

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF PUBLIC SERVICE COMPANY OF )  
NEW MEXICO’S FIRST ANNUAL GRID )  
MODERNIZATION REVIEW FILING PURSUANT )  
TO THE COMMISSION’S FINAL ORDER ) Case No. 25-00049-UT  
)  
PUBLIC SERVICE COMPANY OF NEW MEXICO,  
)  
Applicant. )  
\_\_\_\_\_)**

**DIRECT TESTIMONY  
OF  
HEIDI M. PITTS PH.D.**

**June 20, 2025**

**NMPRC CASE NO. 25-00\_\_-UT  
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HEIDI M. PITTS PH.D.**

**WITNESS FOR  
PUBLIC SERVICE COMPANY OF NEW MEXICO**

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PNM Exhibit HMP-1	Statement of Qualifications
PNM Exhibit HMP-2	Grid Mod Allocators and Class Revenue Requirements, Year One and Year Two
PNM Exhibit HMP-3	Illustrative GMR Customer Charge Year One and Year Two
PNM Exhibit HMP-4	Illustrative GMR Bill Impacts Year One
PNM Exhibit HMP-5	TOD Pilot Preliminary Program Evaluation
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Affidavit

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**I. INTRODUCTION AND PURPOSE**

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

**A.** My name is Heidi M. Pitts. I am a Lead Pricing Analyst for Public Service Company of New Mexico (“PNM” or “Company”). My business address is 414 Silver Avenue SW, Albuquerque, NM 87102. I am testifying on behalf of PNM.

**Q. Please summarize your educational background and professional qualifications.**

**A.** Please see PNM Exhibit HMP-1 for my educational background and professional qualifications.

**Q. Have you previously testified before the New Mexico Public Regulation Commission (“NMPRC” or “Commission”)?**

**A.** Yes. A list of cases in which I have filed testimony is included in PNM Exhibit HMP-1.

**Q. What is the purpose of your direct testimony?**

**A.** The purpose of my testimony is: 1) provide an update on the implementation of PNM’s Time-of-Day (“TOD”) pilot rates; 2) provide updated Grid Modernization Rider (“GMR”) calculations for plan years one and two (2025 and 2026) for illustrative purposes; and 3) provide year one illustrative bill impacts for all non-lighting customer classes at three different consumption levels.

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1   **Q.**    Are you filing any exhibits in addition to PNM Exhibit HMP-1?

2   **A.**    Yes. I am filing five additional exhibits:

- 3           • PNM Exhibit HMP-2 GMR allocators and class revenue requirements,
- 4           year one and year two;
- 5           • PNM Exhibit HMP-3 Illustrative GMR charges for year one and year two;
- 6           • PNM Exhibit HMP-4 Illustrative GMR Bill Impacts year one;
- 7           • PNM Exhibit HMP-5 TOD Pilot Preliminary Program Evaluation;
- 8           • PNM Exhibit HMP-6 TOD Impact Analysis Preliminary Results Memo.

9           **II.    TIME-OF-DAY PILOT RATE IMPLEMENTATION**

10   **Q.**    Please describe PNM's current TOD pilot.

11   **A.**    In Case No. 22-00270-UT, PNM received approval to offer pilot rates for every  
12           customer class with the exceptions of the lighting classes and Rate 36B Special  
13           Service Rate. PNM had compiled a waitlist of customers who had expressed  
14           interest in the TOD rate. After the rates from Case No. 22-00270-UT became  
15           effective on January 15, 2024, PNM began contacting waitlist customers to confirm  
16           that they wanted to take service on the pilot rates. PNM exchanged its first  
17           residential and commercial cellular interval meters, necessary to implement the  
18           TOD pilot rates, on February 15, 2024. As of May 9, 2025, there are 56 commercial  
19           and 1,185 residential customers who are participating.

20

21

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1   **Q.     Are all 1,185 residential customers taking service on the Rate Schedule 1B**  
2           **TOD pilot rate?**

3   **A.**    No. The Residential TOD pilot assigns a percentage of customers to the control  
4           group for one year prior to them moving over to take service on Rate Schedule 1B  
5           TOD pilot. However, even on the control group, those customers have their meters  
6           exchanged for a cellular interval meter and have access to a majority of the energy  
7           usage tools and emails that those on the pilot rate receive, so their numbers are  
8           included in the total residential signups. As of May 9, there were 604 customers  
9           on the TOD pilot rate, 26 of whom have rooftop solar, and 581 customers in the  
10          control group, 32 of whom have rooftop solar. The 1,185 customers participating  
11          in the residential TOD pilot are approximately 16% of the total 7,500 customers  
12          that can participate. There are residential TOD pilot customers across PNM's entire  
13          service territory, from Lordsburg to Clayton and Las Vegas to Alamogordo.

14

15   **Q.     Please discuss the residential TOD control group.**

16   **A.**    The control group only exists for the residential customer class. When a residential  
17          customer signs up to participate in the TOD pilot, they are placed on a waitlist that  
18          is sent to DNV, PNM's external evaluator, who assigns the customers to be in the  
19          control group or the TOD rate group. Both groups will have their meters exchanged  
20          for a cellular interval meter. One of the metrics of success is how much load  
21          customers shift away from on-peak hours. The residential control group's hourly  
22          energy usage is the proxy for the consumption patterns of the residential TOD rate

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1 group customers if they were not on the TOD rate. This way, load changes during  
2 on-peak and off-peak periods can be measured.

3  
4 **Q. Do residential TOD control customers stay in the control group for the**  
5 **length of the pilot?**

6 **A.** No. Customers in the residential TOD control group are moved over to the TOD  
7 pilot rate after 12 months in the control group. This process has already started  
8 with the very first control group customers and is on-going as the 12 months ends.  
9 New customers are constantly added to the control group as new residential  
10 customers sign up for the TOD pilot waitlist. The waitlist is sent to DNV every  
11 week so that DNV can assign customers to either the control group or the TOD rate  
12 group. Initially, residential TOD waitlist customers were assigned approximately  
13 50% each to the control group and TOD rate group. This gave the evaluation team  
14 the best chance to see significant effects of the TOD on-peak hours and rates even  
15 if the initial participants were fewer than 800 customers. After the first 12 months,  
16 PNM and the evaluators updated the analysis framework so that new TOD  
17 customers participating in the pilot would be assigned 20% to the control group and  
18 80% to the TOD rate group. This allows more customers to immediately go on the  
19 TOD rate while maintaining a stable control group size of about 400 customers  
20 even as customers leave the control group when their 12 months have ended. DNV  
21 determined that a control group of that size would still allow them to conduct  
22 statistically relevant analyses.

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1   **Q.     Please describe the commercial customers within the TOD Pilot.**

2   **A.**    The majority of the commercial customers currently taking service on the TOD  
3           pilot are schools and small businesses, such as a cafe with only breakfast/lunch  
4           service. For these customers, the TOD peak period hours align more or less with  
5           their business model. This does not mean that these types of customers have not  
6           had to make some changes to shift usage from the on-peak hours. For instance,  
7           PNM met with one small power TOD customer with several franchises on the pilot  
8           and showed them their hourly load usage patterns. The customer realized that some  
9           of the on-peak usage were appliances and lighting that they could utilize differently  
10          to reduce or shift usage and thus save money.

11

12   **Q.     Please state PNM's proposed metrics of success for the TOD pilot.**

13   **A.**    PNM proposed three metrics of success: 1) customer satisfaction; 2) percentage of  
14          load shift / bill savings; 3) recruitment efficiency.<sup>1</sup>

15

16   **Q.     Have any evaluations of these metrics been completed yet?**

17   **A.**    Evaluations are still in the very preliminary stages for the residential class only.  
18          The initial roll-out and first meter exchanges proceeded slowly to allow for  
19          development and testing of PNM's internal procedures in order to minimize  
20          potential negative customer impacts. PNM's evaluators have completed the first

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<sup>1</sup> Case No. 22-00270-UT, Direct Testimony of Heidi M. Pitts, Ph.D., page 59, line 18 to page 60, line 3 (Dec. 5, 2022).

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1 customer satisfaction survey plus a preliminary load shifting analysis for customers  
2 participating in the pilot through December 2024. Please see PNM Exhibit HMP-  
3 5 TOD Pilot Preliminary Program Evaluation for a detailed discussion of the  
4 customer satisfaction survey results. Please see PNM Exhibit HMP-6 TOD Impact  
5 Analysis Preliminary Results Memo for the initial results, tables, and graphs of the  
6 load shifting analysis.

7

8 **Q. Please discuss the customer satisfaction evaluation process.**

9 **A.** A customer satisfaction survey was sent to TOD rate customers in Q1-2025. TOD  
10 rate group customers had to have been on the TOD rate for at least 90 days, which  
11 was meant to ensure that customers were familiar with the TOD pilot program and  
12 had begun to receive the TOD usage emails. In December 2024, there were 189  
13 TOD pilot rate customers who were invited to respond to the survey.  
14 Approximately one-third of these customers responded to the survey. There will  
15 be a second customer satisfaction survey sent out in Q4-2025 and a final survey  
16 sent out in Q4-2026.

17

18 **Q. What were the characteristics of the survey respondents?**

19 **A.** The evaluators characterized the survey respondents as typical of early adopters.  
20 Approximately three-fourths had at least a college degree and half earned at least  
21 \$75,000 annually. Many respondents were home most of the time, either retirees  
22 or working from home, and only 7% had children at home. Almost three-fourths



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1           were age 55 or older. More than four-fifths of respondents lived in single-family  
2           homes.

3  
4   **Q.     Briefly discuss the key findings.**

5   **A.**    Responding customers report energy usage behavior changes, such as pre-cooling  
6           their houses, to utilize off-peak hours and almost half are proactively keeping track  
7           of their energy usage. Awareness of the pilot rate elements is encouraging overall,  
8           although customers have better understanding of the peak period hours than the  
9           peak period days. While only 11% of customers have opted out of the TOD pilot,  
10          these customers have all done so before their 12-month bill protection period ends,  
11          not waiting for the bill guarantee credit to kick in and then leaving.

12  
13   **Q.     What lessons are apparent at this early stage of the TOD pilot?**

14   **A.**    There are a couple of lessons that are immediately obvious. One, customers need  
15          more continuous engagement regarding the on-peak hours and days. Customers  
16          appear to be less aware of the morning on-peak period (5:00-8:00am) as compared  
17          to the evening on-peak period (5:00-8:00pm). This could be because the evening  
18          on-peak period is year-round, whereas the non-summer on-peak period is effective  
19          September through May. In addition, customers are not as aware that the on-peak  
20          hours only apply to weekdays, but not weekends and major holidays.

21  
22          Two, only about half of the respondents indicated familiarity with the monthly  
23          Home Energy Report, which has the energy usage map to help customers visually

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1 understand their energy usage patterns. There is also an appliance analysis in the  
2 Home Energy Report that uses an algorithm to indicate which appliances are  
3 consuming the most energy.

4

5 **Q. Please discuss customers who opt out of the TOD pilot.**

6 **A.** Approximately 11% have opted out of the TOD pilot. Anecdotally, the TOD  
7 program manager reports that some customers opted out of the pilot because they  
8 thought they were signing up for the Residential 1A Whole House EV (WHEV)  
9 pilot rate and when they realized their mistake, they chose to switch over to the  
10 WHEV pilot.<sup>2</sup> Other customers who opted out were solar customers or had landlord  
11 issues. Because this first survey was completed before the full 12-month bill  
12 guarantee period was completed for any customers, there was no data on customers  
13 who opted out after the bill guarantee period ends.

14

15 **Q. Please discuss the load shifting analysis.**

16 **A.** Data availability allowed for analysis of summer usage (June - August 2024) and  
17 non-summer usage (September - December 2024), focusing on the behavior  
18 response to the on-peak hours and electricity rates. PNM Table HMP-1 provides  
19 the number of customers by season and group.

20

21

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<sup>2</sup> The WHEV pilot rate is associated with PNM's Transportation Electrification Program, offering low energy rates overnight to incentivize EV owners to charge their EVs between 10:00pm and 5:00am.

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**PNM Table HMP-1 TOD pilot on-peak usage analysis numbers**

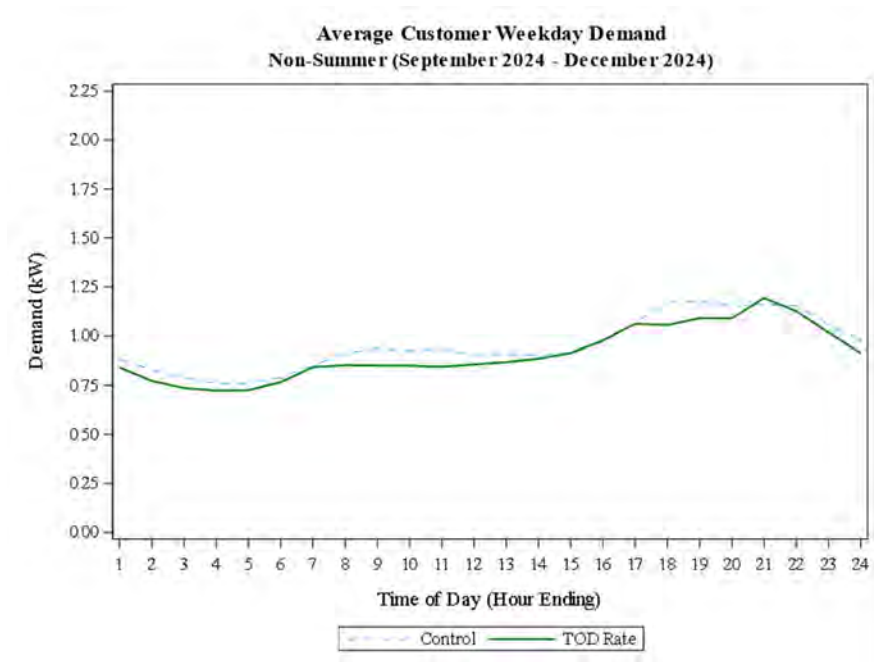
	Control group	TOD pilot rate group
Summer (June-Aug 2024)	127	109
Non-summer (Sept-Dec 2024)	262	253

**Q. Briefly discuss the load shifting results.**

**A.** As an introduction, due to the small sample sizes for each season, most of the results are not statistically significant at the 90% level, however they are still useful to show how customers are responding to the price signal during the on-peak hours as defined in the TOD pilot rate. For instance, the load research shapes for the control and TOD rate groups for summer weekdays show a noticeable decline in summer weekday usage during the 5:00-8:00pm on-peak hours (see PNM Figure HMP-1, top graph). The bottom graph shows a small decline during the non-summer evening on-peak hours of 5:00-8:00pm but no real difference in energy consumption at all between the two groups during the morning on-peak hours of 5:00-8:00am.

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**Figure HMP-1** Load research shapes of summer and non-summer weekday usage by TOD control (blue dotted line) and TOD rate (green solid line) groups



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The analysis shows an approximate 19% decrease in load for the summer on-peak hours.<sup>3</sup> It appears that this group of TOD pilot rate customers reduced their overall usage rather than shifting their summer on-peak usage to off-peak hours. A shift in the load would be graphically indicated in PNM Figure HMP-1 above if the green line representing the TOD rate group's usage was markedly higher than the blue line representing the control group's usage in the hours immediately preceding and following the on-peak hours.

**Q. Was any analysis conducted on low-income customers on the TOD pilot?**

**A.** Yes, while the number of low-income customers was small, preliminary results indicate that low-income customers in the summer months did reduce their on-peak usage (approximately 15%) although not by as much as the non-low income group (approximately 23%). While the percentage reductions are not a statistically significant result for the low-income group, it does appear that overall they are responding to the on-peak hours and TOD rates. See PNM Table HMP-2 for low-income customer numbers used in the analysis.

**PNM Table HMP-2 TOD pilot low-income customer participants**

	Control group	TOD pilot rate group
Summer (June-Aug 2024)	46	45
Non-summer (Sept-Dec 2024)	86	85

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<sup>3</sup> This is the only result that is statistically significant at the 90% confidence level.

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1   **Q.     When will the next round of load shifting analysis occur?**

2   **A.**The TOD pilot will be analyzed for load shifting following Q4-2025, at which point  
3       there would be approximately 18 months of customer data.

4  
5   **Q.     Please discuss the bill guarantee.**

6   **A.**Residential 1A and Small Power 2A customers who move over to their respective  
7       TOD pilot rates are eligible for a bill guarantee after 12 consecutive months at the  
8       same premises. Within three billing months, PNM calculates the difference  
9       between the customer's original rate and what they paid on the TOD rate over the  
10      first 12 months. If the customer paid more on the TOD rate, then PNM credits  
11      them the difference. The purpose of the bill guarantee is to reduce risk-averse  
12      customers' hesitancy in signing up for the pilot. Customers are only eligible for  
13      the first 12 months on the TOD pilot rate. If they leave the TOD pilot before 12  
14      months ends, they are no longer eligible for the bill guarantee.

15  
16   **Q.     What are the results of the bill guarantee process to date?**

17   **A.**As of June 11, 2025, PNM has calculated 13 residential customers' bill guarantees.  
18       Seven customers will receive a credit on their next bill, meaning that over the course  
19       of 12 months, their cumulative total bill while on the TOD rate exceeded what the  
20       cumulative total bill on Residential 1A bill would have been. This does not mean  
21       that every month the customer's TOD bill exceeded what they would have paid on  
22       their Residential 1A bill. The bill guarantee is a 12-month cumulative total bill

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1 comparison. For the seven customers who will receive a TOD bill guarantee credit  
2 on their next bill, the credits range from (\$8.08) to (\$107.71).

3  
4 For the six customers who did not receive a TOD bill guarantee credit, that means  
5 that over the course of their first 12 months, their cumulative 12-month total bill  
6 was less than what they would have paid on Residential 1A, with savings ranging  
7 from \$113 to \$426. In the month of July 2025, PNM will calculate the bill  
8 guarantees for 47 customers.

9

10 **Q. Are there any additional time-varying rates in the planning stages?**

11 **A.** Not currently. Once all customers in PNM's service territory have AMI meters,  
12 unless they opt out, then PNM proposes to open the TOD pilot to all customers in  
13 the next general rate case, at which point it will cease to be a pilot rate. While the  
14 results of the TOD pilot will inform the structure of the default TOD rates and peak  
15 period hours, PNM needs to assess the impact and the potential response of the  
16 entire customer base to default TOD rates before considering the possibility of  
17 another time-varying rate.

18

19 **Q. Does PNM have any updates as to how future time-varying rates and price**  
20 **signals will be integrated with AMI and the Customer Energy Management**  
21 **Platform?**

22 **A.** PNM is currently developing the full statement of work for the Customer Energy  
23 Management Platform ("CEMP"). One tool that will be included in the CEMP is

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1 a rate comparison calculator that will be available for Residential and Small Power  
2 customers.

3

4 **III. CUSTOMER ALLOCATIONS**

5 **Q. What customer allocators did PNM use in the original Grid Mod application**  
6 **in Case No. 22-00058-UT to allocate the annual revenue requirements?**

7 **A.** As stated in the Direct Testimony of Stella Chan in PNM's original Grid  
8 Modernization application in Case No. 22-00058-UT, for both functionalization  
9 and customer class allocation PNM used the as-filed allocators from Case No. 16-  
10 00276-UT, which were based on the approved allocators in the litigated Case No.  
11 15-00261-UT.<sup>4</sup>

12

13 **Q. Since the conclusion of Case No. 24-00089-UT, PNM's most recent general rate**  
14 **case, have there been any updates to the customer allocation?**

15 **A.** Yes. There are two significant updates. The first update is in regard to the General  
16 Power and General Power Low Load Factor customer class allocations. The second  
17 update is in regard to the functionalization of PNM-owned battery energy storage  
18 systems ("BESS").

19

20 **Q. What is the impact of the changes to the customer class allocations for the**  
21 **General Power and General Power Low Load Factor rate schedules?**

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<sup>4</sup> Direct Testimony of Stella Chan, page 3, line 11 to page 4, line 5 (Oct. 3, 2022).



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1    **A.**     In the original Grid Mod application in Case No. 22-00058-UT, the General Power  
2           and General Power Low Load Factor rate class were both combined customer  
3           classes with a pilot government rate schedule and the original regular rate schedule  
4           to which class allocators were applied. The General Power customer class was  
5           comprised of Rate Schedule 3B General Power and Rate Schedule 3D Pilot  
6           Municipalities and Counties General Power. Both rate schedules in the combined  
7           customer class had the same GMR monthly charge. The General Power Low Load  
8           Factor customer class was comprised of Rate Schedule 3C General Power Low  
9           Load Factor and Rate Schedule 3E Pilot Municipalities and Counties General  
10          Power Low Load Factor.<sup>5</sup> In the Final Order for Case 24-00089-UT, the  
11          Commission approved PNM's proposal to make Rate Schedule 3D and Rate  
12          Schedule 3E permanent customer classes. As a result, there are separate class  
13          allocators for each General Power rate schedule: 3B General Power, 3C General  
14          Power Low Load Factor, 3D General Power Government, 3E General Power Low  
15          Load Factor Government, and 3F Commercial Charging Station. See PNM Exhibit  
16          HMP-2 for the class allocators by customer class. Each rate schedule will have a  
17          unique monthly rider charge. See PNM Exhibit HMP-3 for the Illustrative GMR  
18          monthly charge by customer class.

---

<sup>5</sup> PNM's Rate Schedule 3F Commercial Charging Stations pilot was proposed as a part of Case No. 20-00237-UT, PNM's first Transportation Electrification Program filing. The initial pilot rates on this rate schedule were developed using Rate Schedule 3C unbundled rates. In Case No. 22-00270-UT, there were no customers taking service on the rate schedule and the rates were updated using the same banded increase approved for the General Power Low Load Factor customer class (Rate Schedules 3C/3E). In PNM's most recent rate case, Case No. 24-00089-UT, there were customers taking service on the rate schedule and it had its own revenue requirement. PNM's proposal to remove the pilot status from the General Power pilot rate schedules applied only to the government rate schedules. Rate 3F Commercial Charging Stations pilot remains a pilot but is a separate customer class now that there are customers taking service on the schedule.

