

**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

Advice Notice No. 645

June 13, 2025

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NEW MEXICO PUBLIC REGULATION COMMISSION

Public Service Company of New Mexico hereby gives notice to the New Mexico Public Regulation Commission and to the public of the filing and publishing of the following revisions in its Rates that are attached hereto:

<u>RATE NUMBER</u>	<u>TITLE OF RATE</u>	<u>CANCELING RATE NUMBER</u>	<u>DATE EFFECTIVE</u>
	Table of Contents	Advice Notice No. 645	July 14, 2025
6 th Revised Rate No. 36B	Special Service Rate – Renewable Energy Resources	5 th Revised Rate No. 36B	July 14, 2025
3 rd Revised Rider No. 47	Green Energy Rider	2 nd Revised Rider No. 47	July 14, 2025
1 st Revised Rider No. 49	Production Cost Allocation Rider	Original Rider No. 49	July 14, 2025

Advice Notice No. 645

/s/Kyle T. Sanders

Kyle T. Sanders

Vice President, PNM Regulatory

GCG #533864

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ELECTRIC SERVICES**

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 Kyle T. Sanders
 Vice President, Regulatory

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/s/ Kyle T. Sanders
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Vice President, Regulatory

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**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

**6TH REVISED RATE NO. 36B
CANCELING 5TH REVISED RATE NO. 36B**

X
X

SPECIAL SERVICE RATE – RENEWABLE ENERGY RESOURCES

Page 1 of 4

EXPLANATION OF RATE: This Special Service Rate, the companion Green Energy Rider (Rider No. 47) and the companion Production Cost Allocation Rider (Rider No. 49) are available to eligible customers who wish to have the Company acquire SSC Resources (as that term is defined in the Special Service Contract) in an amount equal to some or all of the customer's electric utility service requirements and who enter into a Special Service Contract, approved by the New Mexico Public Regulation Commission ("NMPRC"), that establishes the rates and other terms and conditions for such service. Rates covering the full cost of the renewable energy resources shall be established in the Special Service Contract pursuant to the Green Energy Rider. This Special Service Rate, along with the Production Cost Allocation Rider, prescribes the methodology that the Company and each customer will use in the Special Service Contract to establish all other charges to be paid by each customer for electric service. In each general rate proceeding, the Company will perform a separate class cost of service calculation for each Special Service Contract customer to ensure the accuracy of all charges. If the electric service requested by the customer requires the Company to extend or upgrade its transmission or other facilities, the cost of the extension or upgrade shall be paid by the customer to the extent consistent with generally accepted regulatory principles of cost causation, and shall be included in the rates set in the Special Service Contract, with adequate provisions to secure the customer's payment obligation.

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Except as provided in the Special Service Contract, service will be furnished subject to the Company's Rules and Regulations and any subsequent revisions. These Rules and Regulations are available at the Company's office and are on file with the NMPRC. These Rules and Regulations are a part of this Schedule as if fully written herein.

X
X

In the event of a conflict or contradiction between the terms of the Special Service Contract and this Special Service Rate, the terms of the Special Service Contract shall control.

X
X

TERRITORY: All territory served by the Company in New Mexico.

CUSTOMER ELIGIBILITY: To be eligible for this Special Service Rate, a customer must meet all of the following conditions:

- 1) As of the date of commercial operation, any new customer served by this rate must not have previously received electric utility service from the Company.
- 2) The customer must enter into a Special Service Contract with the Company for a term that is coextensive with the customer's payment obligation for the renewable resources, and the NMPRC must approve the contract.
- 3) The customer must achieve a minimum demand of 10,000 kW.
- 4) The customer must maintain an annual load factor of at least 60%.
- 5) Any new customer must cause the addition of SSC Resources of 10,000 kW-A/C or more to be acquired by the Company.
- 6) The customer must meet all of the requirements of the Company's Green Energy Rider (Rider No. 47).

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TYPE OF SERVICE: Three-phase service delivered at the Company's available transmission voltage of 115 kV or higher.

