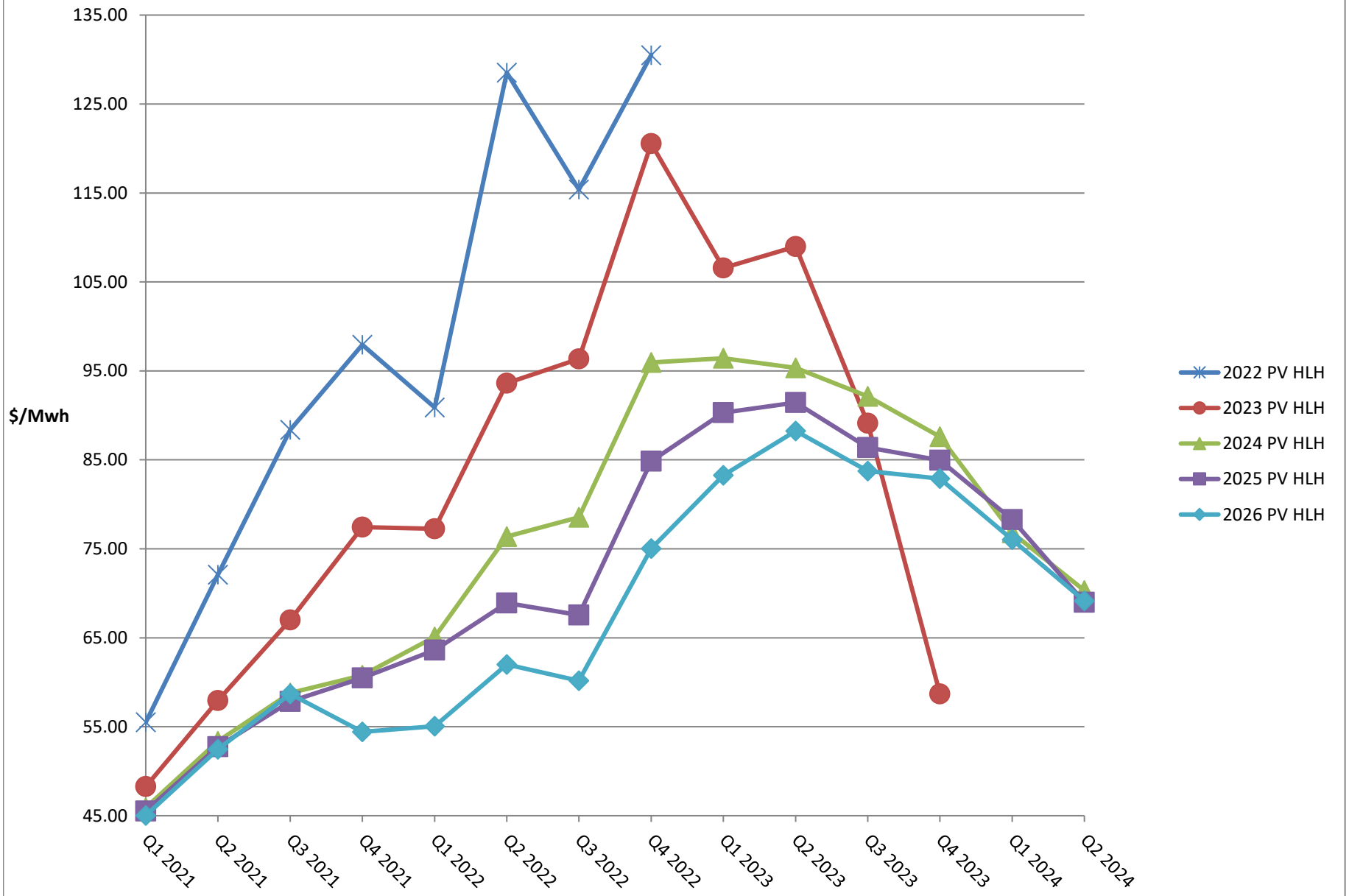


Palo Verde On-Peak Futures Prices

PNM Exhibit SL-9

Is contained in the following 1 page.