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1   **Q.    What is the impact of the functionalization of PNM-owned battery energy**  
2       **storage systems?**

3   **A.**From a practical standpoint, there is no impact on any rate schedule from the  
4       inclusion of battery storage functional allocators to the COST™ Model because  
5       there were no Grid Mod costs assigned to battery storage. However, the COST™  
6       Model was modified to include battery storage functional allocators for rate case  
7       cost allocation. Since PNM proposed to update the functional and class allocators  
8       for the Grid Mod filing with the most recently approved rate case allocators, it is  
9       necessary to update all the COST™ Model allocators used to assign Grid Mod  
10      revenue requirements to rate schedules. See PNM Exhibit HMP-2.

11

12                               **IV.    GRID MODERNIZATION RIDER**

13   **Q.    Are there any anticipated changes to how the GMR will be calculated from**  
14       **what was presented in the application?**

15   **A.**The only update to the GMR calculations from what was presented in the original  
16       Grid Mod application in Case No. 22-00058-UT is that there will be separate GMR  
17       charges for all five General Power rate schedules. See PNM Exhibit HMP-3.

18

19   **Q.    Will there be any updates to the numbers used in the calculation of the GMR?**

20   **A.**Yes. Apart from the update to the annual revenue requirement, the annual number  
21       of customers has been updated using the number of customers in the COST™  
22       Model in Case No. 24-00089-UT.

23

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1   **Q.     Why are PNM Exhibits HMP-3 and HMP-4 labeled “Illustrative”?**

2   **A.**     PNM Exhibit HMP-3 presents the GMR monthly charge calculations for each rate  
3           schedule based on the projected year one and year two revenue requirements. The  
4           year one revenue requirement is a forecast for the remainder of this year and the  
5           year two revenue requirement is also a forecast. Therefore, the calculated GMR  
6           rates represent PNM’s best knowledge of the costs at the time of this compliance  
7           filing, but PNM acknowledges there could be changes that would mean an update  
8           to the GMR rates actually submitted to the Commission for each year.

9

10          PNM Exhibit HMP-4 presents the bill impacts only for the year one GMR rate.  
11          Since the year one GMR rate is illustrative, naturally the bill impacts are also  
12          illustrative.

13

14   **Q.     How will the GMR be presented in next year’s reconciliation and compliance**  
15   **filing and subsequent years?**

16   **A.**     The GMR charges by year as presented in PNM Exhibit HMP-3 are only illustrative  
17           in nature because the GMR is based on a historical cost period. Year one of the  
18           GMR revenue requirement will be based on actual costs incurred through  
19           December 31, 2025. The GMR charges for the reconciliation filing in March 2026,  
20           with an effective date of April 1, 2026, will be based on the actual revenue  
21           requirement during year one. In addition to calculating the GMR to go into effect,  
22           PNM will calculate illustrative GMR charges for the following year similar to this  
23           filing.

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1   **Q.**     **When will the GMR go into effect?**

2   **A.**     PNM plans on requesting an effective date of April 1, 2026, for the first GMR.

3           Please see the direct testimony of PNM witness Baker for detail of PNM's proposed  
4           filing plan.

5

6   **Q.**     **Did you calculate bill impacts for all rate schedules?**

7   **A.**     Yes. See PNM Exhibit HMP-4 for illustrative bill impacts for every rate  
8           schedule using three different levels of consumption.

9

10  **Q.**     **Does this complete your testimony?**

11  **A.**     Yes.

GCG#533872

Statement of Qualifications

# PNM Exhibit HMP-1

Is contained in the following 2 pages.

**HEIDI M. PITTS: EDUCATIONAL AND PROFESSIONAL SUMMARY**

**Name:** Heidi M. Pitts

**Address:** Public Service Company of New Mexico  
414 Silver Ave SW  
Albuquerque, New Mexico 87102

**Position:** Lead Pricing Analyst

**Education:** University of Kansas, BA in Spanish  
University of New Mexico, MA and Ph.D. in Economics

**Employment:** Public Service Company of New Mexico, April 2019 to present  
Lead Pricing Analyst, January 2021 to present  
Senior Pricing Analyst, April 2019 – January 2021

New Mexico Public Regulation Commission, April 2014 – April 2019  
Staff Economist  
NM Representative at CAWG Southwest Power Pool

Center for Development and Disability, University of New Mexico, Jan. 2011 – April 2014  
Health Policy Analyst

University of New Mexico, Department of Economics, Jan. 2008 – December 2010  
Research Assistant on grant conducting economic valuation surveys on  
residential customers of ABCWUA

**Testimony Filed Before the New Mexico Public Regulation Commission:**

<u>Case Number</u>	<u>Proceeding/Subject Matter</u>
14-00150-UT	Public Service Company of New Mexico, Underground Rider City of Rio Rancho
14-00158-UT	Public Service Company of New Mexico, 2015 Renewable Energy Portfolio Procurement Plan
14-00273-UT	New Mexico Gas Company, 2015-16 Energy Efficiency Program
14-00337-UT	Public Service Company of New Mexico, Underground Rider City of Albuquerque
15-00038-UT	Raton Natural Gas Company, Revision to Retail Natural Gas Rates
15-00280-UT	El Paso Electric Company, Issuance of long-term debt financing
15-00127-UT	El Paso Electric Company, Revision to Retail Electric Rates
15-00295-UT	New Mexico Gas Company, 2016 Energy Efficiency Program
15-00247-UT	Raton Natural Gas Company, 2016 Energy Efficiency Program
15-00261-UT	Public Service Company of New Mexico, Revision to Retail Electric Rates
15-00312-UT	Public Service Company of New Mexico, AMI Application
16-00207-UT	Public Service Company of New Mexico, Issuance of pollution control bonds and revolving credit facility
16-00096-UT	Public Service Company of New Mexico, 2017 Energy Efficiency Program

16-00021-UT	Zia Natural Gas Company, 2016-17 Energy Efficiency Program
16-00185-UT	El Paso Electric Company, 2017 Energy Efficiency Program
16-00270-UT	Raton Natural Gas Company, 2016-17 Energy Efficiency Program
16-00331-UT	South Hills Water Company, Approval of loan from Bank of Albuquerque
17-00022-UT	NOPR to amend IRP Rule to include energy storage resources
17-00126-UT	Public Service Company of New Mexico, Issuance of senior unsecured notes and revolving credit facility
17-00044-UT	Southwestern Public Service Company, Application for CCN for Sagamore and Hale Wind Projects and Bonita PPA
17-00046-UT	NOPR Investigation into various commission utility ratemaking policies and methodologies
17-00076-UT	Public Service Company of New Mexico, 2018 Energy Efficiency Program
17-00129-UT	Public Service Company of New Mexico, 2018 Renewable Energy Portfolio Procurement Plan
17-00261-UT	Notice of Inquiry, Investigation into feasibility of PNM joining Southwest Power Pool
17-00255-UT	Southwestern Public Service Company, Revision to Retail Electric Rates
18-00044-UT	Lea County Electric Cooperative, Inc., Application for Continued Participation in the Southwest Power Pool
18-00018-UT	Zia Natural Gas Company, Revision of Retail Electric Rates
18-00158-UT	Public Service Company of New Mexico, 2019 Renewable Energy Portfolio Procurement Plan
18-00256-UT	Public Service Company of New Mexico, Approval of revolving credit facility extensions
18-00038-UT	New Mexico Gas Company, Revision of Retail Electric Rates
18-00261-UT	Public Service Company of New Mexico, Western Energy Imbalance Market
18-00124-UT	Epcor Water New Mexico Inc., Adjustment of Water Rates for Clovis District
20-00124-UT	Public Service Company of New Mexico, 2021 Renewable Energy Act Plan
20-00237-UT	Public Service Company of New Mexico, Transportation Electrification Program
21-00143-UT	Public Service Company of New Mexico, 2022 Renewable Energy Act Plan
22-00143-UT	Public Service Company of New Mexico, 2023 Renewable Energy Act Plan
22-00270-UT	Public Service Company of New Mexico, Revision to Retail Electric Rates
23-00195-UT	Public Service Company of New Mexico, 2024-2026 Transportation Electrification Program
24-00089-UT	Public Service Company of New Mexico, Revision to Retail Electric Rates
25-00042-UT	Public Service Company of New Mexico, 2026 Renewable Energy Act Plan

Grid Mod Allocators and Class Revenue Requirements, Year One  
And Year Two

# PNM Exhibit HMP-2

Is contained in the following 12 pages.



**Functional Allocator Summary Year One**

Line	Revenue Requirement	Functional Allocators							
			PNM Retail	Production- Demand	Production- Energy-Fuel	Production- Energy-Non- Fuel	Storage- Production- Demand	Storage- Transmission- Demand	Storage- Distribution- Demand-Subs
1	<b><u>GROSS PLANT</u></b>								
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6									
7	<b><u>ACCUMULATED DEPRECIATION</u></b>								
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12									
13	<b><u>ADIT</u></b>								
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL G&I ADIT SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	TOTAL G&I ADIT - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18									
19	<b><u>O&amp;M</u></b>								
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL GENERAL & INTANGIBLE O&M - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	TOTAL A&G	DIST_W&S	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25									
26	<b><u>DEPRECIATION EXPENSE</u></b>								
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DEPRE_DIST_METERS	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DEPRE_DIST_OTHER	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	DEPRE_G&I_SOFT	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	DEPRE_G&I_OTHER	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31									
32	<b><u>PROPERTY TAX</u></b>								
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37									
38									
39	<b><u>TOTAL REVENUE CREDITS</u></b>	GP_TOTAL	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## Functional Allocator Summary Year One

[illegible]

Functional Allocator Summary Year One

Line	Revenue Requirement	Functional Allocators	Distribution- Customer- Meters	Distribution- Customer-Meter Reading	Distribution- Customer-Billing & Collections	Distribution- Customer- Service & Info	Distribution- Customer-Other
1	<b><u>GROSS PLANT</u></b>						
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	100.00%
6							
7	<b><u>ACCUMULATED DEPRECIATION</u></b>						
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	100.00%
12							
13	<b><u>ADIT</u></b>						
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL G&I ADIT SOFTWARE	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
17	TOTAL G&I ADIT - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	100.00%
18							
19	<b><u>O&amp;M</u></b>						
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL GENERAL & INTANGIBLE O&M - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	100.00%
24	TOTAL A&G	DIST_W&S	24.38%	0.00%	0.00%	0.00%	2.16%
25							
26	<b><u>DEPRECIATION EXPENSE</u></b>						
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DEPRE_DIST_METERS	100.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DEPRE_DIST_OTHER	0.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	DEPRE_G&I_SOFT	100.00%	0.00%	0.00%	0.00%	0.00%
30	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	DEPRE_G&I_OTHER	0.00%	0.00%	0.00%	0.00%	100.00%
31							
32	<b><u>PROPERTY TAX</u></b>						
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	DIST_C_METE	100.00%	0.00%	0.00%	0.00%	0.00%
36	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	100.00%
37							
38							
39	<b><u>TOTAL REVENUE CREDITS</u></b>	GP_TOTAL	72.42%	0.00%	0.00%	0.00%	27.58%

**Functional Allocator Summary Year Two**

Line	Revenue Requirement	Functional Allocators							
			PNM Retail	Production- Demand	Production- Energy-Fuel	Production- Energy-Non- Fuel	Storage- Production- Demand	Storage- Transmission- Demand	Storage- Distribution- Demand-Subs
1	<b><u>GROSS PLANT</u></b>								
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6									
7	<b><u>ACCUMULATED DEPRECIATION</u></b>								
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12									
13	<b><u>ADIT</u></b>								
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL G&I ADIT SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	TOTAL G&I ADIT - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18									
19	<b><u>O&amp;M</u></b>								
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL GENERAL & INTANGIBLE O&M - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	TOTAL A&G	DIST_W&S	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25									
26	<b><u>DEPRECIATION EXPENSE</u></b>								
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DEPRE_DIST_METERS	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DEPRE_DIST_OTHER	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	DEPRE_G&I_SOFT	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	DEPRE_G&I_OTHER	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31									
32	<b><u>PROPERTY TAX</u></b>								
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	DIST_C_METE	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	DIST_C_OTH	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37									
38									
39	<b><u>TOTAL REVENUE CREDITS</u></b>	GP_TOTAL	1.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Functional Allocator Summary Year Two

Line	Revenue Requirement	Functional Allocators	Functionalization					
			Storage- Distribution- Demand-Primary	Storage- Distribution- Demand-Secondary	Transmission- Demand	Distribution- Demand-Subs	Distribution- Demand-Primary	Distribution- Demand-Secondary
1	<b><u>GROSS PLANT</u></b>							
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6								
7	<b><u>ACCUMULATED DEPRECIATION</u></b>							
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
10	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12								
13	<b><u>ADIT</u></b>							
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
16	TOTAL G&I ADIT SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	TOTAL G&I ADIT - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18								
19	<b><u>O&amp;M</u></b>							
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
22	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL GENERAL & INTANGIBLE O&M - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	TOTAL A&G	DIST_W&S	0.00%	0.00%	0.00%	11.88%	41.19%	17.76%
25								
26	<b><u>DEPRECIATION EXPENSE</u></b>							
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DEPRE_DIST_METERS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DEPRE_DIST_OTHER	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
29	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	DEPRE_G&I_SOFT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	DEPRE_G&I_OTHER	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31								
32	<b><u>PROPERTY TAX</u></b>							
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
35	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	DIST_C_METE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37								
38								
39	<b><u>TOTAL REVENUE CREDITS</u></b>	GP_TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	12.14%

**Functional Allocator Summary Year Two**

Line	Revenue Requirement	Functional Allocators	Distribution- Customer- Services	Distribution- Customer- Meters	Distribution- Customer-Meter Reading	Distribution- Customer-Billing & Collections	Distribution- Customer-Service & Info	Distribution- Customer-Other
1	<b><u>GROSS PLANT</u></b>							
2	TOTAL DISTRIBUTION PLANT - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
6								
7	<b><u>ACCUMULATED DEPRECIATION</u></b>							
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
12								
13	<b><u>ADIT</u></b>							
14	TOTAL DISTRIBUTION ADIT - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL G&I ADIT SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
17	TOTAL G&I ADIT - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
18								
19	<b><u>O&amp;M</u></b>							
20	TOTAL DISTRIBUTION O&M - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
23	TOTAL GENERAL & INTANGIBLE O&M - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
24	TOTAL A&G	DIST_W&S	2.63%	24.38%	0.00%	0.00%	0.00%	2.16%
25								
26	<b><u>DEPRECIATION EXPENSE</u></b>							
27	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	DEPRE_DIST_METERS	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
28	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	DEPRE_DIST_OTHER	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	DEPRE_G&I_SOFT	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
30	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	DEPRE_G&I_OTHER	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
31								
32	<b><u>PROPERTY TAX</u></b>							
33	TOTAL DISTRIBUTION PROPERTY TAX - METERS	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
34	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	DIST_D_SEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	DIST_C_METE	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
36	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	DIST_C_OTH	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
37								
38								
39	<b><u>TOTAL REVENUE CREDITS</u></b>	GP_TOTAL	0.00%	58.87%	0.00%	0.00%	0.00%	29.00%

### Class Allocator Summary Year One and Year Two

Line	Revenue Requirement	Class Allocators	Rate Schedules									
			Schedule 1		Schedule 2	Schedule 3B	Schedule 3C	Schedule 3D	Schedule 3E	Schedule 3F	Schedule 4B	Schedule 5B
			PNM		Small							
			Retail	Residential	Power	General Power	GP Low LF	Gen Power Gov	GP Low LF Gov	Charging Stations	Large Power	Large Service (8 MW)
1	GROSS PLANT											
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
3	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
6												
7	ACCUMULATED DEPRECIATION											
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
10	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
12												
13	ADIT											
14	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
15	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
16	TOTAL G&I ADIT SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
17	TOTAL G&I ADIT - OTHER	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
18												
19	O&M											
20	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
21	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
22	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
23	TOTAL GENERAL & INTANGIBLE O&M - OTHER	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
24	Distribution-Demand-Subs	NCP_SUBS	1	48.28%	12.61%	15.38%	3.69%	1.08%	0.17%	0.00%	8.94%	0.00%
25	Distribution-Demand-Primary	NCP_PRI	1	51.82%	13.53%	16.50%	3.96%	1.16%	0.18%	0.00%	9.59%	0.00%
26	Distribution-Demand-Secondary	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
27	Distribution-Customer-Services	WTD_SERV	1	91.27%	8.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Distribution-Customer-Meters	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
29	Distribution-Customer-Other	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
30	TOTAL A&G											
31												
32	DEPRECIATION EXPENSE											
33	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
34	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
35	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
36	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
37												
38	PROPERTY TAX											
39	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
40	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
41	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
42	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
43												
44	Distribution-Demand-Secondary	NCP_SEC	1	58.83%	15.36%	18.74%	4.49%	1.32%	0.21%	0.00%	0.00%	0.00%
45	Distribution-Customer-Meters	WTD_METE	1	64.49%	21.30%	6.67%	2.36%	0.43%	0.14%	0.02%	2.00%	0.01%
46	Distribution-Customer-Other	CUSTS	1	89.27%	9.85%	0.53%	0.19%	0.03%	0.01%	0.00%	0.03%	0.00%
47	TOTAL REVENUE CREDITS											

### Class Allocator Summary Year One and Year Two

Line	Revenue Requirement	Class Allocators	Rate Schedules								
			Schedule 10	Schedule 11B	Schedule 15B	Schedule 30B	Schedule 33B	Schedule 35B	Schedule 36B	Schedule 6	Schedule 20
			Irrigation	Water & Sewage	Universities	Manufacturing (30 MW)	Station Power	Large Service (3 MW)	Special Service Rate	Priv. Area Light	Streetlighting
1	<b>GROSS PLANT</b>										
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
3	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6											
7	<b>ACCUMULATED DEPRECIATION</b>										
8	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
10	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12											
13	<b>ADIT</b>										
14	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
15	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
16	TOTAL G&I ADIT SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
17	TOTAL G&I ADIT - OTHER	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18											
19	<b>O&amp;M</b>										
20	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
21	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
22	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
23	TOTAL GENERAL & INTANGIBLE O&M - OTHER	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	Distribution-Demand-Subs	NCP_SUBS	0.28%	2.16%	0.00%	5.54%	0.00%	1.30%	0.00%	0.17%	0.41%
25	Distribution-Demand-Primary	NCP_PRI	0.30%	2.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.45%
26	Distribution-Demand-Secondary	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
27	Distribution-Customer-Services	WTD_SERV	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Distribution-Customer-Meters	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
29	Distribution-Customer-Other	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	TOTAL A&G										
31											
32	<b>DEPRECIATION EXPENSE</b>										
33	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
34	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
35	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
36	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37											
38	<b>PROPERTY TAX</b>										
39	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
40	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
41	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
42	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
43											
44	Distribution-Demand-Secondary	NCP_SEC	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.51%
45	Distribution-Customer-Meters	WTD_METE	0.70%	1.80%	0.01%	0.01%	0.01%	0.05%	0.01%	0.00%	0.00%
46	Distribution-Customer-Other	CUSTS	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
47	<b>TOTAL REVENUE CREDITS</b>										