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**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

**6TH REVISED RATE NO. 36B
CANCELING 5TH REVISED RATE NO. 36B**

x
x

SPECIAL SERVICE RATE – RENEWABLE ENERGY RESOURCES

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SUBSTATION EQUIPMENT: All substation and distribution transformers, the necessary structures, voltage regulating devices, lightning arrestors, and accessory equipment required by the customer in order to utilize the Company's service at 115 kV or higher voltage shall be installed, paid for, owned, operated, and maintained by the customer.

The customer shall also provide at its expense suitable protective equipment and devices so as to protect the Company's system and service and other electric users from disturbances or faults that may occur on the customer's system or equipment.

The customer shall at all times keep each of the three phases balanced as far as practicable so as not to affect service and voltage to other customers served by the Company. The customer shall not operate any equipment in a manner which will cause voltage disturbances elsewhere on the Company's system.

MONTHLY CHARGE: The Charge for electric service provided shall be the sum of charges calculated in accordance with A, B, C, D, E, F, G and H below. On-Peak period is from 8:00am to 8:00pm Monday through Friday (60 hours per week). Off-Peak period is all times other than the On-Peak period (108 hours per week).

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Individual Rates shall be calculated for Rate Elements A, B, D, E, and F for each customer taking service under this rate based on each customer's load characteristics and SSC Resource procurements made by the Company consistent with class Allocated Revenue Requirement.

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(A) **CUSTOMER CHARGE**:

All Months:

<u>Customer</u>	<u>Customer Charge</u>
"A" or Greater Kudu	\$22,616.55 per bill
"B"	Placeholder for new customer

(B) **TRANSMISSION DEMAND CHARGE**:

All months:

<u>Customer</u>	<u>Customer Charge</u>
"A" or Greater Kudu	\$4.68 per Billable On-Peak kW
"B"	Placeholder for new customer

(C) **FUEL COST ADJUSTMENT APPLIED TO SYSTEM SUPPLIED ENERGY**:

x

During each hour when the energy from the SSC Resources, including discharge of SSC Storage Resources, acquired by PNM to meet all or part of the customer's load is less than

x
x

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**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

**6TH REVISED RATE NO. 36B
CANCELING 5TH REVISED RATE NO. 36B**

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SPECIAL SERVICE RATE – RENEWABLE ENERGY RESOURCES

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the customer's hourly usage, the balance of hourly energy will be supplied by other energy resources available to PNM for overall system needs. For all hourly energy supplied by PNM's other energy resources, except to the extent of curtailments of SSC Resources for which the customer is paying the fixed price for energy and RECs in the Third Party PPA as provided in Section 8.1 of the SSC, the customer will pay 100% of the fuel rates under the Company's Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") applicable to transmission voltage customers.

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(D) ENERGY RELATED NON-FUEL CHARGE FOR SYSTEM SUPPLIED ENERGY:

During each hour when the energy from the SSC Resources, including discharge of SSC Storage Resources, acquired by PNM to meet all or part of the customer's load is less than the customer's hourly usage, the balance of hourly energy will be supplied by other energy resources available to PNM for overall system needs. For all hourly energy supplied by PNM's other energy resources, except to the extent of curtailments of SSC Resources for which the customer is paying the fixed price for energy and RECs in the Third Party PPA as provided in Section 8.1 of the SSC, the following energy related non-fuel charge is applicable.

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Energy Related Non-Fuel Charge:

<u>Customer</u>	<u>Customer Charge</u>
"A" or Greater Kudu	\$0.0253634 per kWh
"B"	Placeholder for new customer

(E) CONTRIBUTION TO PRODUCTION COMPONENT:

x

All months:

<u>Customer</u>	<u>Customer Charge</u>
"A" or Greater Kudu	\$X.XX per Billable On-Peak kW
"B"	Placeholder for new customer

(F) GREEN ENERGY RIDER CHARGE:

Pursuant to the Green Energy Rider No. 47, the customer will be responsible for all costs associated with SSC Resources procured to meet all or part of the customer's load.

x

(G) OTHER APPLICABLE RIDERS:

Rider No. 36 – Renewable Energy Rider, and all other applicable rate riders shall be billed to the customer in accordance with the terms of the riders, and consistent with applicable statutes and NMPRC rules. Rider No. 16 -- the Energy Efficiency Rider shall not be applicable.