PV ON-PEAK FUTURES CONTRACT 2022-2026

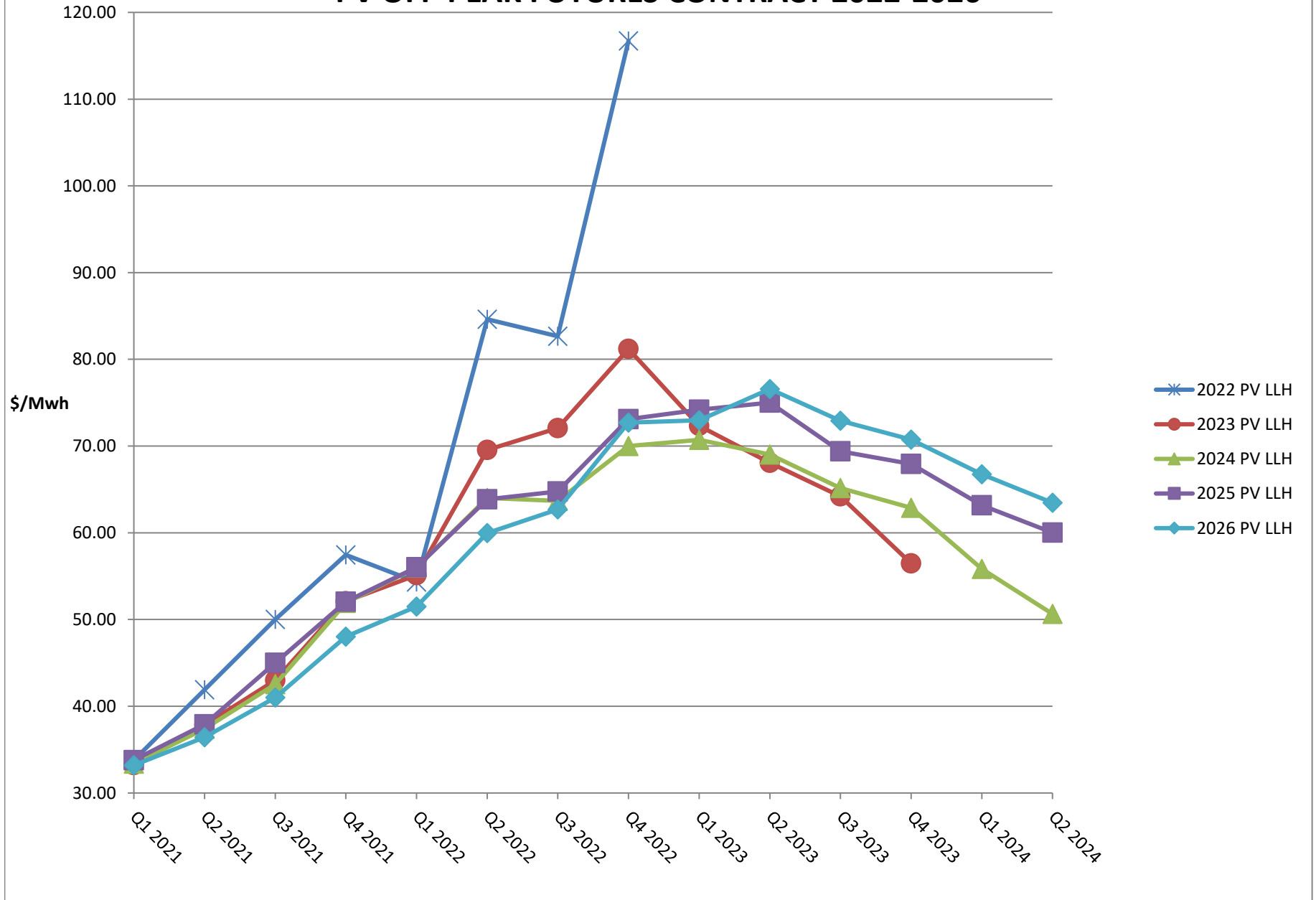


Palo Verde Off-Peak Futures Prices

PNM Exhibit SL-10

Is contained in the following 1 page.

PV OFF-PEAK FUTURES CONTRACT 2022-2026



BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE COMPANY)
OF NEW MEXICO'S APPLICATION FOR)
CONTINUATION OF A PLAN TO MANAGE FUEL)
AND PURCHASED POWER COST BY ENTERING)
INTO CERTAIN FORWARD MARKET)
TRANSACTIONS)**

Case No. 24-_____-UT

**PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)**

Applicant

SELF AFFIRMATION

Shane Lewis, Manager of Forward Trading in Wholesale Power Marketing for PNM, upon penalty of perjury under the laws of the State of New Mexico, affirm and state: I have read the foregoing **Direct Testimony of Shane Lewis for PNM**, and it is true and accurate based on my own personal knowledge and belief.

Dated this 28th day of June, 2024.

/s/ Shane Lewis
SHANE LEWIS

GCG# 532657