### Year One Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules													
			Schedule 1		Schedule 2	Schedule 3B	Schedule 3C	Schedule 3D	Schedule 3E	Schedule 3F	Schedule 4B	Schedule 5B	Schedule 10	Schedule 11B	Schedule 15B	Schedule 30B
			PNM Retail	Residential	Small Power	General Power	GP Low LF	General Power Gov	GP Low LF Gov	Charging Stations	Large Power	Large Service (8 MW)	Irrigation	Water & Sewage	Universities	Manufacturing (30 MW)
1	GROSS PLANT															
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	\$ 3,409,560	\$ 2,198,759	\$ 726,309	\$ 227,354	\$ 80,328	\$ 14,564	\$ 4,624	\$ 537	\$ 68,222	\$ 409	\$ 23,907	\$ 61,281	\$ 409	\$ 409
3	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	WTD_METE	\$ 16,301,278	\$ 10,512,375	\$ 3,472,518	\$ 1,086,989	\$ 384,053	\$ 69,629	\$ 22,105	\$ 2,565	\$ 326,175	\$ 1,953	\$ 114,300	\$ 292,989	\$ 1,953	\$ 1,953
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	CUSTS	\$ 7,507,844	\$ 6,702,283	\$ 739,513	\$ 39,909	\$ 14,100	\$ 2,556	\$ 812	\$ 94	\$ 2,243	\$ 13	\$ 4,197	\$ 2,015	\$ 13	\$ 13
6	TOTAL GROSS PLANT		\$ 27,218,682	\$ 19,413,417	\$ 4,938,340	\$ 1,354,251	\$ 478,482	\$ 86,750	\$ 27,541	\$ 3,196	\$ 396,640	\$ 2,375	\$ 142,404	\$ 356,285	\$ 2,375	\$ 2,375
7																
8	ACCUMULATED DEPRECIATION															
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	\$ (11,623)	\$ (7,496)	\$ (2,476)	\$ (775)	\$ (274)	\$ (50)	\$ (16)	\$ (2)	\$ (233)	\$ (1)	\$ (82)	\$ (209)	\$ (1)	\$ (1)
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT - SOFTWARE	WTD_METE	\$ (416,022)	\$ (268,284)	\$ (88,621)	\$ (27,741)	\$ (9,801)	\$ (1,777)	\$ (564)	\$ (65)	\$ (8,324)	\$ (50)	\$ (2,917)	\$ (7,477)	\$ (50)	\$ (50)
12	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	CUSTS	\$ (183,282)	\$ (163,617)	\$ (18,053)	\$ (974)	\$ (344)	\$ (62)	\$ (20)	\$ (2)	\$ (55)	\$ (0)	\$ (102)	\$ (49)	\$ (0)	\$ (0)
13	TOTAL ACCUMULATED DEPRECIATION		\$ (610,927)	\$ (439,397)	\$ (109,151)	\$ (29,490)	\$ (10,419)	\$ (1,889)	\$ (600)	\$ (70)	\$ (8,612)	\$ (52)	\$ (3,101)	\$ (7,735)	\$ (52)	\$ (52)
14																
15	ADIT															
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	\$ (43,761)	\$ (28,221)	\$ (9,322)	\$ (2,918)	\$ (1,031)	\$ (187)	\$ (59)	\$ (7)	\$ (876)	\$ (5)	\$ (307)	\$ (787)	\$ (5)	\$ (5)
17	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	TOTAL G&I ADIT SOFTWARE	WTD_METE	\$ (1,558,143)	\$ (1,004,816)	\$ (331,917)	\$ (103,899)	\$ (36,709)	\$ (6,655)	\$ (2,113)	\$ (245)	\$ (31,177)	\$ (187)	\$ (10,925)	\$ (28,005)	\$ (187)	\$ (187)
19	TOTAL G&I ADIT - OTHER	CUSTS	\$ (17,016)	\$ (151,774)	\$ (16,746)	\$ (904)	\$ (319)	\$ (58)	\$ (18)	\$ (2)	\$ (51)	\$ (0)	\$ (95)	\$ (46)	\$ (0)	\$ (0)
20	TOTAL ADIT		\$ (1,771,920)	\$ (1,184,810)	\$ (357,986)	\$ (107,721)	\$ (38,600)	\$ (6,900)	\$ (2,191)	\$ (254)	\$ (32,104)	\$ (192)	\$ (11,327)	\$ (28,837)	\$ (192)	\$ (192)
21																
22	TOTAL RATE BASE		\$ 24,835,835	\$ 17,789,209	\$ 4,471,203	\$ 1,217,041	\$ 430,003	\$ 77,960	\$ 24,750	\$ 2,872	\$ 355,925	\$ 2,131	\$ 127,976	\$ 319,712	\$ 2,131	\$ 2,131
23	TOTAL RATE BASE Average of 12 Months		\$ 9,248,500	\$ 6,624,410	\$ 1,665,010	\$ 453,208	\$ 160,127	\$ 29,031	\$ 9,217	\$ 1,069	\$ 132,541	\$ 794	\$ 47,656	\$ 119,056	\$ 794	\$ 794
24	RETURN ON RATE BASE		\$ 638,051	\$ 457,018	\$ 144,869	\$ 31,267	\$ 11,047	\$ 2,003	\$ 636	\$ 74	\$ 9,144	\$ 55	\$ 3,288	\$ 8,214	\$ 55	\$ 55
25																
26	O&M															
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	\$ 2,227,427	\$ 1,436,424	\$ 474,489	\$ 148,528	\$ 52,478	\$ 9,514	\$ 3,021	\$ 350	\$ 44,569	\$ 267	\$ 15,618	\$ 40,034	\$ 267	\$ 267
28	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	\$ 1,254,376	\$ 737,976	\$ 192,673	\$ 235,023	\$ 56,370	\$ 16,530	\$ 2,584	\$ 8	\$ -	\$ -	\$ 4,312	\$ -	\$ -	\$ -
29	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	WTD_METE	\$ 2,535,676	\$ 1,635,208	\$ 540,153	\$ 169,082	\$ 59,740	\$ 10,831	\$ 3,439	\$ 399	\$ 50,737	\$ 304	\$ 17,779	\$ 45,575	\$ 304	\$ 304
30	TOTAL GENERAL & INTANGIBLE O&M - OTHER	CUSTS	\$ 1,556,626	\$ 1,389,606	\$ 153,326	\$ 8,274	\$ 2,923	\$ 530	\$ 168	\$ 20	\$ 465	\$ 3	\$ 870	\$ 418	\$ 3	\$ 3
31	Distribution-Demand-Subs	NCP_SUBS	\$ 140,548	\$ 67,856	\$ 17,716	\$ 21,610	\$ 5,183	\$ 1,520	\$ 238	\$ 1	\$ 12,561	\$ -	\$ 397	\$ 3,037	\$ -	\$ 7,781
32	Distribution-Demand-Primary	NCP_PRI	\$ 487,171	\$ 252,470	\$ 65,916	\$ 80,404	\$ 19,285	\$ 5,655	\$ 884	\$ 3	\$ 46,735	\$ -	\$ 1,475	\$ 11,301	\$ -	\$ -
33	Distribution-Demand-Secondary	NCP_SEC	\$ 210,067	\$ 123,587	\$ 32,267	\$ 39,359	\$ 9,440	\$ 2,768	\$ 433	\$ 1	\$ -	\$ -	\$ 722	\$ -	\$ -	\$ -
34	Distribution-Customer-Services	WTD_SERV	\$ 31,127	\$ 28,408	\$ 2,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Distribution-Customer-Meters	WTD_METE	\$ 288,388	\$ 185,976	\$ 61,433	\$ 19,230	\$ 6,794	\$ 1,232	\$ 391	\$ 45	\$ 5,770	\$ 35	\$ 2,022	\$ 5,183	\$ 35	\$ 35
36	Distribution-Customer-Other	CUSTS	\$ 25,561	\$ 22,819	\$ 2,518	\$ 136	\$ 48	\$ 9	\$ 3	\$ 0	\$ 8	\$ 0	\$ 14	\$ 7	\$ 0	\$ 0
37	TOTAL O&G		\$ 1,182,863	\$ 681,116	\$ 182,568	\$ 160,739	\$ 40,750	\$ 11,184	\$ 1,948	\$ 51	\$ 65,074	\$ 35	\$ 4,630	\$ 19,528	\$ 35	\$ 7,815
38	TOTAL O&M		\$ 8,756,968	\$ 5,880,330	\$ 1,543,209	\$ 721,645	\$ 212,261	\$ 48,589	\$ 11,159	\$ 828	\$ 160,844	\$ 608	\$ 43,210	\$ 105,555	\$ 608	\$ 8,389
39																
40	DEPRECIATION EXPENSE															
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	\$ 11,623	\$ 7,496	\$ 2,476	\$ 775	\$ 274	\$ 50	\$ 16	\$ 2	\$ 233	\$ 1	\$ 82	\$ 209	\$ 1	\$ 1
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	WTD_METE	\$ 416,022	\$ 268,284	\$ 88,621	\$ 27,741	\$ 9,801	\$ 1,777	\$ 564	\$ 65	\$ 8,324	\$ 50	\$ 2,917	\$ 7,477	\$ 50	\$ 50
44	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	CUSTS	\$ 183,282	\$ 163,617	\$ 18,053	\$ 974	\$ 344	\$ 62	\$ 20	\$ 2	\$ 55	\$ 0	\$ 102	\$ 49	\$ 0	\$ 0
45	TOTAL DEPRECIATION EXPENSE		\$ 610,927	\$ 439,397	\$ 109,151	\$ 29,490	\$ 10,419	\$ 1,889	\$ 600	\$ 70	\$ 8,612	\$ 52	\$ 3,101	\$ 7,735	\$ 52	\$ 52
46																
47	PROPERTY TAX															
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	CUSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	TOTAL PROPERTY TAX		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53																
54	Distribution-Demand-Secondary	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	Distribution-Customer-Meters	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	Distribution-Customer-Other	CUSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	TOTAL REVENUE CREDITS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58																
59	Revenue Tax		\$ 51,701	\$ 35,048	\$ 9,134	\$ 4,019	\$ 1,203	\$ 269	\$ 64	\$ 5	\$ 920	\$ 4	\$ 256	\$ 628	\$ 4	\$ 43
60																
61	Return on Rate Base		\$ 638,051	\$ 457,018	\$ 144,869	\$ 31,267	\$ 11,047	\$ 2,003	\$ 636	\$ 74	\$ 9,144	\$ 55	\$ 3,288	\$ 8,214	\$ 55	\$ 55
62	O&M		\$ 8,756,968	\$ 5,880,330	\$ 1,543,209	\$ 721,645	\$ 212,261	\$ 48,589	\$ 11,159	\$ 828	\$ 160,844	\$ 608	\$ 43,210	\$ 105,555	\$ 608	\$ 8,389
63	Depreciation Expense		\$ 610,927	\$ 439,397	\$ 109,151	\$ 29,490	\$ 10,419	\$ 1,889	\$ 600	\$ 70	\$ 8,612	\$ 52	\$ 3,101	\$ 7,735	\$ 52	\$ 52
64	Taxes Other Than Income		\$ 51,701	\$ 35,048	\$ 9,134	\$ 4,019	\$ 1,203	\$ 269	\$ 64	\$ 5	\$ 920	\$ 4	\$ 256	\$ 628	\$ 4	\$ 43
65	Total Federal Income Tax		\$ 124,904	\$ 89,484	\$ 22,478	\$ 6,116	\$ 2,161	\$ 392	\$ 124	\$ 14	\$ 1,789	\$ 11	\$ 643	\$ 1,607	\$ 11	\$ 11
66	Total State Income Tax		\$ 35,092	\$ 25,141	\$ 6,315	\$ 1,718	\$ 607	\$ 110	\$ 35	\$ 4	\$ 503	\$ 3	\$ 181	\$ 451	\$ 3	\$ 3
67	TOTAL REVENUE REQUIREMENT		\$ 10,217,645	\$ 6,926,417	\$ 1,805,156	\$ 794,256	\$ 237,698	\$ 53,252	\$ 12,618	\$ 995	\$ 181,811	\$ 732	\$ 50,679	\$ 124,191	\$ 732	\$ 8,552
68																
69	TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS		\$ 10,217,645	\$ 6,926,417	\$ 1,805,156	\$ 794,256	\$ 237,698	\$ 53,252	\$ 12,618	\$ 995	\$ 181,811	\$ 732	\$ 50,679	\$ 124,191	\$ 732	\$ 8,552

Year One Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules				
			Schedule 33B	Schedule 35B	Schedule 36B	Schedule 6	Schedule 20
			Large Service (3 MW)		Special Service	Priv. Area Light	Streetlighting
		Station Power			Rate		
1	<b>GROSS PLANT</b>						
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	\$ 409	\$ 1,634	\$ 409	\$ -	\$ -
3	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	WTD_METE	\$ 1,953	\$ 7,813	\$ 1,953	\$ -	\$ -
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	CUSTS	\$ 13	\$ 54	\$ 13	\$ -	\$ -
6	<b>TOTAL GROSS PLANT</b>		\$ 2,375	\$ 9,501	\$ 2,375	\$ -	\$ -
7							
8	<b>ACCUMULATED DEPRECIATION</b>						
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	\$ (1)	\$ (6)	\$ (1)	\$ -	\$ -
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT SOFTWARE	WTD_METE	\$ (50)	\$ (199)	\$ (50)	\$ -	\$ -
12	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	CUSTS	\$ (0)	\$ (1)	\$ (0)	\$ -	\$ -
13	<b>TOTAL ACCUMULATED DEPRECIATION</b>		\$ (52)	\$ (206)	\$ (52)	\$ -	\$ -
14							
15	<b>ADIT</b>						
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	\$ (5)	\$ (21)	\$ (5)	\$ -	\$ -
17	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -
18	TOTAL G&I ADIT SOFTWARE	WTD_METE	\$ (187)	\$ (747)	\$ (187)	\$ -	\$ -
19	TOTAL G&I ADIT - OTHER	CUSTS	\$ (0)	\$ (1)	\$ (0)	\$ -	\$ -
20	<b>TOTAL ADIT</b>		\$ (192)	\$ (769)	\$ (192)	\$ -	\$ -
21							
22	<b>TOTAL RATE BASE</b>		\$ 2,131	\$ 8,526	\$ 2,131	\$ -	\$ -
23	<b>TOTAL RATE BASE Average of 12 Months</b>		\$ 794	\$ 3,175	\$ 794	\$ -	\$ -
24	<b>RETURN ON RATE BASE</b>		\$ 55	\$ 219	\$ 55	\$ -	\$ -
25							
26	<b>O&amp;M</b>						
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	\$ 267	\$ 1,068	\$ 267	\$ -	\$ -
28	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ 2,559	\$ 6,341
29	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	WTD_METE	\$ 304	\$ 1,215	\$ 304	\$ -	\$ -
30	TOTAL GENERAL & INTANGIBLE O&M - OTHER	CUSTS	\$ 3	\$ 11	\$ 3	\$ -	\$ -
31	Distribution-Demand-Subs	NCP_SUBS	\$ -	\$ 1,830	\$ -	\$ 235	\$ 583
32	Distribution-Demand-Primary	NCP_PRI	\$ -	\$ -	\$ -	\$ 875	\$ 2,169
33	Distribution-Demand-Secondary	NCP_SEC	\$ -	\$ -	\$ -	\$ 429	\$ 1,062
34	Distribution-Customer-Services	WTD_SERV	\$ -	\$ -	\$ -	\$ -	\$ -
35	Distribution-Customer-Meters	WTD_METE	\$ 35	\$ 138	\$ 35	\$ -	\$ -
36	Distribution-Customer-Other	CUSTS	\$ 0	\$ 0	\$ 0	\$ -	\$ -
37	<b>TOTAL A&amp;G</b>		\$ 35	\$ 1,969	\$ 35	\$ 1,539	\$ 3,814
38	<b>TOTAL O&amp;M</b>		\$ 608	\$ 4,263	\$ 608	\$ 4,098	\$ 10,156
39							
40	<b>DEPRECIATION EXPENSE</b>						
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	\$ 1	\$ 6	\$ 1	\$ -	\$ -
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -
43	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	WTD_METE	\$ 50	\$ 199	\$ 50	\$ -	\$ -
44	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	CUSTS	\$ 0	\$ 1	\$ 0	\$ -	\$ -
45	<b>TOTAL DEPRECIATION EXPENSE</b>		\$ 52	\$ 206	\$ 52	\$ -	\$ -
46							
47	<b>PROPERTY TAX</b>						
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -
49	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -
50	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -
51	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	CUSTS	\$ -	\$ -	\$ -	\$ -	\$ -
52	<b>TOTAL PROPERTY TAX</b>		\$ -	\$ -	\$ -	\$ -	\$ -
53							
54	Distribution-Demand-Secondary	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -
55	Distribution-Customer-Meters	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -
56	Distribution-Customer-Other	CUSTS	\$ -	\$ -	\$ -	\$ -	\$ -
57	<b>TOTAL REVENUE CREDITS</b>		\$ -	\$ -	\$ -	\$ -	\$ -
58							
59	Revenue Tax		\$ 4	\$ 24	\$ 4	\$ 21	\$ 52
60							
61	Return on Rate Base		\$ 55	\$ 219	\$ 55	\$ -	\$ -
62	O&M		\$ 608	\$ 4,263	\$ 608	\$ 4,098	\$ 10,156
63	Depreciation Expense		\$ 52	\$ 206	\$ 52	\$ -	\$ -
64	Taxes Other Than Income		\$ 4	\$ 24	\$ 4	\$ 21	\$ 52
65	Total Federal Income Tax		\$ 11	\$ 43	\$ 11	\$ -	\$ -
66	Total State Income Tax		\$ 3	\$ 12	\$ 3	\$ -	\$ -
67	<b>TOTAL REVENUE REQUIREMENT</b>		\$ 732	\$ 4,767	\$ 732	\$ 4,119	\$ 10,207
68							
69	<b>TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS</b>		\$ 732	\$ 4,767	\$ 732	\$ 4,119	\$ 10,207