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**PUBLIC SERVICE COMPANY OF NEW MEXICO
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**6TH REVISED RATE NO. 36B
CANCELING 5TH REVISED RATE NO. 36B**

X
X

SPECIAL SERVICE RATE – RENEWABLE ENERGY RESOURCES

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(H) SPECIAL TAX AND ASSESSMENT ADJUSTMENT:

Billings under this Schedule may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

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DETERMINATION OF MONTHLY ON-PEAK BILLABLE DEMAND: The monthly on-peak billable demand shall be as determined by appropriate measurement as defined by the Company, but in no event shall it be less than the highest of the following: (a) the actual highest On-Peak metered demand registered during the current month, or (b) 10,000 kW. On-Peak period is from 8:00am to 8:00pm Monday through Friday (60 hours per week). Off-Peak period is all times other than the On-Peak period (108 hours per week).

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INTERRUPTION OF SERVICE: The Company will use reasonable diligence to furnish a regular and uninterrupted supply of energy. However, interruptions or partial interruptions may occur or service may be curtailed, become irregular, or fail as a result of circumstances beyond the control of the Company, or are the results of acts of public enemies, accidents, strikes, legal processes, governmental restrictions, fuel shortages, breakdown or damages to generation, transmission, or distribution facilities of the Company, repairs or changes in the Company's generation, transmission, or distribution facilities, and in any such case the Company will not be liable for damages. Customers whose reliability requirements exceed these normally provided should advise the Company and contract for additional facilities and increased reliability as may be required. The Company will not, under any circumstances, contract to provide 100 percent reliability.

ACCESSIBILITY: Equipment used to provide electric service must be physically accessible. The metering must be installed on each service location at a point accessible to Company personnel at any time.

TERMS OF PAYMENT: All bills are net and payable within twenty (20) days from the date of bill. If payment for any or all electric service rendered is not made within thirty (30) days from the date the bill is rendered, the Company shall apply an additional late payment charge as defined in Rate 16 Special Charges.

LIMITATION OF RATE: Electric service under this Schedule shall not be resold or shared with others.

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**PUBLIC SERVICE COMPANY OF NEW MEXICO
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**3RD REVISED RIDER NO. 47
CANCELLING 2ND RIDER NO. 47**

X
X

GREEN ENERGY RIDER

PAGE 1 OF 2

EXPLANATION OF RATE: This Green Energy Rider ("Rider") is available to eligible customers who wish to have the Company acquire SSC Resources (as that term is defined in the Special Service Contract) in an amount equal to some or all of the customer's electric utility usage requirements and who enter into a Special Service Contract, approved by the New Mexico Public Regulation Commission ("NMPRC"), that establishes the rates and other terms and conditions for such service. The Special Service Contract shall establish rates, pursuant to the methodology described in this Rider, that cover the Company's entire cost of the SSC Resources for the term of the Special Service Contract, with adequate provisions to secure the customer's payment obligation. The Alternative Capacity Projects that can serve the customer's needs must be acceptable to the customer and PNM.

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Except as provided in the Special Service Contract, service will be furnished subject to the Company's Rules and Regulations and any subsequent revisions. These Rules and Regulations are available at the Company's office and are on file with the NMPRC. These Rules and Regulations are a part of this Schedule as if fully written herein.

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In the event of a conflict or contradiction between the terms of the Special Service Contract and this Green Energy Rider, the terms of the Special Service Contract shall control.

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X

TERRITORY: All territory served by the Company in New Mexico.

CUSTOMER ELIGIBILITY: To be eligible to take service under this Rider, a customer must meet all of the following conditions:

- 1) As of the date of commercial operation, any new customer served by this rider must not have previously received electric utility service from the Company.
- 2) The customer must enter into a Special Service Contract with the Company for a term that is coextensive with the customer's payment obligation for the renewable resources and Alternative Capacity Projects, and the NMPRC must approve the contract.
- 3) The customer must achieve a minimum demand of 10,000 kW.
- 4) Any new customer must cause the addition of SSC Resources of 10,000 kW-AC or more to be acquired by the Company.
- 5) The customer must maintain an annual load factor of at least 60%.
- 6) The customer must meet all of the requirements of Rate No. 36B.