### Year Two Revenue Requirement

Line	Revenue Requirement	Class Allocators	Rate Schedules																											
			Schedule 1		Schedule 2		Schedule 3B		Schedule 3C		Schedule 3D		Schedule 3E		Schedule 3F		Schedule 4B		Schedule 5B		Schedule 10		Schedule 11B		Schedule 15B		Schedule 30B			
			PNM Retail	Residential	Small Power	General Power	GP Low LF	General Power	GP Low LF Gov	General Power	GP Low LF Gov	Charging Stations	Large Power	Large Service (8 MW)	Irrigation	Water & Sewage	Universities	Manufacturing (30 MW)												
1	GROSS PLANT																													
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	\$ 16,838,513	\$ 10,858,827	\$ 3,586,960	\$ 1,122,813	\$ 396,711	\$ 71,924	\$ 22,834	\$ 2,650	\$ 336,924	\$ 2,018	\$ 118,067	\$ 302,645	\$ 2,018	\$ 2,018														
3	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	\$ 13,157,822	\$ 7,741,028	\$ 2,021,055	\$ 2,465,278	\$ 591,290	\$ 173,391	\$ 27,100	\$ 86	\$ -	\$ 45,234	\$ -	\$ -	\$ -	\$ -	\$ -													
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	WTD_METE	\$ 46,977,527	\$ 30,294,886	\$ 10,007,210	\$ 3,132,519	\$ 1,106,777	\$ 200,660	\$ 63,704	\$ 7,392	\$ 939,980	\$ 5,629	\$ 329,394	\$ 844,344	\$ 5,629	\$ 5,629														
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	CUSTS	\$ 31,433,846	\$ 28,061,125	\$ 3,096,194	\$ 167,089	\$ 59,036	\$ 10,703	\$ 3,398	\$ 394	\$ 9,393	\$ 56	\$ 17,570	\$ 8,437	\$ 56	\$ 56														
6	TOTAL GROSS PLANT																													
7			\$ 108,407,708	\$ 76,955,867	\$ 18,711,419	\$ 6,887,699	\$ 2,153,814	\$ 456,679	\$ 117,037	\$ 10,522	\$ 1,286,297	\$ 7,703	\$ 510,265	\$ 1,155,425	\$ 7,703	\$ 7,703														
8	ACCUMULATED DEPRECIATION																													
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	\$ (239,494)	\$ (154,445)	\$ (51,017)	\$ (15,970)	\$ (5,642)	\$ (1,023)	\$ (325)	\$ (38)	\$ (4,792)	\$ (29)	\$ (1,679)	\$ (4,305)	\$ (29)	\$ (29)														
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	\$ (176,870)	\$ (104,056)	\$ (27,167)	\$ (33,139)	\$ (7,948)	\$ (2,331)	\$ (364)	\$ (1)	\$ -	\$ (608)	\$ -	\$ -	\$ -	\$ -														
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT - SOFTWARE	WTD_METE	\$ (2,527,712)	\$ (1,630,072)	\$ (538,456)	\$ (168,551)	\$ (59,552)	\$ (10,779)	\$ (3,428)	\$ (398)	\$ (50,577)	\$ (303)	\$ (17,724)	\$ (45,431)	\$ (303)	\$ (303)														
12	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	CUSTS	\$ (1,208,882)	\$ (1,079,174)	\$ (519,073)	\$ (6,426)	\$ (2,270)	\$ (412)	\$ (131)	\$ (15)	\$ (361)	\$ (2)	\$ (676)	\$ (324)	\$ (2)	\$ (2)														
13	TOTAL ACCUMULATED DEPRECIATION																													
14			\$ (4,152,958)	\$ (2,967,748)	\$ (735,714)	\$ (224,085)	\$ (75,413)	\$ (14,562)	\$ (4,247)	\$ (452)	\$ (55,731)	\$ (334)	\$ (20,687)	\$ (50,060)	\$ (334)	\$ (334)														
15	ADIT																													
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	\$ (230,621)	\$ (148,723)	\$ (49,127)	\$ (15,378)	\$ (5,433)	\$ (985)	\$ (313)	\$ (36)	\$ (4,615)	\$ (28)	\$ (1,617)	\$ (4,145)	\$ (28)	\$ (28)														
17	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	\$ (136,611)	\$ (80,371)	\$ (20,984)	\$ (25,596)	\$ (6,139)	\$ (1,800)	\$ (281)	\$ (1)	\$ -	\$ (470)	\$ -	\$ -	\$ -	\$ -														
18	TOTAL G&I ADIT SOFTWARE	WTD_METE	\$ (5,748,600)	\$ (3,707,159)	\$ (1,224,574)	\$ (383,324)	\$ (135,435)	\$ (24,555)	\$ (7,795)	\$ (905)	\$ (115,025)	\$ (689)	\$ (40,308)	\$ (103,322)	\$ (689)	\$ (689)														
19	TOTAL G&I ADIT - OTHER	CUSTS	\$ (928,580)	\$ (829,188)	\$ (91,491)	\$ (4,937)	\$ (1,744)	\$ (316)	\$ (100)	\$ (12)	\$ (278)	\$ (2)	\$ (519)	\$ (249)	\$ (2)	\$ (2)														
20	TOTAL ADIT																													
21			\$ (7,044,682)	\$ (4,765,442)	\$ (1,386,175)	\$ (429,235)	\$ (148,752)	\$ (27,656)	\$ (8,490)	\$ (953)	\$ (119,917)	\$ (718)	\$ (42,914)	\$ (107,716)	\$ (718)	\$ (718)														
22	TOTAL RATE BASE																													
23	TOTAL RATE BASE Average of 12 Months		\$ 97,210,067	\$ 69,222,677	\$ 16,589,530	\$ 6,234,379	\$ 1,929,648	\$ 414,461	\$ 104,299	\$ 9,117	\$ 1,110,649	\$ 6,651	\$ 446,665	\$ 997,649	\$ 6,651	\$ 6,651														
24	RETURN ON RATE BASE		\$ 50,961,313	\$ 36,289,230	\$ 8,696,879	\$ 3,268,305	\$ 1,011,597	\$ 217,276	\$ 54,678	\$ 4,780	\$ 582,246	\$ 3,487	\$ 234,159	\$ 523,007	\$ 3,487	\$ 3,487														
25			\$ 3,515,805	\$ 2,503,583	\$ 599,995	\$ 225,479	\$ 69,790	\$ 14,990	\$ 3,772	\$ 330	\$ 40,169	\$ 241	\$ 16,155	\$ 36,082	\$ 241	\$ 241														
26	O&M																													
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	\$ 2,856,563	\$ 1,842,141	\$ 608,508	\$ 190,479	\$ 67,300	\$ 12,202	\$ 3,874	\$ 449	\$ 57,157	\$ 342	\$ 20,029	\$ 51,342	\$ 342	\$ 342														
28	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	\$ 2,131,314	\$ 1,253,898	\$ 327,372	\$ 399,328	\$ 95,778	\$ 28,086	\$ 4,390	\$ 14	\$ -	\$ 7,327	\$ -	\$ -	\$ -	\$ -														
29	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	WTD_METE	\$ 3,492,039	\$ 2,251,947	\$ 743,878	\$ 232,853	\$ 82,271	\$ 19,916	\$ 4,735	\$ 549	\$ 69,873	\$ 418	\$ 24,485	\$ 62,764	\$ 418	\$ 418														
30	TOTAL GENERAL & INTANGIBLE O&M - OTHER	CUSTS	\$ 1,553,138	\$ 1,386,493	\$ 152,982	\$ 8,256	\$ 2,917	\$ 529	\$ 168	\$ 19	\$ 464	\$ 3	\$ 868	\$ 417	\$ 3	\$ 3														
31	Distribution-Demand-Subs	NCP_SUBS	\$ 146,761	\$ 70,856	\$ 18,499	\$ 22,565	\$ 5,412	\$ 1,587	\$ 248	\$ 1	\$ 13,116	\$ -	\$ 414	\$ 3,172	\$ -	\$ 8,125														
32	Distribution-Demand-Primary	NCP_PRI	\$ 508,705	\$ 263,630	\$ 68,829	\$ 83,958	\$ 20,137	\$ 5,905	\$ 923	\$ 3	\$ 48,800	\$ -	\$ 1,540	\$ 11,800	\$ -	\$ -														
33	Distribution-Demand-Secondary	NCP_SEC	\$ 219,353	\$ 129,050	\$ 33,693	\$ 41,098	\$ 9,857	\$ 2,891	\$ 452	\$ 1	\$ -	\$ -	\$ 754	\$ -	\$ -	\$ -														
34	Distribution-Customer-Services	WTD_SERV	\$ 321,035	\$ 194,664	\$ 2,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
35	Distribution-Customer-Meters	WTD_SERV	\$ 30,135	\$ 29,196	\$ 64,148	\$ 20,080	\$ 7,095	\$ 1,286	\$ 408	\$ 47	\$ 6,025	\$ 36	\$ 2,111	\$ 5,412	\$ 36	\$ 36														
36	Distribution-Customer-Other	CUSTS	\$ 26,691	\$ 23,827	\$ 2,629	\$ 142	\$ 50	\$ 9	\$ 3	\$ 0	\$ 8	\$ 0	\$ 15	\$ 7	\$ 0	\$ 0														
37	TOTAL A&G		\$ 1,235,148	\$ 711,223	\$ 190,638	\$ 167,844	\$ 42,551	\$ 11,678	\$ 2,034	\$ 53	\$ 67,950	\$ 36	\$ 4,835	\$ 20,392	\$ 36	\$ 36														
38	TOTAL O&M																													
39			\$ 11,268,202	\$ 7,445,702	\$ 2,023,379	\$ 998,760	\$ 290,817	\$ 67,410	\$ 15,201	\$ 1,085	\$ 195,444	\$ 800	\$ 57,545	\$ 134,914	\$ 800	\$ 800														
40	DEPRECIATION EXPENSE																													
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	\$ 227,871	\$ 146,949	\$ 48,541	\$ 15,195	\$ 5,369	\$ 973	\$ 309	\$ 36	\$ 4,559	\$ 27	\$ 1,598	\$ 4,096	\$ 27	\$ 27														
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	\$ 176,870	\$ 104,056	\$ 27,167	\$ 33,139	\$ 7,948	\$ 2,331	\$ 364	\$ 1	\$ -	\$ (608)	\$ -	\$ -	\$ -	\$ -														
43	TOTAL GENERAL & INTANGIBLE DEPRECIATION EXPENSE - SOFTWARE	WTD_METE	\$ 2,111,690	\$ 1,361,787	\$ 449,835	\$ 140,810	\$ 49,751	\$ 9,020	\$ 2,864	\$ 332	\$ 42,253	\$ 253	\$ 14,807	\$ 37,954	\$ 253	\$ 253														
44	TOTAL GENERAL & INTANGIBLE DEPRECIATION EXPENSE - OTHER	CUSTS	\$ 1,025,600	\$ 915,557	\$ 101,020	\$ 5,452	\$ 1,926	\$ 349	\$ 111	\$ 13	\$ 306	\$ 2	\$ 573	\$ 275	\$ 2	\$ 2														
45	TOTAL DEPRECIATION EXPENSE																													
46			\$ 3,542,031	\$ 2,528,351	\$ 626,564	\$ 194,595	\$ 64,994	\$ 12,673	\$ 3,648	\$ 382	\$ 47,119	\$ 282	\$ 17,586	\$ 42,325	\$ 282	\$ 282														
47	PROPERTY TAX																													
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	\$ 33,515	\$ 21,613	\$ 7,139	\$ 2,235	\$ 790	\$ 143	\$ 45	\$ 5	\$ 671	\$ 4	\$ 235	\$ 602	\$ 4	\$ 4														
49	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
50	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	WTD_METE	\$ 156,683	\$ 101,042	\$ 33,377	\$ 10,448	\$ 3,691	\$ 669	\$ 212	\$ 25	\$ 3,135	\$ 19	\$ 1,099	\$ 2,816	\$ 19	\$ 19														
51	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	CUSTS	\$ 72,245	\$ 64,494	\$ 7,116	\$ 384	\$ 136	\$ 25	\$ 8	\$ 1	\$ 22	\$ 0	\$ 40	\$ 19	\$ 0	\$ 0														
52	TOTAL PROPERTY TAX																													
53			\$ 262,443	\$ 187,149	\$ 47,632	\$ 13,067	\$ 4,617	\$ 837	\$ 266	\$ 31	\$ 3,827	\$ 23	\$ 1,374	\$ 3,438	\$ 23	\$ 23														
54	Distribution-Demand-Secondary	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
55	Distribution-Customer-Meters	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
56	Distribution-Customer-Other	CUSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
57	TOTAL REVENUE CREDITS																													
58			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
59	Revenue Tax		\$ 99,031	\$ 67,611	\$ 17,539	\$ 7,568	\$ 2,277	\$ 507	\$ 121	\$ 10	\$ 1,509	\$ 7	\$ 492	\$ 1,149	\$ 7	\$ 48														
60																														
61	Return on Rate Base		\$ 3,515,805	\$ 2,503,583	\$ 599,995	\$ 225,479	\$ 69,790	\$ 14,990	\$ 3,772	\$ 330	\$ 40,169	\$ 241	\$ 16,155	\$ 36,082	\$ 241	\$ 241														
62	O&M		\$ 11,268,202	\$ 7,445,702	\$ 2,023,379	\$ 998,760	\$ 290,817	\$ 67,410	\$ 15,201	\$ 1,085	\$ 195,444	\$ 800	\$ 57,545	\$ 134,914	\$ 800	\$ 800														
63	Depreciation Expense		\$ 3,542,031	\$ 2,528,351	\$ 626,564	\$ 194,595	\$ 64,994	\$ 12,673	\$ 3,648	\$ 382	\$ 47,119	\$ 282	\$ 17,586	\$ 42,325	\$ 282	\$ 282														
64	Taxes Other Than Income		\$ 361,475	\$ 254,760	\$ 65,171	\$ 20,635	\$ 6,894	\$ 1,344	\$ 387	\$ 41	\$ 5,336	\$ 30	\$ 1,866	\$ 4,587	\$ 30	\$ 30														
65	Total Federal Income Tax		\$ 690,017	\$ 491,418	\$ 117,977	\$ 43,926	\$ 13,644	\$ 2,918	\$ 739	\$ 65	\$ 7,950	\$ 48	\$ 3,184	\$ 7,141	\$ 48	\$ 48														
66	Total State Income Tax		\$ 193,862	\$ 138,065	\$ 33,146	\$ 12,341	\$ 3,833	\$ 820	\$ 208	\$ 18	\$ 2,234	\$ 13	\$ 894	\$ 2,006	\$ 13	\$ 13														
67	TOTAL REVENUE REQUIREMENT																													
68			\$ 19,571,391	\$ 13,361,878	\$ 3,466,232	\$ 1,495,737	\$ 449,971	\$ 100,155	\$ 23,954	\$ 1,921	\$ 298,253	\$ 1,413	\$ 97,229	\$ 227,056	\$ 1,413	\$ 9														

Year Two Revenue Requirement

Line	Revenue Requirement	Class Allocators							
			Schedule 33B	Schedule 35B	Schedule 36B	Schedule 6	Schedule 20		
			Station Power	Large Service (3 MW)	Special Service Rate	Priv. Area Light	Streetlighting		
1	<b>GROSS PLANT</b>								
2	TOTAL DISTRIBUTION PLANT - METERS	WTD_METE	\$ 2,018	\$ 8,071	\$ 2,018	\$ -	\$ -		
3	TOTAL DISTRIBUTION PLANT - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ 26,842	\$ 66,517		
4	TOTAL GENERAL & INTANGIBLE PLANT - SOFTWARE	WTD_METE	\$ 5,629	\$ 22,516	\$ 5,629	\$ -	\$ -		
5	TOTAL GENERAL & INTANGIBLE PLANT - OTHER	CUSTS	\$ 56	\$ 225	\$ 56	\$ -	\$ -		
6	<b>TOTAL GROSS PLANT</b>		\$ 7,703	\$ 30,811	\$ 7,703	\$ 26,842	\$ 66,517		
7									
8	<b>ACCUMULATED DEPRECIATION</b>								
9	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION METERS	WTD_METE	\$ (29)	\$ (115)	\$ (29)	\$ -	\$ -		
10	TOTAL ACCUMULATED DEPRECIATION - DISTRIBUTION OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ (361)	\$ (894)		
11	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT - SOFTWARE	WTD_METE	\$ (303)	\$ (1,212)	\$ (303)	\$ -	\$ -		
12	TOTAL ACCUMULATED DEPRECIATION - G&I PLANT OTHER	CUSTS	\$ (2)	\$ (9)	\$ (2)	\$ -	\$ -		
13	<b>TOTAL ACCUMULATED DEPRECIATION</b>		\$ (334)	\$ (1,335)	\$ (334)	\$ (361)	\$ (894)		
14									
15	<b>ADIT</b>								
16	TOTAL DISTRIBUTION ADIT - METERS	WTD_METE	\$ (28)	\$ (111)	\$ (28)	\$ -	\$ -		
17	TOTAL DISTRIBUTION ADIT - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ (279)	\$ (691)		
18	TOTAL G&I ADIT - SOFTWARE	WTD_METE	\$ (689)	\$ (2,755)	\$ (689)	\$ -	\$ -		
19	TOTAL G&I ADIT - OTHER	CUSTS	\$ (2)	\$ (7)	\$ (2)	\$ -	\$ -		
20	<b>TOTAL ADIT</b>		\$ (718)	\$ (2,872)	\$ (718)	\$ (279)	\$ (691)		
21									
22	<b>TOTAL RATE BASE</b>		\$ 6,651	\$ 26,604	\$ 6,651	\$ 26,202	\$ 64,932		
23	<b>TOTAL RATE BASE Average of 12 Months</b>		\$ 3,487	\$ 13,947	\$ 3,487	\$ 13,736	\$ 34,040		
24	<b>RETURN ON RATE BASE</b>		\$ 241	\$ 962	\$ 241	\$ 948	\$ 2,348		
25									
26	<b>O&amp;M</b>								
27	TOTAL DISTRIBUTION O&M - METERS	WTD_METE	\$ 342	\$ 1,369	\$ 342	\$ -	\$ -		
28	TOTAL DISTRIBUTION O&M - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ 4,348	\$ 10,774		
29	TOTAL GENERAL & INTANGIBLE O&M - SOFTWARE	WTD_METE	\$ 418	\$ 1,674	\$ 418	\$ -	\$ -		
30	TOTAL GENERAL & INTANGIBLE O&M - OTHER	CUSTS	\$ 3	\$ 11	\$ 3	\$ -	\$ -		
31	Distribution-Demand-Subs	NCP_SUBS	\$ -	\$ 1,911	\$ -	\$ 246	\$ 609		
32	Distribution-Demand-Primary	NCP_PRI	\$ -	\$ -	\$ -	\$ 914	\$ 2,265		
33	Distribution-Demand-Secondary	NCP_SEC	\$ -	\$ -	\$ -	\$ 447	\$ 1,109		
34	Distribution-Customer-Services	WTD_SERV	\$ -	\$ -	\$ -	\$ -	\$ -		
35	Distribution-Customer-Meters	WTD_METE	\$ 36	\$ 144	\$ 36	\$ -	\$ -		
36	Distribution-Customer-Other	CUSTS	\$ 0	\$ 0	\$ 0	\$ -	\$ -		
37	<b>TOTAL A&amp;G</b>		\$ 36	\$ 2,056	\$ 36	\$ 1,607	\$ 3,983		
38	<b>TOTAL O&amp;M</b>		\$ 800	\$ 5,109	\$ 800	\$ 5,955	\$ 14,758		
39									
40	<b>DEPRECIATION EXPENSE</b>								
41	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - METERS	WTD_METE	\$ 27	\$ 109	\$ 27	\$ -	\$ -		
42	TOTAL DISTRIBUTION DEPRECIATION EXPENSE - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ 361	\$ 894		
43	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - SOFTWARE	WTD_METE	\$ 253	\$ 1,012	\$ 253	\$ -	\$ -		
44	TOTAL GENERAL & INTANGIBLE DPRECIATION EXPENSE - OTHER	CUSTS	\$ 2	\$ 7	\$ 2	\$ -	\$ -		
45	<b>TOTAL DEPRECIATION EXPENSE</b>		\$ 282	\$ 1,129	\$ 282	\$ 361	\$ 894		
46									
47	<b>PROPERTY TAX</b>								
48	TOTAL DISTRIBUTION PROPERTY TAX - METERS	WTD_METE	\$ 4	\$ 16	\$ 4	\$ -	\$ -		
49	TOTAL DISTRIBUTION PROPERTY TAX - OTHER	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -		
50	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - SOFTWARE	WTD_METE	\$ 19	\$ 75	\$ 19	\$ -	\$ -		
51	TOTAL GENERAL & INTANGIBLE PROPERTY TAX - OTHER	CUSTS	\$ 0	\$ 1	\$ 0	\$ -	\$ -		
52	<b>TOTAL PROPERTY TAX</b>		\$ 23	\$ 92	\$ 23	\$ -	\$ -		
53									
54	Distribution-Demand-Secondary	NCP_SEC	\$ -	\$ -	\$ -	\$ -	\$ -		
55	Distribution-Customer-Meters	WTD_METE	\$ -	\$ -	\$ -	\$ -	\$ -		
56	Distribution-Customer-Other	CUSTS	\$ -	\$ -	\$ -	\$ -	\$ -		
57	<b>TOTAL REVENUE CREDITS</b>		\$ -	\$ -	\$ -	\$ -	\$ -		
58									
59	Revenue Tax		\$ 7	\$ 38	\$ 7	\$ 38	\$ 94		
60									
61	Return on Rate Base		\$ 241	\$ 962	\$ 241	\$ 948	\$ 2,348		
62	O&M		\$ 800	\$ 5,109	\$ 800	\$ 5,955	\$ 14,758		
63	Depreciation Expense		\$ 282	\$ 1,129	\$ 282	\$ 361	\$ 894		
64	Taxes Other Than Income		\$ 30	\$ 130	\$ 30	\$ 38	\$ 94		
65	Total Federal Income Tax		\$ 48	\$ 190	\$ 48	\$ 180	\$ 446		
66	Total State Income Tax		\$ 13	\$ 54	\$ 13	\$ 51	\$ 125		
67	<b>TOTAL REVENUE REQUIREMENT</b>		\$ 1,413	\$ 7,574	\$ 1,413	\$ 7,532	\$ 18,666		
68									
69	<b>TOTAL REVENUE REQUIREMENT W/ REVENUE CREDITS</b>		\$ 1,413	\$ 7,574	\$ 1,413	\$ 7,532	\$ 18,666		

Illustrative GMR Customer Charge Year One and Year Two

# PNM Exhibit HMP-3

Is contained in the following 2 pages.

**Illustrative GMR Charge, Year One and Year Two**

**Year One Revenue Requirement**

Year	Annual Revenue Requirement
<b>Year One</b>	<b>\$10,217,645</b>
Year Two	\$19,571,391
	[A]

Line	Customer Class	Annual number of customers 24-00089-UT as filed	Monthly number of customers/ number of lights	Customer Class revenue requirement Year One	GMR annual charge, Year One (\$/customer bill)	GMR monthly charge, Year One (\$/customer bill)
		[B]	[C] = [B] / 12	[D]	[E] = [D] / [C]	[F] = [D] / [B]
1	1 - Residential	5,986,644	498,887	\$6,926,417	\$13.88	\$1.16
2	2 - Small Power	660,551	55,046	\$1,805,156	\$32.79	\$2.73
3	3B - General Power	35,647	2,971	\$794,256	\$267.37	\$22.28
4	3C - General Power Low LF	12,595	1,050	\$237,698	\$226.47	\$18.87
5	3D - General Power Government	2,283	190	\$53,252	\$279.85	\$23.32
6	3E - General Power Low LF Government	725	60	\$12,618	\$208.86	\$17.41
7	3F - Commercial Charging Stations	84	7	\$995	\$141.91	\$11.83
8	4B - Large Power	2,004	167	\$181,811	\$1,088.75	\$90.73
9	5B - Large Service (8 MW)	12	1	\$732	\$731.90	\$60.99
10	10A/B - Irrigation	3,748	312	\$50,679	\$162.24	\$13.52
11	11B - Wtr/Swg Pumping	1,800	150	\$124,191	\$827.94	\$68.99
12	15B - Universities	12	1	\$732	\$731.90	\$60.99
13	30B - Manufacturing (30 MW)	12	1	\$8,552	\$8,552.30	\$712.69
14	33B - Station Power	12	1	\$732	\$731.90	\$60.99
15	35B - Large Service (3 MW)	48	4	\$4,767	\$1,191.73	\$99.31
16	36B - SSR - Renew. Energy Res.	12	1	\$732	\$731.90	\$60.99
17	6 - Private Area Lighting*	165,919	13,827	\$4,119	\$0.30	\$0.02
18	20 - Streetlighting*	588,579	49,048	\$10,207	\$0.21	\$0.02
19						
20	Total	7,460,688	621,724	\$10,217,645		

\* A \$/light charge for Rate 6 Private Area Lighting and Rate 20 Streetlighting will be applied.

**Illustrative GMR Charge, Year One and Year Two**

**Year Two Revenue Requirement**

Year	Annual Revenue Requirement
Year One	\$10,217,645
<b>Year Two</b>	<b>\$19,571,391</b>
	[A]

Line	Customer Class	Annual number of customers 24-00089-UT as filed	Monthly number of customers/ number of lights	Customer Class revenue requirement Year Two	GMR annual charge, Year Two (\$/customer bill)	GMR monthly charge, Year Two (\$/customer bill)	GMR monthly charge, % increase from Year One charge
		[G]	[H] = [G] / 12	[I]	[J] = [I] / [H]	[K] = [J] / [G]	[L] = ([K] - [F]) / [F]
1	1 - Residential	5,986,644	498,887	\$13,361,878	\$26.78	\$2.23	92.9%
2	2 - Small Power	660,551	55,046	\$3,466,232	\$62.97	\$5.25	92.0%
3	3B - General Power	35,647	2,971	\$1,495,738	\$503.51	\$41.96	88.3%
4	3C - General Power Low LF	12,595	1,050	\$449,971	\$428.72	\$35.73	89.3%
5	3D - General Power Government	2,283	190	\$100,155	\$526.33	\$43.86	88.1%
6	3E - General Power Low LF Government	725	60	\$23,954	\$396.51	\$33.04	89.8%
7	3F - Commercial Charging Stations	84	7	\$1,921	\$274.08	\$22.84	93.1%
8	4B - Large Power	2,004	167	\$298,253	\$1,786.05	\$148.84	64.0%
9	5B - Large Service (8 MW)	12	1	\$1,413	\$1,413.30	\$117.78	93.1%
10	10A/B - Irrigation	3,748	312	\$97,229	\$311.26	\$25.94	91.9%
11	11B - Wtr/Swg Pumping	1,800	150	\$227,056	\$1,513.71	\$126.14	82.8%
12	15B - Universities	12	1	\$1,413	\$1,413.30	\$117.78	93.1%
13	30B - Manufacturing (30 MW)	12	1	\$9,579	\$9,579.00	\$798.25	12.0%
14	33B - Station Power	12	1	\$1,413	\$1,413.30	\$117.78	93.1%
15	35B - Large Service (3 MW)	48	4	\$7,574	\$1,893.58	\$157.80	58.9%
16	36B - SSR - Renew. Energy Res.	12	1	\$1,413	\$1,413.30	\$117.78	93.1%
17	6 - Private Area Lighting*	165,919	13,827	\$7,532	\$0.54	\$0.05	82.9%
18	20 - Streetlighting*	588,579	49,048	\$18,666	\$0.38	\$0.03	82.9%
19							
20	Total	7,460,688	621,724	\$19,571,391			

\* A \$/light charge for Rate 6 Private Area Lighting and Rate 20 Streetlighting will be applied.

Illustrative GMR Bill Impacts Year One

# PNM Exhibit HMP-4

Is contained in the following 4 pages.



## Illustrative GMR Bill Impacts (July 1, 2025 rates)

1A - Residential				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
500 kWh	\$76.86	\$78.06	\$1.20	1.6%
750 kWh	\$118.09	\$119.30	\$1.20	1.0%
1,200 kWh	\$208.27	\$209.47	\$1.20	0.6%

1B - Residential TOU				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
750 kWh	\$152.35	\$153.55	\$1.20	0.8%
1,500 kWh	\$265.80	\$267.00	\$1.20	0.5%
2,500 kWh	\$417.07	\$418.27	\$1.20	0.3%

1B - Residential TOD pilot				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
750 kWh	\$130.06	\$131.26	\$1.20	0.9%
1,500 kWh	\$250.43	\$251.63	\$1.20	0.5%
2,500 kWh	\$406.32	\$407.52	\$1.20	0.3%

2A - Small Power				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
700 kWh	\$123.40	\$126.24	\$2.84	2.3%
1,500 kWh	\$232.93	\$235.78	\$2.84	1.2%
4,000 kWh	\$575.23	\$578.07	\$2.84	0.5%

2B - Small Power TOU				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
700 kWh	\$121.11	\$123.95	\$2.84	2.3%
1,500 kWh	\$236.14	\$238.99	\$2.84	1.2%
4,000 kWh	\$595.64	\$598.48	\$2.84	0.5%

2B - Small Power TOD pilot				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
700 kWh	\$122.69	\$125.54	\$2.84	2.3%
1,500 kWh	\$231.42	\$234.27	\$2.84	1.2%
4,000 kWh	\$571.20	\$574.04	\$2.84	0.5%

3B - General Power TOU				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
42,075 kWh and 125 kW	\$5,623	\$5,646	\$23.18	0.4%
93,366 kWh and 232 kW	\$11,029	\$11,052	\$23.18	0.2%
142,916 kWh and 325 kW	\$15,950	\$15,973	\$23.18	0.1%

3C - General Power Low Load Factor TOU				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
28,623 kWh and 113 kW	\$3,887	\$3,906	\$19.64	0.5%
55,926 kWh and 189 kW	\$7,079	\$7,098	\$19.64	0.3%
75,687 kWh and 427 kW	\$11,929	\$11,949	\$19.64	0.2%

**3D - General Power Government TOU**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
19,222 kWh and 62 kW	\$2,733	\$2,757	\$24.27	0.9%
32,752 kWh and 88 kW	\$4,101	\$4,125	\$24.27	0.6%
58,894 kWh and 143 kW	\$6,874	\$6,898	\$24.27	0.4%

**3E - General Power Low Load Factor Government TOU**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
9,561 kWh and 51 kW	\$1,560	\$1,578	\$18.11	1.2%
14,057 kWh and 60 kW	\$2,040	\$2,058	\$18.11	0.9%
18000 kWh and 96 kW	\$2,868	\$2,886	\$18.11	0.6%

**3B / 3C / 3D / 3E - General Power TOD pilot**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
28,623 kWh and 113 kW	\$4,320	\$4,339	\$19.64	0.5%
55,926 kWh and 189 kW	\$7,556	\$7,575	\$19.64	0.3%
75,687 kWh and 427 kW	\$14,433	\$14,453	\$19.64	0.1%

**3F - Commercial Charging Stations**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
54,900 kWh	\$7,521	\$7,533	\$12.31	0.2%
91,680 kWh	\$12,427	\$12,439	\$12.31	0.1%
146,880 kWh	\$19,790	\$19,802	\$12.31	0.1%

**4B - Large Power Service TOU**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
261,473 kWh and 566 kW	\$29,221	\$29,315	\$94.41	0.3%
329,850 kWh and 648 kW	\$34,884	\$34,978	\$94.41	0.3%
397,863 kWh and 745 kW	\$40,936	\$41,030	\$94.41	0.2%

**4B - Large Power Service TOD pilot**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
261,473 kWh and 566 kW	\$29,161	\$29,255	\$94.41	0.3%
329,850 kWh and 648 kW	\$34,807	\$34,902	\$94.41	0.3%
397,863 kWh and 745 kW	\$40,843	\$40,937	\$94.41	0.2%

**5B - Large Service TOU (8MW)**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
1,883,951 kWh and 8,000 kW	\$218,052	\$218,114	\$61.15	0.03%
2,511,935 kWh and 8,325 kW	\$267,466	\$267,528	\$61.15	0.02%
3,139,919 kWh and 10,000 kW	\$327,934	\$327,995	\$61.15	0.02%

**5B - Large Service TOD pilot (8MW)**

	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
1,883,951 kWh and 8,000 kW	\$216,815	\$216,876	\$61.15	0.03%
2,511,935 kWh and 8,325 kW	\$265,799	\$265,860	\$61.15	0.02%
3,139,919 kWh and 10,000 kW	\$325,847	\$325,908	\$61.15	0.02%

<b>10A Irrigation Service</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
500 kWh	\$82	\$95	\$13.52	16.5%
1,000 kWh	\$140	\$154	\$13.52	9.7%
5,000 kWh	\$604	\$618	\$13.52	2.2%

<b>10B Irrigation Service TOU</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
1,200 kWh	\$174	\$187	\$13.52	7.8%
5,500 kWh	\$678	\$691	\$13.52	2.0%
12,000 kWh	\$1,440	\$1,453	\$13.52	0.9%

<b>10B Irrigation Service TOD pilot</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
1,200 kWh	\$176	\$190	\$13.52	7.7%
5,500 kWh	\$678	\$692	\$13.52	2.0%
12,000 kWh	\$1,438	\$1,451	\$13.52	0.9%

<b>11B Water and Sewage Pumping Service TOU</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
15,000 kWh	\$1,699	\$1,771	\$71.79	4.2%
55,000 kWh	\$4,809	\$4,880	\$71.79	1.5%
115,000 kWh	\$9,473	\$9,545	\$71.79	0.8%

<b>11B Water and Sewage Pumping Service TOD pilot</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
15,000 kWh	\$1,808	\$1,880	\$71.79	4.0%
55,000 kWh	\$5,210	\$5,282	\$71.79	1.4%
115,000 kWh	\$10,314	\$10,385	\$71.79	0.7%

<b>15B Universities (8MW)</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
2,300,000 kWh and 8,000 kW	\$232,842	\$232,903	\$61.15	0.03%
3,900,000 kWh and 11,000 kW	\$358,945	\$359,006	\$61.15	0.02%
5,500,000 kWh and 12,000 kW	\$493,642	\$493,703	\$61.15	0.01%

<b>15B Universities (8MW) TOD pilot</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
2,300,000 kWh and 8,000 kW	\$228,894	\$228,955	\$61.15	0.03%
3,900,000 kWh and 11,000 kW	\$352,250	\$352,311	\$61.15	0.02%
5,500,000 kWh and 12,000 kW	\$484,201	\$484,262	\$61.15	0.01%

<b>30B Manufacturing (30MW)</b>				
	Annualized Monthly Bill	Annualized Monthly Bill		
Consumption Level	(7/1/25)	with GMR, Year One	\$ Change	% Change
21,000,000 kWh and 35,000 kW	\$1,874,008	\$1,874,722	\$714.49	0.04%
43,000,000 kWh and 61,000 kW	\$3,416,547	\$3,417,261	\$714.49	0.02%
51,000,000 kWh and 87,000 kW	\$4,344,129	\$4,344,843	\$714.49	0.02%

**30B Manufacturing (30MW) TOD pilot**

	Annualized Monthly Bill (7/1/25)	Annualized Monthly Bill with GMR, Year One	\$ Change	% Change
Consumption Level				
21,000,000 kWh and 35,000 kW	\$1,873,928	\$1,874,643	\$714.49	0.04%
43,000,000 kWh and 61,000 kW	\$3,416,384	\$3,417,098	\$714.49	0.02%
51,000,000 kWh and 87,000 kW	\$4,343,936	\$4,344,650	\$714.49	0.02%

**33B Station Power TOU**

	Annualized Monthly Bill (7/1/25)	Annualized Monthly Bill with GMR, Year One	\$ Change	% Change
Consumption Level				
200,000 kWh and 1,500 kW	\$16,868	\$16,929	\$60.99	0.4%
240,000 kWh and 1,600 kW	\$19,900	\$19,961	\$60.99	0.3%
300,000 kWh and 1,800 kW	\$24,497	\$24,558	\$60.99	0.2%

**33B Station Power TOD pilot**

	Annualized Monthly Bill (7/1/25)	Annualized Monthly Bill with GMR, Year One	\$ Change	% Change
Consumption Level				
200,000 kWh and 1,500 kW	\$17,114	\$17,175	\$60.99	0.4%
240,000 kWh and 1,600 kW	\$20,193	\$20,254	\$60.99	0.3%
300,000 kWh and 1,800 kW	\$24,862	\$24,923	\$60.99	0.2%

**35B Large Power (3MW) TOU**

	Annualized Monthly Bill (7/1/25)	Annualized Monthly Bill with GMR, Year One	\$ Change	% Change
Consumption Level				
2,500,000 kWh and 4,500 kW	\$209,531	\$209,630	\$99.56	0.05%
3,700,000 kWh and 6,200 kW	\$294,460	\$294,560	\$99.56	0.03%
5,000,000 kWh and 8,300 kW	\$390,964	\$391,063	\$99.56	0.03%

**35B Large Power (3MW) TOD pilot**

	Annualized Monthly Bill (7/1/25)	Annualized Monthly Bill with GMR, Year One	\$ Change	% Change
Consumption Level				
2,500,000 kWh and 4,500 kW	\$209,370	\$209,469	\$99.56	0.05%
3,700,000 kWh and 6,200 kW	\$294,222	\$294,321	\$99.56	0.03%
5,000,000 kWh and 8,300 kW	\$390,642	\$390,741	\$99.56	0.03%

**36B Special Service Rate - Renewable Energy Resources**

	Annualized Monthly Bill (7/1/25)	Annualized Monthly Bill with GMR, Year One	\$ Change	% Change
Consumption Level				
40,000,000 kWh and 61,000 kW	\$2,424,660	\$2,424,721	\$60.99	0.003%
67,000,000 kWh and 102,000 kW	\$4,045,220	\$4,045,281	\$60.99	0.002%
93,000,000 kWh and 145,000 kW	\$5,622,226	\$5,622,287	\$60.99	0.001%

**Lighting rate classes**

	GMR rate per light, Year One (\$/kWh)
Per Light	
6 - Private Area Lights	\$0.02
20 - Streetlighting	\$0.02

TOD Pilot Preliminary Program Evaluation

# PNM Exhibit HMP-5

Is contained in the following 44 pages.

# Time-of-Day Pilot Program Evaluation

**Date:** May 23, 2025





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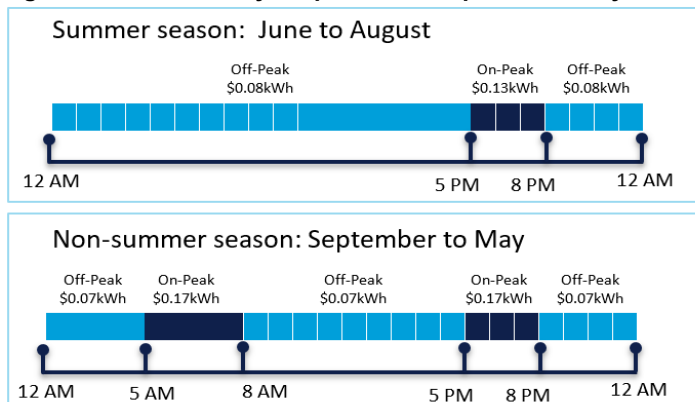
# 1 EXECUTIVE SUMMARY



The Public Service Company of New Mexico (PNM) has contracted with DNV to evaluate its experimental rate option, the [Time-of-Day Rate](#)<sup>1</sup> (TOD). This is an opt-in pilot program designed for time-of-day electric rates. This report marks the first in a series of annual evaluations focused on load impact, bill impact, and measurement and verification (EM&V) for the TOD Schedule 1B experimental rate option. In January 2024, the New Mexico Public Regulation Commission (Commission) approved the pilot program (Case No. 22-00270-UT), which was launched in February 2024 for up to 7,500 customers with Advanced Metering Infrastructure (AMI).

The TOD rate operates in two seasons: summer from June to August, which has one on-peak period from 5 PM to 8 PM, and non-summer from September to May, which has two on-peak periods from 5 AM to 8 AM and 5 PM to 8 PM, as shown in Figure 1-1 for the PNM TOD weekday schedule.

**Figure 1-1. Time-of-Day off-peak and on-peak hours by season**



According to PNM's commission filing, the utility proposed this new pricing structure to better align with the increased adoption of renewable resources within its system, including solar energy and energy storage. The new rate design reflects the intermittent nature of these resources, and the TOD pilot program aims to incentivize customers to shift their energy use away from peak demand periods.

PNM initiated a mass market strategy to promote the installation of AMI meters, which is a condition for TOD program participation. The program will continue indefinitely until a full-scale implementation is proposed and approved. As of this report, 722 of the 7,500 AMI meters have been installed and assigned to the experimental treatment or control group.

DNV's EM&V report presents findings on customer load shifting, bill impacts, cost effectiveness, and how customers respond to the rate. These insights aim to inform PNM and its stakeholders, guiding public policy decisions regarding time-of-use pricing structures for residential and small commercial customers.

<sup>1</sup> Time-of-use (TOU) rates are an electricity pricing system where the cost per kilowatt-hour varies based on the time of day, with higher prices during peak hours and lower prices during off-peak times. <https://www.pnm.com/documents/28767612/28775078/1B+Residential+Service+Time+of+Use+Rate.pdf/c0a2ac21-d395-6d40-e421-7c49383e6dc6?t=1706050347082>



## 1.1 TOD pilot overview and research questions

The goal of the TOD pilot is to encourage and incentivize customers to shift their energy use away from peak demand periods. The program includes all rate class schedules except for Schedule 36B, Residential 1A-WHEV, and lighting rate classes. This means that nearly all PNM customers, from residential users to some of the largest industrial customers, are eligible to participate. The evaluation objectives specified in the Commission order (Case No. 22-00270-UT) concentrate on four key research questions:

- What are the demand and energy metrics for TOD by rate class and sector?
- What are the customer bill impacts associated with TOD rate?
- How do customers respond to the TOD rate?
- What is the cost-effectiveness of the TOD rate?

## 1.2 Methodology overview

The full impact analysis and process evaluation's primary focus is on the residential rate class (Rate Class 1A). The evaluation included the following elements and analyses.

Evaluation element	Analysis Methods
<b>Treatment group and control group</b>	The study included a treatment and control group. A randomly selected subset of customers who opted for an AMI meter were placed on the TOD rate, creating a "treatment group." The control, (or comparison group) consists of customers who have AMI but were not randomly selected for the treatment group. The control group will be reassigned to the treatment group after 12 months. Both the treatment and control group receive a Home Energy Report that gives them information on their energy use.
<b>Data included in the impact analysis</b>	As of December 2024, a total of 722 AMI meters had been installed, with 322 assigned to the treatment group, with the remainder assigned to the control group.
<b>Data included in the process analysis</b>	At the time the survey was fielded, 189 customers were determined to be eligible for the survey and were invited to participate; in total 60 engaged in the survey. Eligibility was limited to customers who had been on the rate for at least 90 days and received the Home Energy Report.
<b>Model selection</b>	The study uses individual customer regression models.
<b>Rate class segmentation</b>	<p>The results were segmented by: Residential rate class (rate class 1A).</p> <p>Specific residential customer subsets of interest include standard customers, distributed energy resource (DER) customers, low to moderate income (LMI) customers, customers with electric vehicles (EVs), and customers in different geographical areas.</p> <p>Other rate classes of interest, used for informational purposes in a non-causal pre/post comparison, include: Small Power (2), General Power (3), Large Power (4), Mining (5), Irrigation (10), Water and Sewage (11), University (15), Large Service (30), Station Power (33), and Large Service (35).</p>



## **1.3 Key impact findings**



## 1.4 Key process findings

### The TOD initiative empowers customers and leads to energy and cost savings.

The TOD initiative empowers customers to make informed choices on when to use electricity, leading to energy and cost savings. Participants recounted positive experiences with the program, suggesting that their engagement resulted in tangible savings and/or aligned with existing consumption patterns. Furthermore, the level of effort to save comes with ease for more than half (57%) the participants found it easy to save money on the TOD plan with “minimal” or “no effort”.

### Majority of households self-report they shift energy-intensive activities to off-peak hours.

Time-of-use (TOU) rates are designed not only to encourage shifts in consumption from one period to another but can also lead to an overall conservation reduction effect in energy consumption. Nearly two-thirds of household respondents self-reported that they were shifting their energy use to off-peak hours, and nearly half (47%) of respondents actively monitor their energy consumption. Participants report making these changes through behavior or technology adjustments. Many customers move energy-intensive activities, like HVAC, laundry and cooking, to off-peak times.

*"This is an excellent program, and one which I have recommended to many friends and neighbors."*

—Participant



### Customer bill protection and opt-out provide customer safeguards.

The program's design includes critical elements such as bill protection and opt-out flexibility, which protect customers from potential financial strain. Participants who faced increased costs had the option to leave the program, which has been critical to customer acceptance and participation. At the time of this report 11% of the customers had opted-out of the program. The program opt-out trends generally show customers will opt-out before bill protection ends rather than immediately or shortly after.

### Dwelling characteristics show an overrepresentation of single-family homes with high prevalence of natural gas.

The program's opt-in design requires AMI infrastructure. Data indicates an overrepresentation of single-family homes in comparison to the state average, which may stem from joint decision-making between tenants and property owners who would need to coordinate, complicating AMI installations. Additionally, the high percentage of natural gas appliances in those homes' limits customer load-shifting capabilities particularly during the winter heating months.

High prevalence of gas appliances: Participants exhibit a higher reliance on gas appliances compared to statewide averages which limits the effectiveness of the TOD program in winter months. Gas appliance rates included 78% water heating, 65% gas heat, 63% cooking, and 20% clothes dryer.

### Demographic profile of participants reveals a lifestyle that fits well with load shifting but low value proposition for families and full-time workers.

The level of effort to save comes with ease for more than half of the participants, which is not surprising given many participants are stay at home seniors. The demographic profile of the participants reveals a population that currently fits well



with load shifting: a predominantly senior population (58% aged 65 and older and 72% over 55), with a significant majority retired or working from home (49% of participants are retired, unemployed, or disabled, while 34% are full-time employees), characterized by high educational attainment (75%) and income levels, and 92% living in two-adult households without children. Based on the opt-in design and demographic profile of the program, we infer the program may struggle to provide a compelling value proposition for full-time, daytime employees, whose energy use peaks during home hours, making it challenging to shift consumption to off-peak times.

#### **Opt-out relatively low during the bill protection period.**

To date, departures from the program were at 11% thus customers have largely remained loyal to the program.

#### **Customers generally have a solid understanding of the program's key elements, including TOD hours and bill protection, while knowledge of the TOD weekly schedule shows improvements are underway.**

Participants' understanding of program features reveals, with early feedback, that some are still in the learning process for key elements of the pilot program. The study employed multiple-choice questions, which included distractors (incorrect answers) alongside the correct options, to evaluate customers' understanding of the Time-of-Use (TOU) days of the week and peak times of the day.

**Weekday schedule showed awareness is low but cause for concern is modest given impact data results and continuous program improvements.** Knowledge gaps were most significant on the TOD weekday schedule; only 37% correctly identified in the survey that the TOD rates apply on weekdays (Mon-Fri) and not weekends or holidays. Therefore, continuous messaging is essential for fostering a deeper understanding and engagement with the program schedule. Early program feedback was delivered to PNM and customer communications are already being observed on the program website that clearly identifies when the TOD rate is in effect.

**Hourly schedule awareness is high.** Using the same methodology, we tested respondent knowledge on the three separate seasonal *hourly* peak periods, two of which occur in non-summer (an AM and a PM) and one in summer (PM). Respondents demonstrated a relatively good understanding, with 70%, 77%, and 82% awareness. This is a great foundation for further educational outreach. Attention should be placed on the non-summer AM hours, the schedule for which only 70% recognized—the most notable knowledge gap.

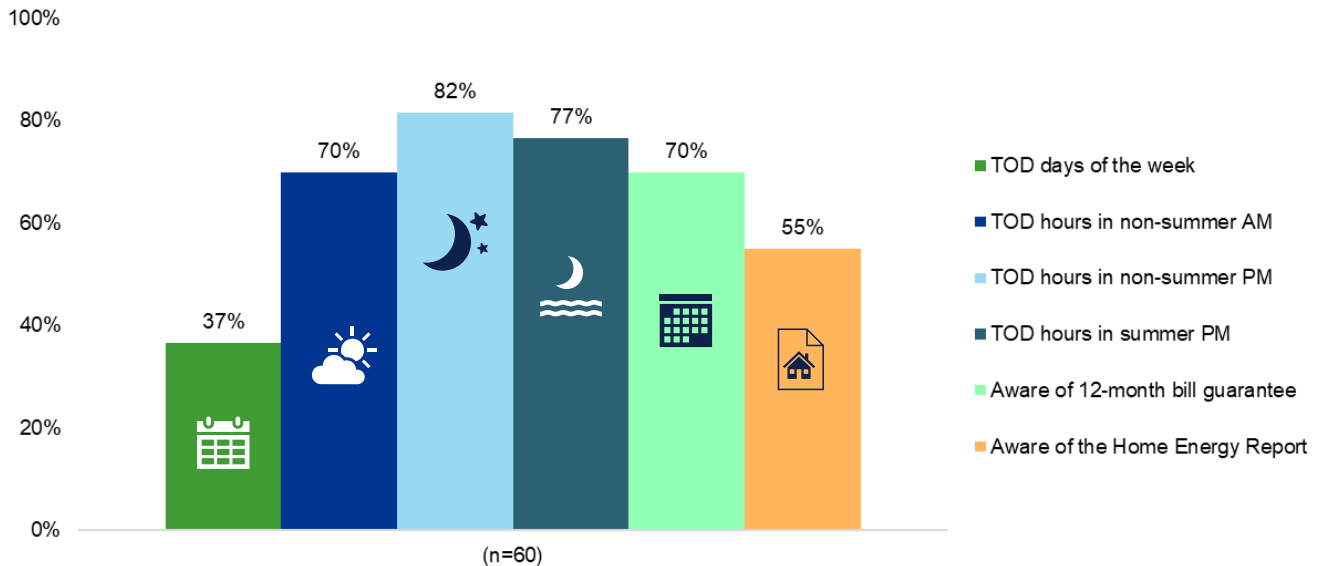
**Bill protection awareness is high.** We also separately assessed customers' awareness of the 12-month bill protection feature. Awareness was relatively strong, with 70% of participants aware of the guarantee. To address the knowledge gap, the program should continue messaging, particularly as customers' protection period comes to an end.

#### **Utilization of the Home Energy Reports is lower than expected, highlighting the need for enhanced delivery and visibility channels.**

DNV separately assessed customers' awareness of the monthly Home Energy Report and found awareness to be relatively low (55%), pointing to the need to enhance delivery and visibility. Among those who were aware of the report, the findings were relatively favorable, with 61% rating the report as "very useful", and 33% rating it as "somewhat" useful. Ongoing customer feedback about the report will be important to ensure it benefits participants.