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The SSC Resources acquired for the customer that are interconnected to the PNM transmission or distribution system must adhere to the requirements governed by the Federal Energy Regulatory Commission (FERC) generation interconnection process as outlined in PNM's Open Access Transmission Service Tariff (OATT). The interconnection process, among other things, involves the study of the impacts of the generation facility to ensure that the proposed interconnection will not adversely affect PNM's system and the service to existing customers. The study may also identify upgrades to the PNM transmission or distribution system that may be required to accommodate the energy injection from the generation facility. Separate arrangements that are required to secure transmission service for the delivery of energy from the renewable resources are also governed by PNM's OATT.

X
X
X

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**PUBLIC SERVICE COMPANY OF NEW MEXICO
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**3RD REVISED RIDER NO. 47
CANCELLING 2ND RIDER NO. 47**

X
X

GREEN ENERGY RIDER

PAGE 2 OF 2

RATE METHODOLOGY: The rates established in the Special Service Contract for service under this Green Energy Rider shall be consistent with the following:

- 1) If PNM acquires the SSC Resources through a purchased power agreement ("PPA"), energy storage agreement ("ESA"), or similar third-party agreement, the customer shall pay PNM the full cost of the agreement (except as otherwise provided in the Special Service Contract) in periodic, typically monthly, payments that coincide with PNM's payment obligation under the PPA. X
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X
- 2) If the SSC Resources are owned by PNM, the customer shall pay PNM monthly rates based on the Company's full cost of service revenue requirement for those SSC Resources, including a return on the investment equal to the Company's weighted average cost of capital, and operation and maintenance expenses, including fuel, or such other pricing structure as may be proposed by PNM and approved by the NMPRC that will fully reimburse PNM for the full cost of the SSC Resources. The initial revenue requirement shall be based on the cost of service used to set rates in PNM's most recent rate case and shall be adjusted, as necessary, in future rate cases. X
X
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X
- 3) PNM shall provide to the Customer an Excess Energy Production Credit in accordance with terms described in the Customer's Special Service Contract. X
X

TAX ADJUSTMENT: Billings under this Rider may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service. X
X
X

TERMS OF PAYMENT: All bills are net and payable within twenty (20) days from the date of bill. If payment for any or all electric service rendered is not made within thirty (30) days from the date the bill is rendered, the Company shall apply an additional late payment charge as defined in Rate 16 Special Charges.

LIMITATION OF RATE: Electric service under this Schedule shall not be resold or shared with others.

X
X

Advice Notice No. 645

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PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

1st REVISED RIDER NO. 49
CANCELING ORIGINAL RIDER NO. 49

PRODUCTION COST ALLOCATION RIDER

Page 1 of 3

EXPLANATION OF RIDER: The purpose of the Production Cost Allocation Rider ("Rider") is to provide for recovery of under-collected production costs from an applicable customer pursuant to the terms and conditions of the Special Service Contract. An under-collection of the customer's allocated production costs will be deemed to occur if the Actual Production Revenue Requirement Offset resulting from the SSC Resources serving the customer, during the Test Period of a general rate case, is less than the Production Revenue Requirement upon which rates had previously been set.

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The Special Service Contract with the customer shall establish a methodology to determine the customer's Contribution to Production Component. Except as provided in the Special Service Contract, service will be furnished subject to the Company's Rules and Regulations and any subsequent revisions. These Rules and Regulations are available at the Company's office and are on file with the NMPRC. These Rules and Regulations are a part of this Schedule as if fully written herein.

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TERRITORY: All territory served by the Company in New Mexico.

APPLICABILITY: This Rider shall apply to all customers taking service under Rate No. 36B – Special Service Rate, and Rider No. 47 – Green Energy Rider.

DEFINITIONS: The following definitions shall apply to this Rider:

CP Peak Hours: Coincident peak periods proposed in the Company's general rate case for class allocations based on anticipated highest demand hours.

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Coincident Peak Production: The sum of coincident peak production for all SSC Resources that were used in a PNM general rate case utilizing the methodology set forth in the Special Service Contract.

x
x
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Deemed Under-Allocation: Quantification of the total Test Period under-allocation and resulting under-collection of production costs for the period starting with the first date of the Test Period from the Company's last rate case and ending with the effective date of new base rates in the subsequent Company's rate case filing.