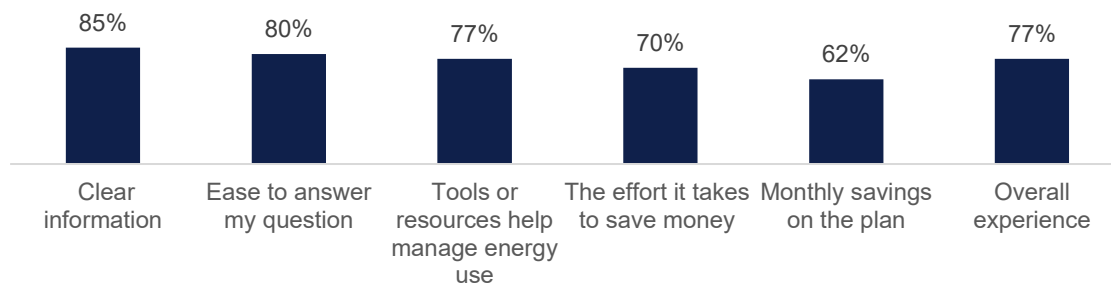
**Figure 1-2. Participant knowledge of core TOD program features**



**Customer satisfaction receives solid ratings from most program features**

Overall satisfaction with the program delivery is high, at approximately 77%. Participants particularly appreciate customer service (80%) and communication clarity (85%). The ease of getting questions answered is rated at 80%, while satisfaction with program tools and resources stands at 77%. However, efforts to save money and monthly savings received the lowest satisfaction scores, at 70% and 60%, respectively. Despite this, most participants feel that their expectations have been met, as reflected in the participant satisfaction scores for various program elements. The results indicate that the majority of participants are either "very satisfied" or "satisfied."

**Figure 1-3. Participant satisfaction with program elements**



**Smart technology adoption is modest and shows significant potential for growth coupled with DSM programs.**

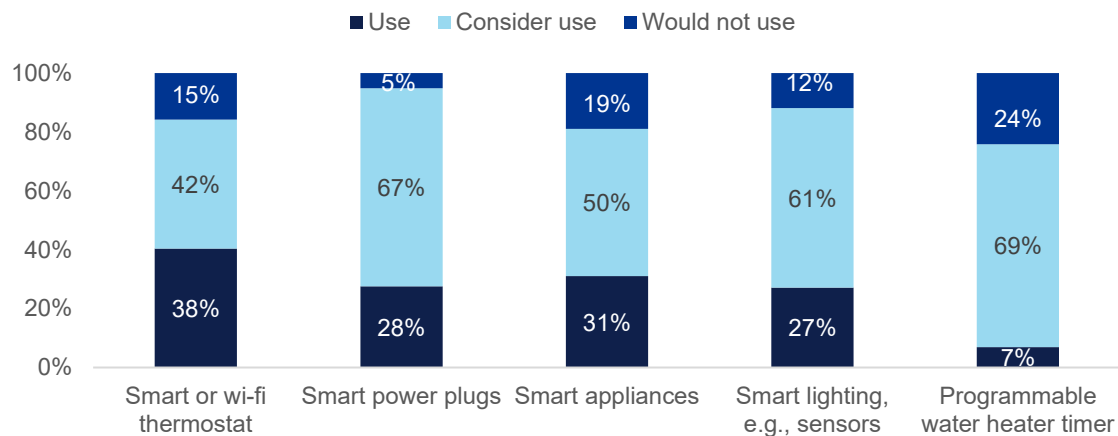


Owners of smart technologies can more effectively manage their energy costs by combining behavioral changes with technological solutions to reduce consumption. Increased adoption of smart devices has the potential to lower energy bills and shift energy usage patterns, rather than focusing solely on energy conservation.

There is currently a strong interest in solutions such as smart thermostats and smart plugs, indicating significant opportunities to promote load-shifting behaviors. The most widely adopted energy-saving measure is the smart or Wi-Fi-enabled thermostat, which is utilized by 38% of respondents and about half (42%) are open to shifting their activities to non-peak hours using these technologies. Participants were also asked about use of other smart and load shifting technologies as shown below.



**Figure 1-4. Participant use of smart technologies to reduce energy use**



## 1.5 Process recommendations and considerations

This section provides program recommendations and considerations from the process evaluation.

### Address misunderstanding of the TOD weekday schedule

Most participants incorrectly identified the TOD weekly schedule. Develop targeted educational initiatives to inform customers that TOU rates apply during weekdays only and not on weekends or holidays, helping them understand load-shifting opportunities better—which should also improve satisfaction as participants can shift less often.



### **Address the low utilization of the Home Energy Report**

With only 55% of respondents using the Home Energy Report, the program should explore why and conduct targeted campaigns or use other communication strategies to increase utilization. Based on respondent feedback, the program should simplify user access (integrate with online bill pay) and provide more granular energy use data. Additionally, we recommend metrics such as email open rates and continuous feedback to ensure the report adds value and meets expectations.

### **Meet the desire for more comprehensive data analytics**

Users mentioned a desire for more comprehensive or near real-time analytics and comparative tools of energy use data. Some customers reported that their expectations for data analytics are unmet. Additionally, consider offering video tutorials for accessing online resources and energy usage data to help improve user knowledge.

### **Promote demand side management programs that incentivize electrification and load shifting measures**

Consider initiatives that promote the adoption of electric appliances, in line with the goals of the TOD program. Currently, around 25% of participants use smart technology, and approximately 50% would consider using such technologies to shift their activities to non-peak hours. Furthermore, more than two-thirds of major appliances are powered by natural gas. Implementing targeted marketing for Demand-Side Management (DSM) programs that offer incentives for adopting electrification measures, embracing smart technologies, or improving energy efficiency can benefit motivated customers and help them save on their bills.

### **Dwelling type points to a need to address joint decision-making barriers**

The underrepresentation of apartments and mobile homes may stem from the need for joint decision-making between tenants and property owners, complicating participation in the TOD program. Addressing the joint-decision participation barrier could foster broader participation.

### **Demographic profile points to a need to address likely low value proposition for working families**

The demographic profile of the participants reveals a lack of diversity (primarily seniors) and likely low value proposition for younger, full-time workers, and/or families as their energy use peaks during evening hours. Develop strategies to engage underrepresented groups, craft messages that resonate with the demographic profile of similar participants and promote the ease load shifting and bill savings.

We also recommend the program collect household dwelling and demographic characteristics to track gaps identified in this report and improve projections of load shifting.





## 1.6 Process evaluation methodology

The success of a TOD rate depends on the ability and willingness of customers to alter their energy use in response to the TOD pricing. TOD rates are an effective and proven method to shift demand, but participant attrition and technological and behavioral barriers to change can hamper the program's success. DNV evaluated how the market is reacting to the TOD rate, to what extent are customers able (or unable) and willing to shift load, and customer attrition.

The process evaluation planned for two types of data collection surveys with the treatment group, the opt-out surveys and the customer acceptance surveys. Data collection targeting the comparison (control) group was not planned because it is not expected to add valuable insight above and beyond what we learn from the two types of participant surveys. The two surveys focused on the following objectives:

- **Opt-out surveys:** This survey assesses the reasons customers chose to revert to a standard rate, excluding natural attrition caused by move-outs or account closures.
- **Customer acceptance surveys:** This survey assesses how well enrolled customers understand the rate schedules, reported changes in behavior or actions they take to shift consumption, satisfaction with the program, perceptions about savings, and what they need to succeed in managing their energy use.

### 1.6.1 Opt-out surveys

Customer attrition occurs naturally, when customers move or become otherwise ineligible, and when they opt out or request reversion to standard rates. Customers' reasons for opting out can provide useful insights concerning barriers to participation or the appeal of alternative rates. During this phase of the study, no data was collected from customer opt-out surveys however the program reported 11% of customers opted out.

### 1.6.2 Customer acceptance surveys

DNV's customer acceptance survey focused on the following main topics:



To address customer acceptance of the rate, DNV conducted primary data collection research from the residential Treatment group (customers on the TOD 1B rate).

- Why do customers enroll and what are their communication preferences?
- How well do participants understand the rate and program features and resources?
- How they adapt to it, end uses shifted in response to the rate?
- How satisfied are customers with the program features and resources?
- What is the level of effort and how does the cost comparison to the previous rate?
- What if any barriers do they encounter in fully utilizing the program?
- What resources are needed to better respond to the rate?
- What are the dwelling and demographic characteristics?

Customer acceptance of TOD rates is based on how much their electricity bills changes and how much effort it takes to realize that change. To take advantage of the rate in the short term, customers must have loads that they *can* shift, understand what to shift and when, and be *willing* to do so. The customer survey will focus on gathering information pertaining to these three preconditions to success.

- Do customers understand when the high and low periods begin and end?
- What is the best way to educate customers about the rate and how to respond to it?
- How satisfied are customers with the rate?
- What is the customer valuation of the effort it takes to make those shifts?
- What, if anything, prevents customers from shifting end-uses?
- What resources would make it easier for customers to respond to the rate?

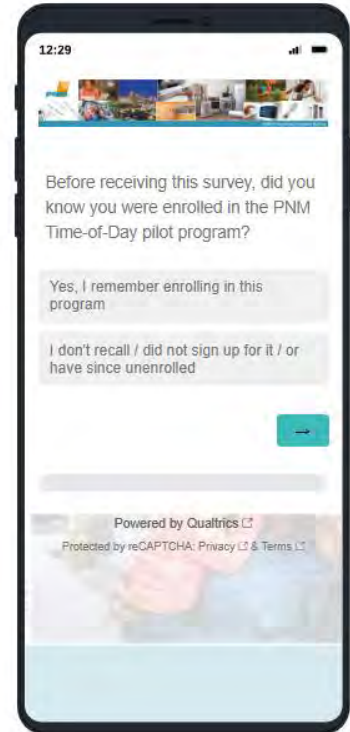
### 1.6.2.1 Customer acceptance survey distribution

The following section outlines the development of the survey, including eligibility criteria, deployment, sampling methods, and survey response rates.

The survey was branded as a PNM-sponsored initiative and was administered by DNV along with our team of consultants. DNV sent out the first wave of post-enrollment surveys in the first quarter of 2025. The survey was open for one month, from January 24 to February 24. TOD participants were invited to participate in the survey if they had been on the rate for at least 90 days. This 90-day cut-off was established to ensure that respondents had sufficient experience with the program and had received their monthly household energy use report.

A second wave of surveys is expected to be conducted in the second quarter of 2025, once the initially recruited participants have completed a full year on the rate. A third and final wave is likely to be administered in the second quarter of 2026 to assess customer acceptance among participants who were recruited later in the pilot.

Our primary data collection method was a survey programmed in Qualtrics. Customers with email addresses received the survey, which redirected them to the website. We aimed to contact each participant a total of three times. To ensure quality, DNV employed a “soft launch” for each survey fielding period. During the soft launch, the survey was sent to a limited number of customers (no more than 10% of the target completes). After a few days in the field, we analyzed the initial results to assess participants’ understanding of the survey questions and to identify any issues with the wording or the survey





delivery infrastructure. Upon resolving any concerns identified during the soft launch, we proceeded to launch the remainder of the survey wave.



## 2 RESULTS

### 2.1 Demand and energy impacts

### 2.2 Process evaluation results

This section presents the results regarding customers' experiences with the TOD rate. The findings are based on respondents who completed the customer acceptance survey. The study aimed to gather feedback from customers who opted out of the program; however, due to a low number of dropouts and coordination with PNM, no surveys were completed for feedback at the time the surveys were conducted.

#### 2.2.1 Survey implementation

This section presents DNV's processes for implementing the participant surveys.

##### 2.2.1.1 Survey sample frame

When the study survey launched in December 2024, 722 AMI meters had been installed, with 322 assigned to the treatment group. From these, 189 individuals were eligible and invited to participate, meeting the criteria that included being in the treatment group, having an email address, and staying on the rate plan for at least 90 days.

The survey was sent initially to 15% of the eligible population, with the remaining 85% receiving it over the course of a month. Our original goal was to target 300 residential customers for process evaluation, anticipating that around half of the installed meters would have been in place for 90 days. We aimed for a 16% response rate, needing 300 completed surveys from 1,875 customers. Due to slower AMI installs, we revised our target to 31 completed surveys and ultimately exceeded this, achieving 60 surveys included in the analysis. Overall, we successfully collected valuable feedback from participants.

##### 2.2.1.2 Sample disposition

Results presented in this evaluation are based on responses from 60 households and are all unweighted. Table 2-1 presents the survey disposition metrics, including the response rate. The survey achieved a 33% response rate and a 99% completion rate. This high response rate demonstrates the effectiveness of the survey distribution methods, which included curated messages, illustrations, and a modest incentive of \$10 to encourage participants to complete the survey in full. Furthermore, the high response rates indicate participants are engaged with the program.

**Table 2-1. Customer acceptance rate – survey response rate**

Population	Started survey	Finished survey	Surveys analyzed	Response rate	Completed survey in full
189	63	62	60	33%	99%



## 2.3 Survey results



In this section, we present the survey results to highlight participants responses to and their overall understanding of key components of the TOD program. The data is organized by the following 10 sections:

- |  |   |  |
|--|---|--|
| 1. Demographics characteristics                | 5. Assessment of the ease of saving energy and the bill impacts       | 7. Satisfaction                              |
| 2. Motivations to join the rate                |   | 8. Barriers to achieving deeper savings      |
| 3. Knowledge and understanding of the TOD rate | 6. Technology and behavior changes are applied to respond to the rate | 9. Participant feedback                      |
| 4. Utilization of resources                    |   | 10. Likelihood of opting out of the TOD rate |

### 2.3.1.1 Dwelling and demographic characteristics

This section outlines the dwelling and demographic characteristics of pilot program participants, comparing their self-reported data to the Census American Community Survey (ACS) and U.S. Energy Information Administration (EIA) when available. Key characteristics include:

- |                     |                     |   |
|---------------------|---------------------|---|
| • Dwelling type     | • Education         | • Adults, seniors, and children in the home |
| • Employment status | • Income            |   |
| • Place of work     | • Age of respondent | • Household gas appliances                  |

The participants exemplify the profile of “early adopters” as described by Roger’s bell curve. An impressive 76% hold a college degree or higher, and 50% report earnings of \$75,000 or more, significantly above the state median of \$62,000. Many of these individuals are retired or work part-time, allowing them greater flexibility for shifting energy usage to off-peak times. Moreover, with a predominant senior demographic—only 7% have children—this group is uniquely positioned to overcome common barriers of teaching multiple household members to curb energy use during peak times.

Furthermore, this group tends to have a reasonable approach to risk. Seventy percent were aware of the 12-month bill guarantee, and 75% of participants are at home during the day as they are retired or work remotely, in hybrid roles, or part-time positions, thus enabling them to shift their energy usage to off-peak times more effectively. In contrast, joining the off-peak rate is likely to present risks for customers who work away from home, which poses a challenge for them in terms of flexibility.



**Dwelling type:** Single-family homes make up the majority of housing types eligible for the TOD rate, accounting for 84%. In contrast, data from the American Community Survey (ACS) indicates that single-family homes in New Mexico represent only 68% of housing types. This means that single-family homes are overrepresented in the TOD rate, while apartments and mobile homes are underrepresented. This underrepresentation may be partly due to split decision-making among tenants and property owners. To successfully implement the current TOD opt-in program, it is essential to address the challenges related to



approvals that require multiple decision-makers. Both tenants and property owners may feel that they lack the authority to install an AMI meter, which is a requirement for participation.

Dwelling type	TOD (n=59)	ACS Survey
Single-family house detached, separate from any other home	69%	65%
Single-family house attached to one or more houses (e.g., duplex, row house, or townhouse)	15%	3%
Apartment or condominium in a building with 5 or more units	7%	14%
Apartment or condominium in a building with 2-4 units	5%	2%
Mobile or manufactured home	3%	16%

**Employment status:** Retired individuals, the unemployed, disabled people, and remote workers have the flexibility to shift their energy use to daytime hours. Retired and “work from home” respondents account for a significant share of all participants in the program with 61% in this group.



Only 34% of the respondents work full-time or less than half work at a job site (as presented in the next table below “place of work”).

Employment status	(n=59)
Retired, unemployed or disabled	49%
Full-time employee	34%
Part-time employee	12%
Prefer not to answer	5%

**Place of work:** Among those who are employed that work in an office or job site, these participants account for 44% of respondents. This group likely experiences the greatest difficulty in shifting energy to off-peak hours.



Place of work:	(n=27)
Work in an office or at a job site	44%
Work from home full-time	30%
Prefer not to answer	11%
Work hybrid, both from home and at an office or job site	11%
Other, please specify:	4%

**Education:** TOD participants are highly educated, with 75% holding a bachelor’s degree or higher. This is in notable contrast to the New Mexico population, where according to the Census, only 30% hold bachelor’s degree or higher<sup>2</sup>.



Education	(n=59)
Master's degree or doctorate	49%
Bachelor's degree	27%
High school diploma	8%
Prefer not to answer	7%
Vocational, trade school, or associate degree	7%
Some high school	2%

<sup>2</sup> Census, QuickFacts New Mexico; <https://www.census.gov/quickfacts/fact/table/NM/EDU635223>



**Income:** Survey data on income is limited, with 27% of respondents declining to share their information. Among those willing, the data indicates that 51% of households earned more than \$75,000 in 2024, despite the majority being retired. The total annual income is higher than the median average of \$62,000 reported by the Census, though it falls slightly below the Census average of \$85,000 mentioned earlier. Additionally, a slight majority at 33% of respondents fall into the high earning category of \$100,000 to \$149,000.



Income 2024	(n=43)
\$24,999 or less	5%
\$25,000 to \$49,999	19%
\$50,000 to \$74,999	26%
\$75,000 to \$99,999	9%
\$100,000 to \$149,999	33%
\$150,000 to \$199,999	2%
\$200,000 or more	7%

**Age of respondents:** Survey data shows that a significant portion of respondents are seniors, with 58% aged 65 and older and 72% are over 55.



Respondent age	(n=59)
65 years and over	58%
55 – 64 years	14%
35 – 44 years	10%
45 – 54 years	8%
25 – 34 years	3%
Under 25	3%
Prefer not to answer	3%

**Household occupants:** Survey data indicates that the most prevalent type of household among respondents is the two-person household. A separate analysis revealed that a significant majority—92%, do not have children. Additionally, 46% of respondents do not live with seniors aged 60 or older, while 22% do not have adults under the age of 60 in their households.



Household occupants	Adults (n=46)	Seniors (60 or older) (n=32)	Children (18 or younger) (n=3)
One person	30%	38%	33%
Two people	92%	56%	67%
Three people	15%	3%	0%
Four or more	7%	3%	0%



**Gas appliances:** The survey data indicates that gas appliances are widely used, with three out of four household end uses having a larger proportion of gas-powered appliances compared to the statewide average sourced from the EIA. Participants in the program have a higher number of gas water heaters, cooking appliances, and clothes dryers. This significant reliance on gas appliances helps protect participants from having to adjust their energy consumption during peak usage times and is likely to reduce the savings the program sees during winter peak.

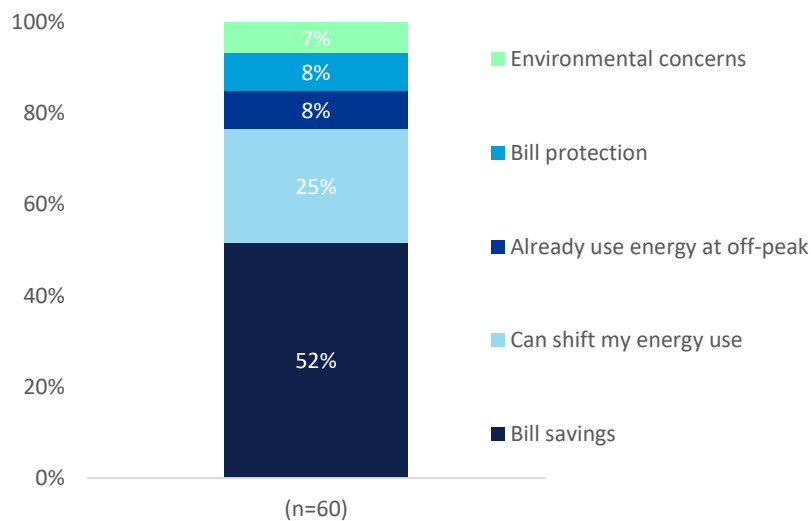
Gas appliances	(n=60)	ACS 2024
Water heater	78%	70%
Heater	65%	76%
Cooking, e.g., stove/oven	63%	50%
Clothes dryer	20%	9%



### 2.3.1.2 Motivation to join the TOD program

The survey identified the main reasons customers chose to join the TOD rate. The primary motivators included practical benefits such as bill savings and the ability to align energy usage with daytime periods. Secondary motivators were environmental benefits, bill protection, and existing habits. Notably, 77% of participants reported that saving money and the flexibility to shift their energy usage were key reasons for joining (Figure 2-1).

**Figure 2-1. Participant motivations for joining the TOD program**

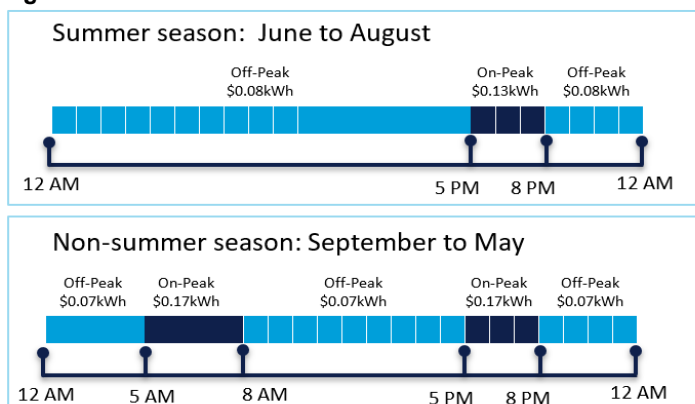


Question: "What was your main reason for enrolling in the Time-of-Day plan?"

### 2.3.1.3 Understanding the TOD program features

The study assessed participants' knowledge of the TOD program's primary features. The TOD program operates under two seasons: summer and non-summer, each with an evening on-peak period as illustrated in Figure 2-2. The non-summer season also has a morning on-peak period. There are no on-peak hours on weekends, and holidays follow the same schedule as the day of the week they occur.

**Figure 2-2. TOD seasonal schedule**







### 2.3.1.4 Summary of participant knowledge of program features

In this section we present a high-level summary of core program features as presented in a single illustration (Figure 2-3). More detailed survey results for each question and discussion follows this section. The DNV survey examined participants' knowledge of these core features, including the days of the week with on-peak hours, the timing of on-peak hours for each season, awareness of the bill protection period, and the monthly energy report delivered after 90 days on the program.

**Knowledge assessment.** Participants' understanding of program features reveals that many are in the learning process for key elements of the pilot program. Therefore, continuous messaging is essential for fostering a deeper understanding and engagement with the program. We recommend that the program aims for a 90% or higher knowledge rate regarding its core features. This goal is nearly achieved by only one feature: identification of peak hours for the current non-summer season. Knowledge of other features ranges from 37% to 82%.

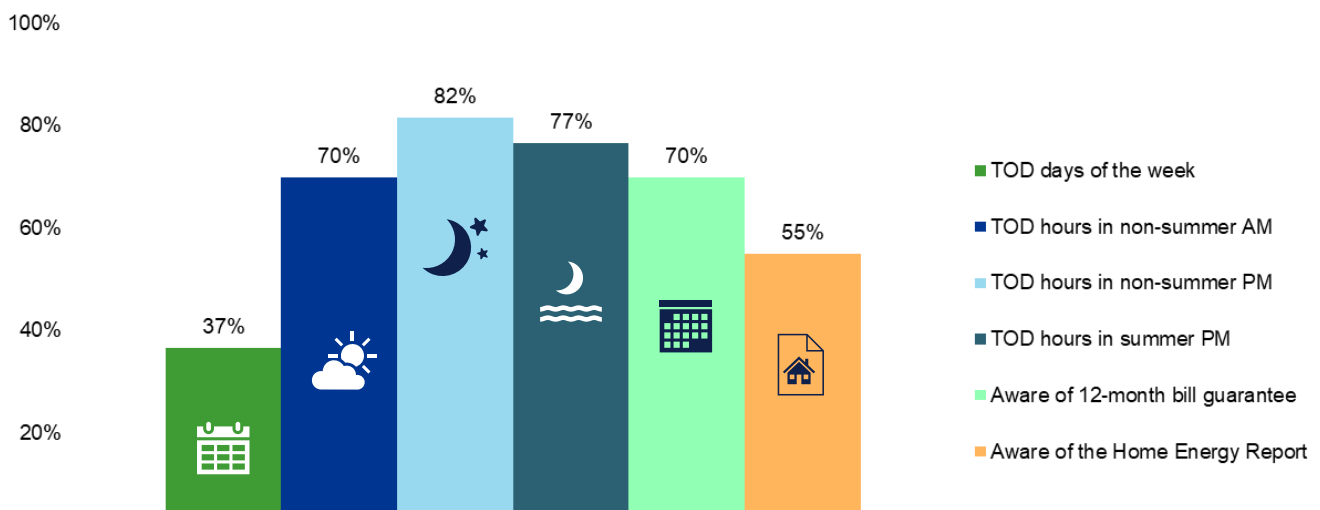
**Peak day weekly schedule knowledge:** The survey asked respondents if they knew the days of the week when electricity costs are the highest (on-peak hours). When presented with multiple options (some of which were not peak hours), only a slight majority of respondents (37%) correctly identified the TOD rates apply on weekdays and not weekends and holidays are not excluded. Additional findings are presented in Figure 2-4. Participant understanding of the TOD days of the week.

**Peak hour knowledge:** The survey asked respondents if they knew the hours of the week when electricity costs are the highest (on-peak hours). Each season includes an evening (PM) on-peak period. When tested with multiple options, a majority of respondents (82%) correctly identified the current non-summer PM on-peak schedule. Additionally, respondents demonstrated a relatively good understanding of the summer PM peak hours, with 77% answering correctly. However, knowledge of the non-summer AM peak was the lowest with 70% responding accurately. Additional findings are presented in Figure 2-5. Participant understanding of the TOD seasonal peak hours.

**Bill protection knowledge:** The study examined participants' knowledge of the 12-month bill guarantee, which is described in the welcome letter and on the program website. When asked about their awareness of the bill guarantee, 70% of respondents indicated they were aware, while 30% were not. It will be important to provide regular communication about the bill protection feature particularly as their p bill guarantee comes to an end.

**Home energy report - recognition and usefulness:** A condition for being selected for the survey was that all participants had been in the program for at least 90 days and should have received the monthly home energy report prepared by PNM's contractor, Bidgely. However, only 55% of respondents reported being aware of or having received the monthly report. It's possible the low level of awareness may stem from respondents not recognizing the emails as a "report" and/or from deliverability issues. Among respondents aware of the reports 61% found them very useful. Additional findings on the home energy report can be found in Figure 2-6. Participant's Home Energy Report.

**Figure 2-3. Participant understanding of core TOD program features**

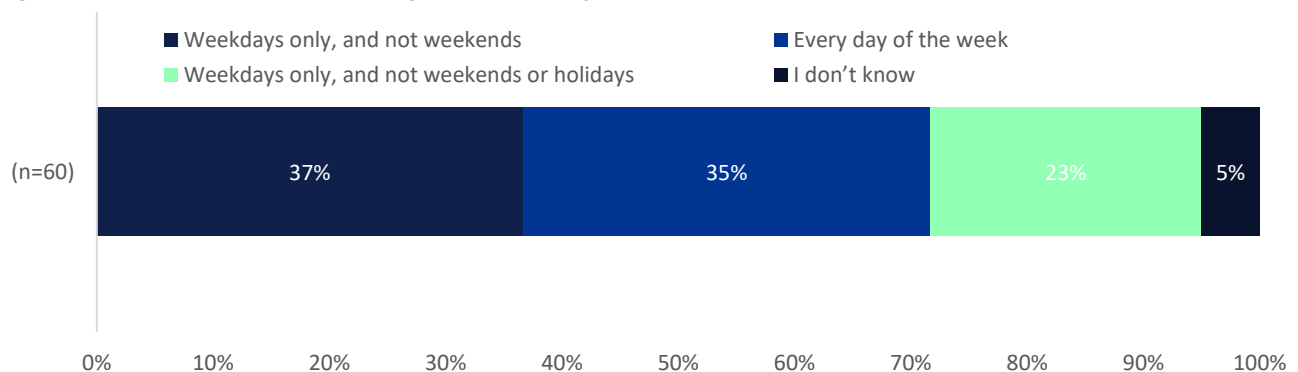




In this section we present detailed findings of the program core program features.

**Peak day schedule knowledge.** The study tested respondents' knowledge of the days of the week when the TOD rates are applicable. The majority, at 95%, had some level of knowledge of the peak day schedule. However, when presented with multiple options, only a slight majority (37%) correctly identified the days of the week that the TOD rates apply. In contrast, 35% mistakenly believed that the TOD rates were in effect every day. Additionally, 23% thought that the rates applied only on weekdays, excluding *weekends and holidays*. This reveals that participants may be shifting their energy usage more frequently than necessary. More frequent communication is recommended to clarify that the rates only apply on weekdays and not on weekends and how holidays are structured.

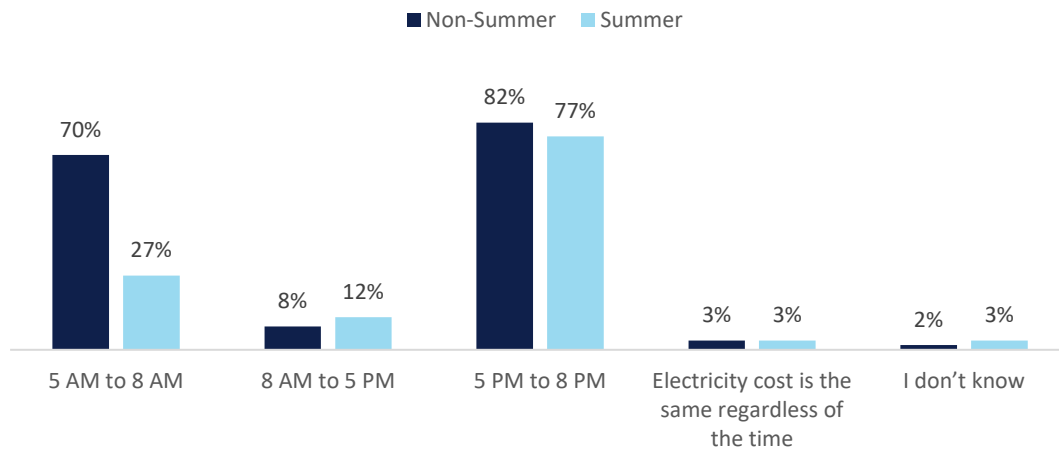
**Figure 2-4. Participant understanding of the TOD days of the week**



**Peak hour schedule knowledge.** The study tested respondents' knowledge of the TOD hours apply. Respondents were asked two separate questions: one focused on non-summer hours and the other on summer hours. The results, depicted in Figure 2-5, highlight the comparisons between these two groups. When presented with multiple choices on when TOD rates apply, most respondents were able to accurately identify the PM on-peak hours, with 82% correct for non-summer and 77% for summer. However, knowledge of the non-summer AM on-peak hours was the lowest, with only 70% of participants indicating they were aware of it. To address the knowledge gap dissemination information in advance of the summer season will benefit participants.



**Figure 2-5. Participant understanding of the TOD seasonal peak hours**



Question: "As a reminder, this plan has two seasons, a "summer" and "non-summer" season. The non-summer months are from September 1st to May 30th. When are the non-summer on-peak hours of the day? Select all that apply. When are the non-summer on-peak hours of the day? "

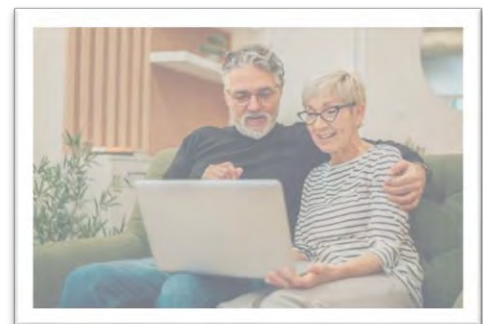
Question: "When are the summer on-peak hours from June 1st to August 31st?"

### 2.3.1.5 Utilization of TOD communication resources

**Home energy report.** Participants must be on the program for at least 90 days and have received the monthly home energy report to be selected for the survey. The home energy report is designed with several features including helping customers compare their bills under the TOD rate versus their previous rate plans. Unfortunately, only 55% of participants in the survey recognized receiving the report (Figure 2-6).

This is a lower-than-expected level of recognition. The program should consider first looking into the open rate of their emails to identify how many participants actually view them. If this trend continues, then additional effort is needed such as communicating through other channels to convey the availability, consider mailing the first report to build the brand, and enhancing report accessibility by providing a link on the customer payment portal.

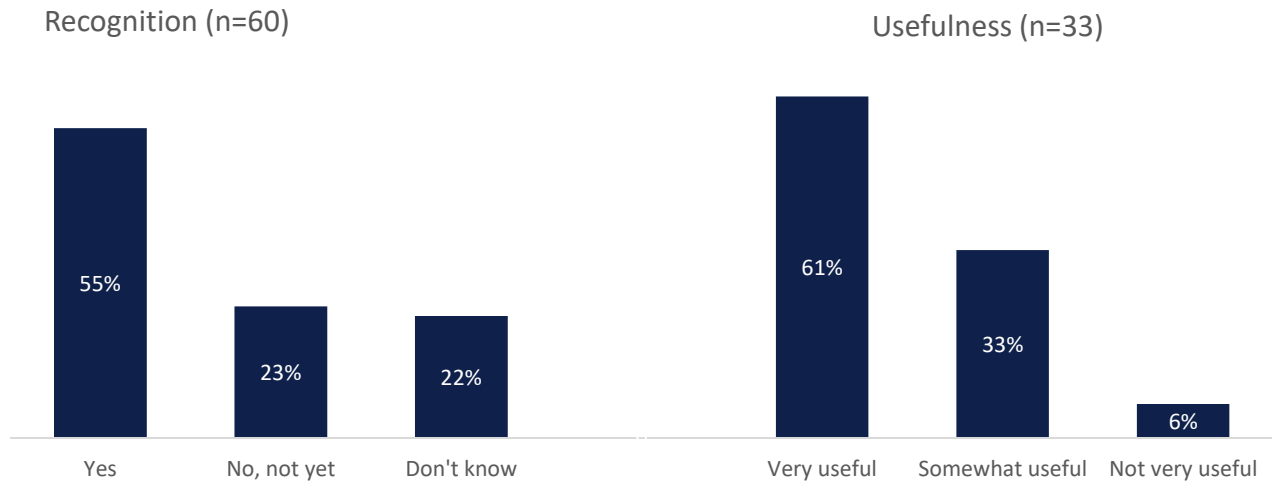
Among those who did know of the report, the findings were favorable with 61% rating the report as very useful, 33% as somewhat useful, and only 6% as not very useful. While overall satisfaction was high, at least one respondent expressed a disconnect on what they expected versus what they received and prefers more granular (hourly) data and other pathways to access the data via the online bill portal.



*"Initial information about the program promised online hourly energy monitoring available via the customer portal. Instead, we receive monthly emails with a buried link that is only valid for a limited time, a permanent link on your customer portal would be more useful." -Plan participant*



**Figure 2-6. Participant's Home Energy Report - recognition and usefulness of the report**

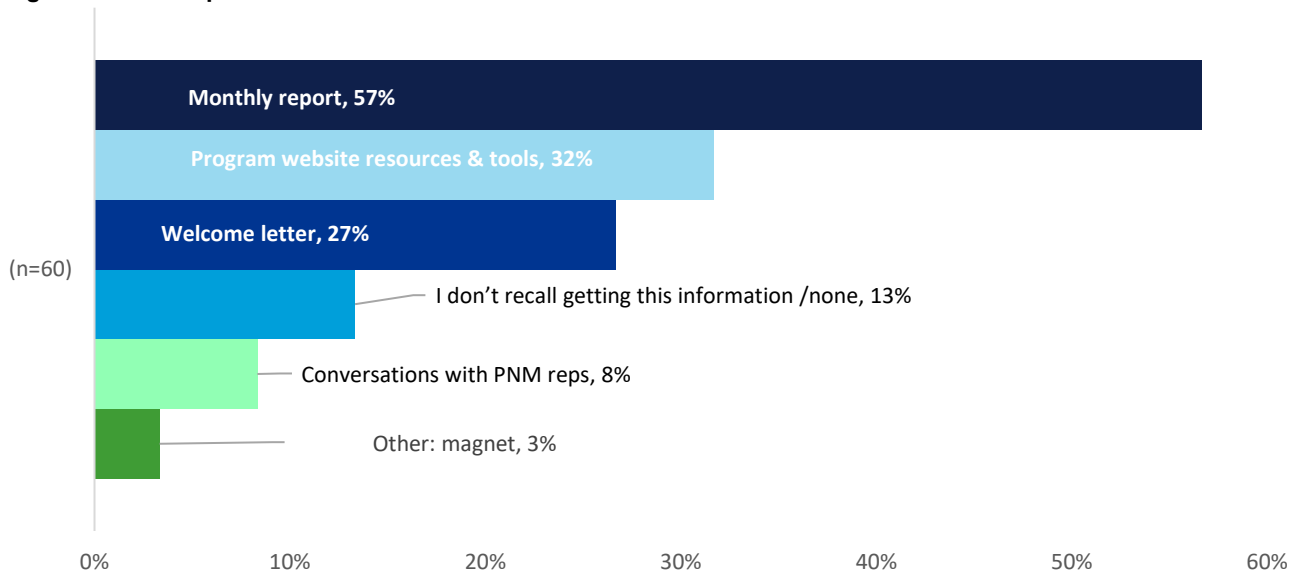


Question: "After 90 days on the plan, PNM will email you a report comparing your monthly usage history to your previous months. Have you received a home energy report?" Question: "Did you find the home energy report useful?"

**Utilization of program resources.** An assessment of TOD program resources indicated varying levels of utilization (Figure 2-7). When asked about the resources used to learn about the TOD program, 57% are reading the monthly report. In comparison, approximately one in three customers (32%) accessed the program website, and 27% referred to the welcome letter. A smaller percentage, 8%, spoke with a PNM representative, while a few (3%) mentioned the informational magnet. Additionally, around 10% of respondents (13%) could not recall any program information or reported that they had not used any of the available resources.



**Figure 2-7. Participant utilization of the TOD resources**

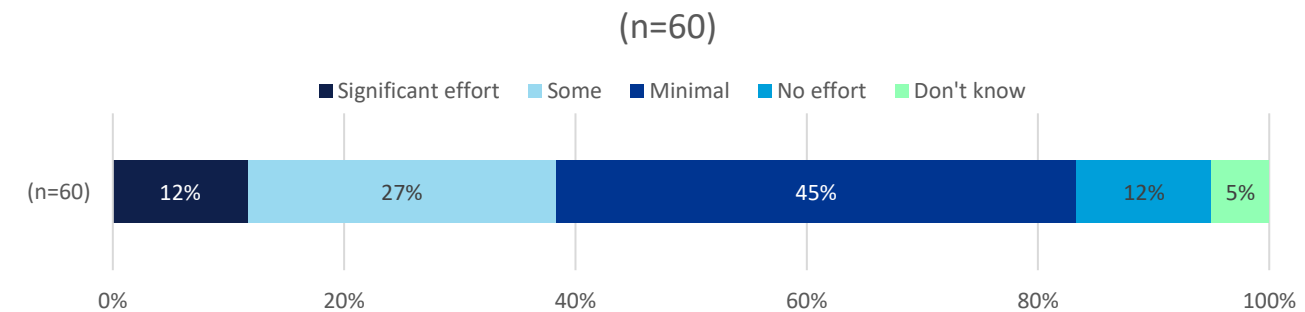


Question: "Which PNM resources do you use to learn about the Time-of-Day program? Select all that apply."

### 2.3.1.6 Self-assessment on ease of saving money and bill impacts

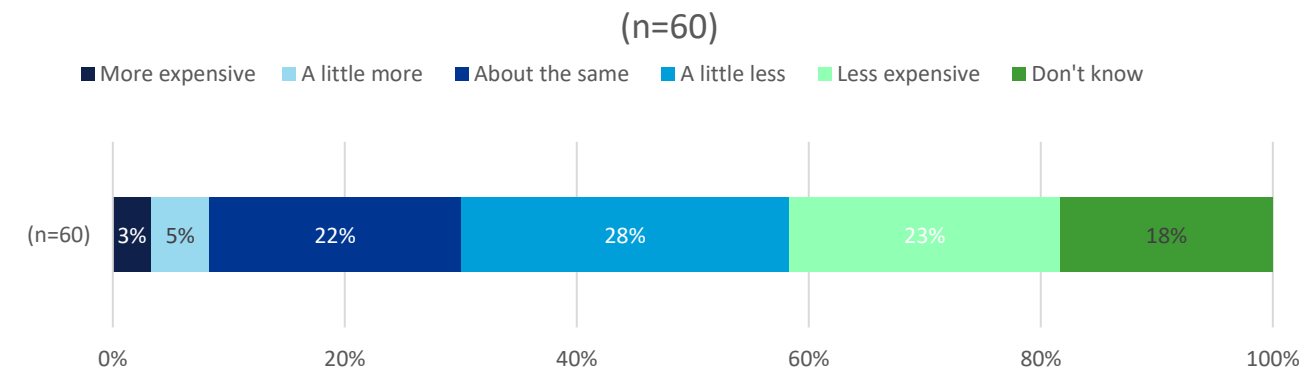
The level of effort to save comes with ease for more than half of the participants, which is not surprising given many stay at home. More than half of the participants (57%) found it easy to save money on the TOD plan with “minimal” or “no effort” (Figure 2-8). However, 39% indicated that saving money required “significant” or “some effort” and 5% were unable to report on saving money based on the level of effort. Examples of those who struggle to save, some mentioned that the program could create a hardship for working families who have no choice but to use electricity during on-peak hours for essential activities like showering and cooking. Another participant noted that despite their efforts to use off-peak electricity, they expected to save more than they are currently saving.

**Figure 2-8. Participant valuation on the ease of saving money**



**More than half observed lower energy bills.** Half (51%) of the participants reported that their energy bills are now less expensive than before enrolling in the plan. In contrast, 28% felt their bills remain about the same, while a notable 18% are uncertain whether they are saving money on the TOD plan. Additionally, 8% reported an increase in their energy bills. Participants with higher bills are more likely to contact PNM and thus it is recommended that PNM proactively target customers by providing personalized messages to alert them of their expected bill amounts, suggesting ways to reduce their energy usage, and offering information on rebates or energy-efficient products that could have a significant impact.

**Figure 2-9. Participant self-assessment on bill impacts compared to their previous plan**



### 2.3.1.7 Participant use of technology and behavior changes

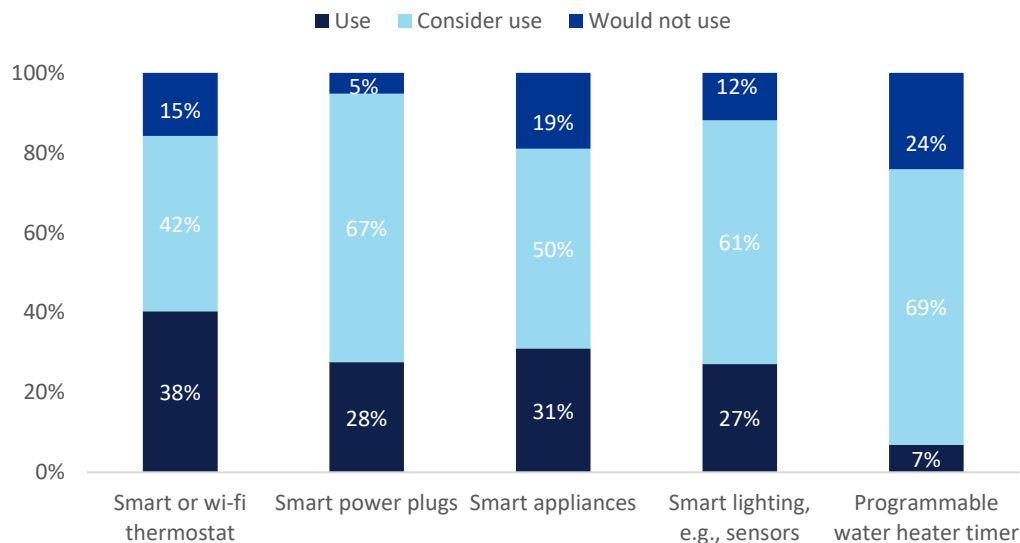
**Smart technology adoption is modest but shows significant potential for growth.** Owners of smart technologies can better manage their rates by combining behavioral changes with technological solutions to reduce energy consumption. Currently, about one in four participants use smart technology, and approximately half would consider using such technologies to shift their activities to non-peak hours. The most common energy-saving measure is the smart or Wi-Fi-enabled thermostat, utilized by 38% of respondents.