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Reset Rate: Deemed under- allocation of production costs as defined in the Special Service Contract divided by 12 months and applied monthly to the Customer's bill (\$/month).

x
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Interim Period Charge: has the meaning set forth below in the Rate Methodology Section.

x

SSC Resource: means any energy generation or storage, or capacity, resource contracted with by PNM on Customer's behalf pursuant to the Special Service Contract.

x
x

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/s/ Kyle T. Sanders

Kyle T. Sanders
Vice President, Regulatory

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PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

1st REVISED RIDER NO. 49
CANCELING ORIGINAL RIDER NO. 49

PRODUCTION COST ALLOCATION RIDER

Page 2 of 3

Stipulated Capacity Value Factor: The effective capacity value for any particular SSC Energy Resource stipulated between the Company and the Customer within the Special Service Contract to be used in a Company rate case in lieu of historical hourly production data.

RATE METHODOLOGY: The Rates established under this rider have two components. The first rate component is the Reset Rate. It is ongoing and collects any under allocation determined in the previous rate case. This rate component will remain in effect from the time this rider goes into effect until the effective date of a subsequent rate case where the base rates are reset.

The second component is the Interim Period Charge. It is limited to collect any deemed under allocation experienced from the effective date of the base rates approved in the last rate case through the effective date of this Rider. This rate component will remain in effect for 6 months beginning at the effective date of this Rider.

The two rate components under this Rider shall be established as follows:

- 1) For the Reset Rate, within four months of the end of the Test Period in a general rate case, the Company will compare the Production Revenue Requirement as approved in the last rate case to the Production Revenue Requirement Offset. For this comparison, the Production Revenue Requirement Offset will be based on actual production in the Test Period for all of the SSC Energy Resources (except for adjustments to be made due to curtailments of SSC Resources where PNM owes compensation to the seller under the respective Third Party PPA as provided for in Section 8 of the SSC), that used a Stipulated Capacity Value as applicable. For all other SSC Energy Resources that have been in service for at least three years as of the date of the filing of the last rate case, PNM will use the same historical average energy production as projected in the last rate case. For SSC Storage Resources, the company will use the same SSC Storage Resource Capacity Value Factor as previously agreed by the Parties for each respective SSC Storage Resource per the terms of the Special Service Contract. If the Production Revenue Requirement Offset as calculated above is less than the Production Revenue Requirement approved in the last rate case, an under-allocation of production costs to the customer will be deemed to occur.

Any Deemed Under-allocation will be calculated for the applicable Test Period on an annual basis and recovered through this Rider in equal monthly amounts until reset to zero upon the effective date of new base rates in the Company's next rate case filing.

- 2) The Interim Period Charge will be based on any deemed under-allocation covering the period between the end of the Test Period and the effective date of the Reset Rate. The Company will bill the Customer and recover this under collection amount as an additional charge included in the Reset Rate, within 6 months of the effective date of such Reset Rate in equal monthly payments, including a carrying charge for any deemed under collection accrued on a monthly

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PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

1st REVISED RIDER NO. 49
CANCELING ORIGINAL RIDER NO. 49

PRODUCTION COST ALLOCATION RIDER

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basis equal to the then-current customer deposit rate.

- 3) Any revenues collected from the Customer due to the Deemed Under-Collection, including the Reset Rate and the Interim Period Charge will be booked to a regulatory liability and shall be returned to the Company's retail customers in the next general rate case where ratemaking treatment shall be determined by the Commission.

TAX ADJUSTMENT: Billings under this Rider may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

TERMS OF PAYMENT: All bills are net and payable within twenty (20) days from the date of bill. If payment for any or all electric service rendered is not made within thirty (30) days from the date the bill is rendered, the Company shall apply an additional late payment charge as defined in Rate 16 Special Charges.

LIMITATION OF RATE: Electric service under this Schedule shall not be resold or shared with others.

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/s/ Kyle T. Sanders
Kyle T. Sanders
Vice President, Regulatory

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