Despite low adoption rates, there is a high willingness to consider these technologies, with 58% of respondents expressing interest. Smart power plugs are the most well-received option (67%). To capitalize on this interest, PNM can educate customers about the savings and return on investment, as well as provide information about costs and incentives.

The survey also asked respondents if they 'would not consider using the technology. The results showed that programmable water heater timers were the least popular, with nearly one in four (24%) expressing disinterest. This measure also has the lowest adoption rate (67%) and maybe a burden given the need for a professional installation and possible perceptions on limits to occupant comfort i.e., spontaneous access to hot water. Quantifying the value of these technologies will be crucial for increasing their adoption as well as aligning professional services to address the installation barriers that may exist. The complete range of responses is presented in Figure 2-10.

**Figure 2-10. Participant use of smart technologies to reduce energy use**



Question: "Do you currently use, or would you consider using, the following smart home technologies?"

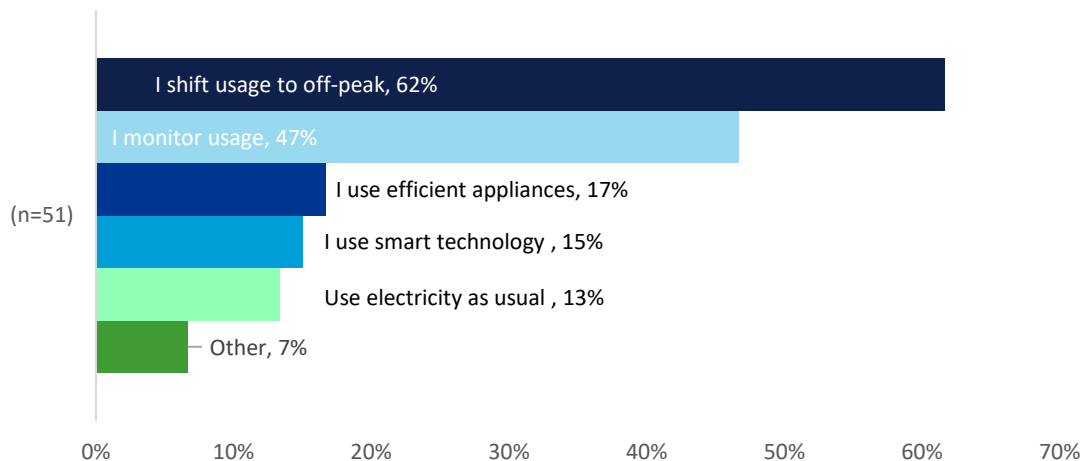
**Nearly 2 in 3 households shift their energy use to off-peak.** Nearly two-thirds of households shift their energy use to off-peak hours. Participants report making these changes through behavior or technology adjustments. Many customers move energy-intensive activities, like laundry and cooking, to off-peak times. Only 13% continue using electricity as they always

have, often referred to as “natural winners.” Additionally, almost half (47%) of respondents actively monitor their energy consumption, and about one in six use efficient appliances and smart technology. These results illustrate proactive customer engagement in responding to on-peak hours.

A full range of responses is presented in Figure 2-11.



**Figure 2-11. Participant self-reported behavior and technology changes to load-shifting**



Question: “Since enrolling in this rate plan, what changes have you made to reduce your energy usage? Select all that apply.”

### 2.3.1.8 Satisfaction with the TOD rate

**Participants are mostly satisfied with program delivery.** The TOD rate structure encourages customers to shift their electricity usage to daytime hours, potentially saving costs while helping PNM manage peak demand. Participant satisfaction data (see Figure 5-6) illustrates satisfaction with program elements and the overall value proposition.

Although the effort to save money and the monthly savings received the lowest satisfaction scores, most participants feel their expectations are met. Approximately two-thirds report satisfaction levels of 70% regarding the 'effort required to save energy,' while 62% are satisfied with their monthly savings. However, for the one-third who are less than satisfied, this indicates a disconnect between the program's potential benefits and participants' actual experiences. Addressing this disconnect is crucial for fostering the desired shift in electricity usage and maintaining satisfaction for both current and future participants.

**Overall experience.** satisfaction is at 77% with the overall experience of the TOU rate positively (4 or 5 on a 5-point scale). Other features were rated as follows:

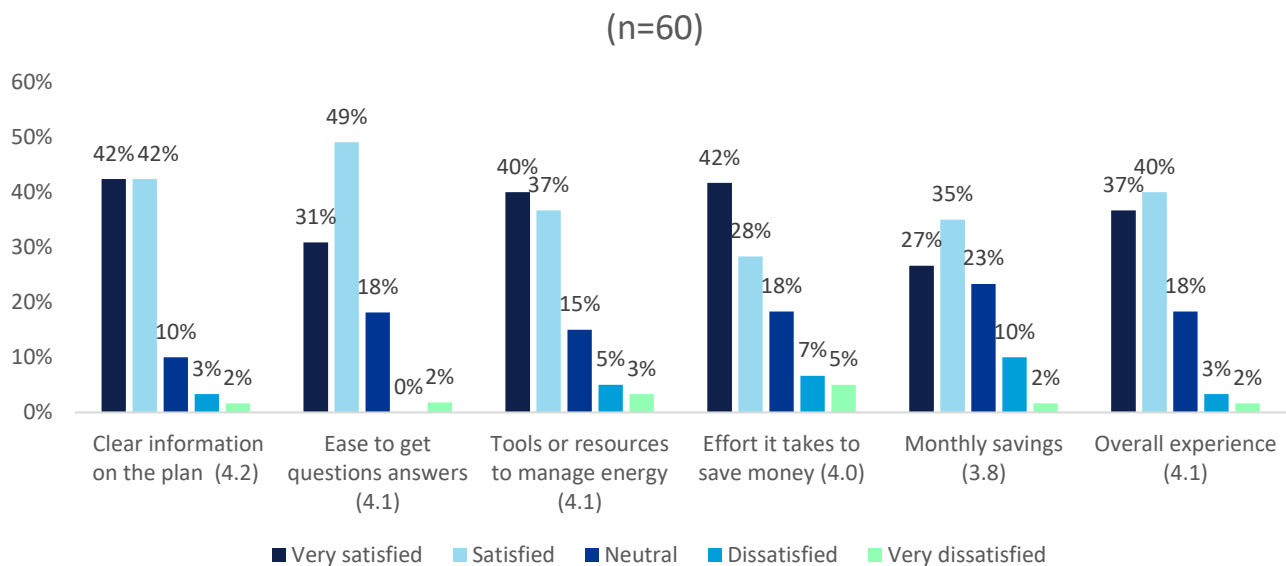


**Program tools and resources**, satisfaction is at 77% with the tools provided to manage energy use, but this suggests that one in four customers still find these resources insufficient or unhelpful. Open-ended comments indicate that easier access to the home energy reports, and overall utilization of the reports may boost satisfaction ratings.

**Customer service** satisfaction is at 80%, particularly with the 'ease to get questions answered,' indicating that customers are receiving the responsiveness and support they desire.

**Clarity of communication** is rated highly, with 84% of participants satisfied with the clarity of program communications, highlighting that information is mostly effective and accessible.

**Figure 2-12. Participant satisfaction with program delivery**

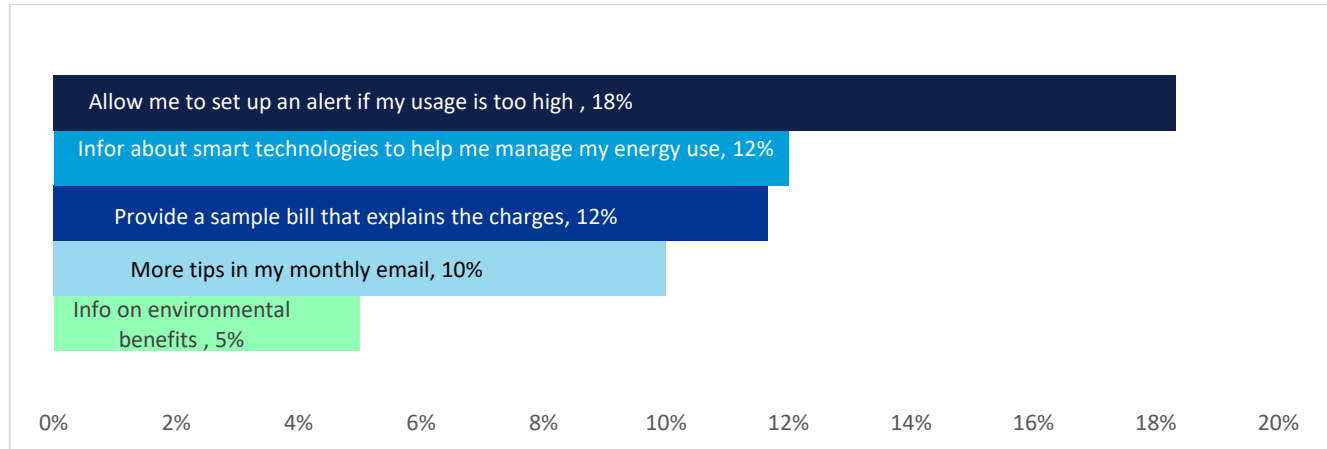


Question: "Please rate your satisfaction with the following aspects of the Time-of-Day rate plan."

**Limited concerns were expressed by respondents who were less than satisfied with the program delivery.** When asked how their concerns could be addressed, the majority suggested allowing them to set up a warning if their usage is too high. Additionally, about 10% of respondents recommended providing information about smart technology (12%), a sample bill that explains the charges (12%) and additional tips (10%) and 5% are interested in the environmental impact. Most responses highlight the importance of reminding customers about the resources already available to them or refining existing resources. The complete range of responses can be found in Figure 2-13.



**Figure 2-13. Participant satisfaction recommendations to improve the program**



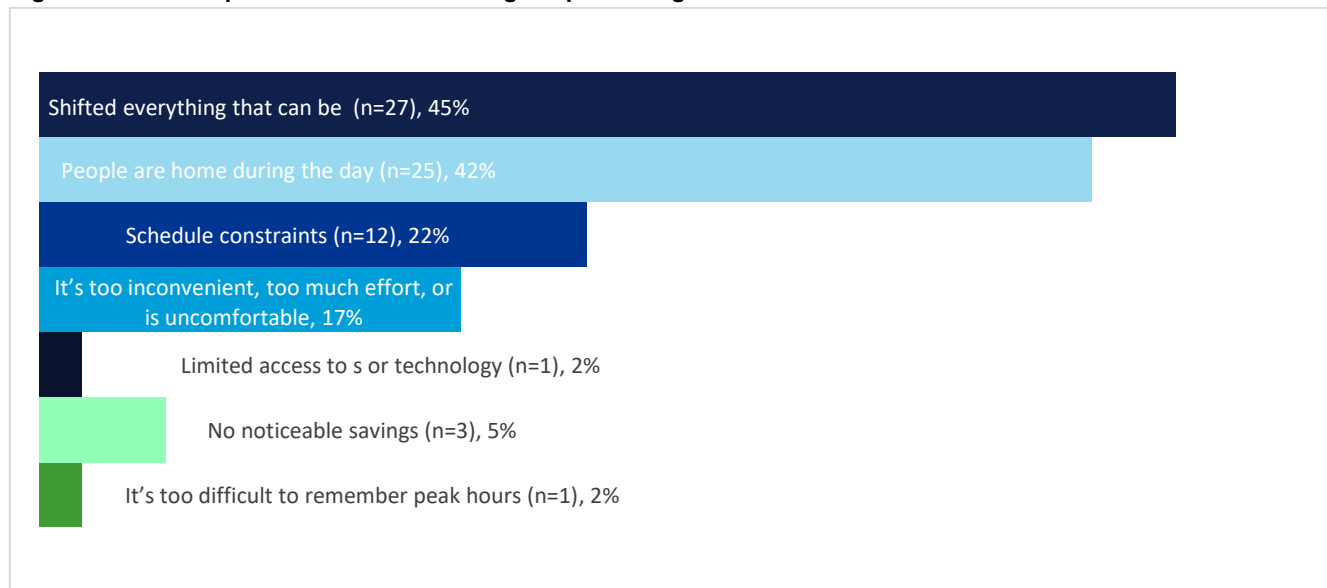
Question: "You said you were less than satisfied with one or more parts of the program. Please let us know how we can improve your satisfaction by choosing from the options below."

### 2.3.1.9 Barriers to achieving deeper savings

In this section we presented participant barriers to achieving deeper energy savings. Changing energy-using behaviors and habits is crucial for reducing electricity bills. However, many participants feel limited in the changes they can implement. The primary barrier to achieving greater savings, reported by 45% of participants, is that they believe they have already 'shifted everything that can be.' This underscores the importance of tailored analytics that break down household energy use, along with detailed energy reports that provide a consumption profile. Such tools can help customers identify additional opportunities for savings, some of which may involve technological automation, like using smart plugs.

Other challenges highlighted by respondents include habits that are hard to change, such as being home during the day, cited by 42%, and schedule constraints, mentioned by 22%. Other reasons were cited less frequently. The complete range of responses is presented in Figure 2-14.

**Figure 2-14. Participant barriers to achieving deeper saving**

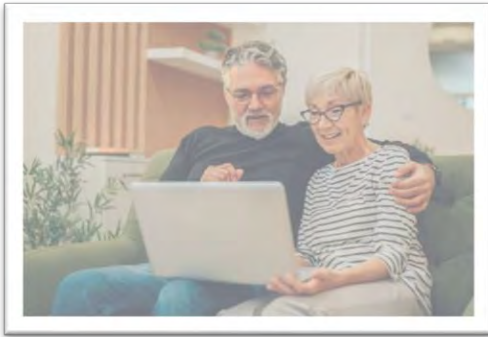


Question: "What, if anything, stops you from reducing energy use during on-peak times? Select all that apply."

### 2.3.1.10 Participant feedback

When given the opportunity to provide additional comments at the end of the survey, respondents provided feedback in the following themes:

**Positive aspects and loyalty to the program:** Many participants appreciate the support and information provided, especially from energy checkup representatives and email updates on energy usage. Recommendations for energy-saving methods have been beneficial for many users. Provided is a collection of open-ended responses that illustrate this theme:



*"This is an excellent program, and one which I have recommended to many friends and neighbors."*

*"I am glad the program was started. I try to do what I can to schedule usage for off peak. I wish the winter morning times would be eliminated or shortened somewhat."*

*"Representative has been very considerate and approachable."*

*"Thank you for this opportunity to save."*

*"Very pleased, always looking forward to electric bill, to see peak usage vs. off-peak usage."*

**Challenges:** Adjusting to off-peak energy usage can be difficult, particularly for working families with limited scheduling flexibility. Some users feel that their experiences do not align with the promised benefits, especially regarding real-time energy monitoring through the customer portal and transparency in energy usage by appliances.

*"I believe that refrigerators and freezers consume much of our monthly energy use and there's nothing we can do to shift their consumption to non-peak hours. The only thing that we could do is replace them for newer models which would cost money and kind of defeats the purpose of saving dollars."*

*"I think this program could create a hardship for working families. Most families do not have any choice but to use electricity to shower, cook, etc. during the on-peak hours. There is one person working in this house and this is the problem we encountered."*

*"Not sure if my bills are less than last year. Seems my bills are still really high even with this program. I am doing my best to save as much energy as possible."*

*"We really try hard to use mostly off-peak electricity, but I expected to save more than I am."*

**Suggestions for technical assistance:** Consider offering tutorials for accessing online resources and real-time energy usage data. Address the concerns of seniors or those who cannot retrofit their systems easily. Explore more transparent and user-friendly ways of presenting energy consumption data.

*"I don't know how to access the portal and real-time usage. I would like a tutorial."*

*"Initial information about the program promised online hourly energy monitoring available via the customer portal. Instead, we get once monthly emails with a buried link that is only valid for a limited time."*

*"In your energy updates, where you tell me how much of my energy costs are being used by various appliances, how do you know that? They aren't smart appliances, so how can you know how much energy is being used by what appliance?"*

*"Need help in setting the thermostat."*

**Desire for more comprehensive analytics, data transparency, and clarity:** These responses highlight the need for better communication and transparency regarding the program's benefits, real-time energy usage data, and personalized support to address individual concerns.

*"The 24/7 available online usage monitoring tools are as initially promised. Waiting for an email is not ideal."*

*"It is difficult to tell how much I am saving in this program since I am still enrolled in the budget billing program."*

*"Better explanation of the program. I thought I would pay a lower rate during the non-peak hours than what I was getting regularly charged. From what I understand now, the off-peak rate is the same rate all PNM customers pay now, and the on peak is significantly higher."*

*"I never received the usage report."*

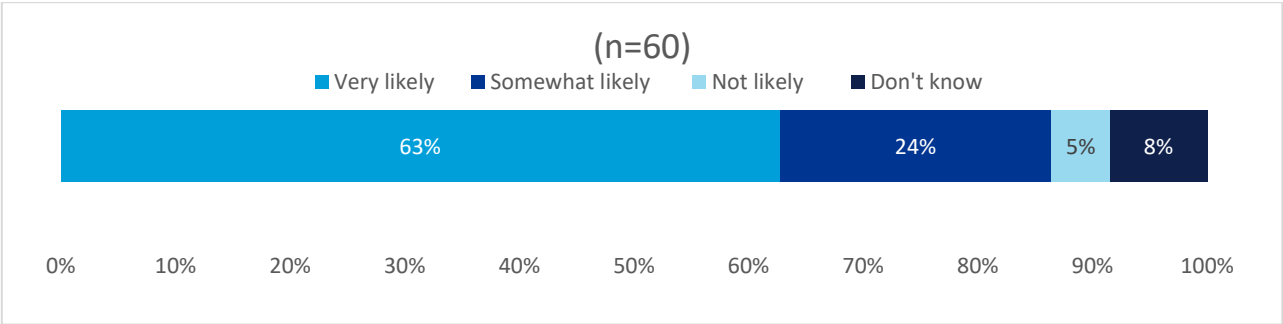
*"One-on-one communication to discuss concerns and questions."*

### 2.3.1.11 Likelihood of opting-out

Customer attrition is a key metric for evaluating the success of a pilot TOU program, as customers can opt-out at any time. Attrition can occur in two ways: natural attrition, when customers become ineligible or move out, and self-selection, when customers opt-out or request reversion to standard rates.

The success of the pilot program depends on customers staying on the plan and voluntarily shifting their consumption. Therefore, self-selection attrition is more informative than natural attrition for understanding customer preferences and reactions to TOD rates. Although the survey was designed to collect responses from participants who opted out, none were captured due to the small population along with few customers who had opt-ed out. However, the study did ask participants how likely they were to stay enrolled beyond one year. The value proposition for the program appears strong, with nearly 63% of respondents likely to stay in the program beyond one year and another 24% somewhat likely. Only 13% intend to exit or are uncertain.

Figure 2-15. Participant likelihood of exiting the TOD program is low



Question: "How likely are you to stay enrolled in the program beyond one year?"

## 3 CONCLUSIONS AND RECOMMENDATIONS

### 3.1 Impact

### 3.2 Process

We prepared the following conclusions and recommendations for the TOD rate based on the process evaluation results.

#### 3.2.1 Conclusions:

**Positive Impact on Energy and Cost Savings:** The TOD initiative effectively empowers customers to shift energy use, resulting in tangible savings and high satisfaction levels, especially among predominantly senior and retired populations.

**Behavioral Shifts and Technology Use:** A significant proportion of households actively shift energy-intensive activities to off-peak hours, aided by behavior and technology adjustments, with smart thermostats being the most adopted device.

**Customer Understanding and Engagement:** While overall satisfaction is high, there are notable knowledge gaps regarding the TOD schedule, especially on weekdays, and lower awareness of the Home Energy Reports, indicating room for improved communication.

**Program Design Effectiveness:** Bill protections and opt-out options are valued and have contributed to sustained participation (only 11% have opted out), though some customers consider the effort-to-savings ratio and program benefits as areas for enhancement.

**Demographic and Dwelling Characteristics:** The participant profile—largely seniors in single-family homes with natural gas appliances—limits load-shifting opportunities, especially during winter months. Furthermore, the focus on this demographic may underrepresent or overlook other customer segments, such as families and renters.

**Limited Smart Technology Adoption:** Adoption remains modest but shows potential to grow, particularly with solutions like smart thermostats and plugs, which can facilitate load management.

#### 3.2.2 Recommendations:

By implementing these strategies, the TOD program can further enhance its effectiveness, customer engagement, and equitable participation across different customer segments.

##### Enhance Educational Outreach:

- Develop targeted campaigns to clarify the TOD schedule, emphasizing that TOU rates apply on weekdays only and weekends/holidays are excluded.
- Increase engagement through multiple channels including digital, in-person, and integrated communication (e.g., during bill payments).

##### Improve Communication and Access to Home Energy Reports:

- Simplify delivery mechanisms—consider integrating reports within online bill pay portals.
- Use multi-channel strategies (email, app notifications) and gather ongoing feedback to tailor content and improve utility.

##### Expand Data Analytics and User Resources:

- Offer more granular, real-time energy data and interactive tools like comparison dashboards.

- Provide tutorials (video or live) to help users interpret and act on their energy data more effectively.

**Promote Load-Shifting and Electrification:**

- Increase marketing and incentives for adopting electrification technologies (e.g., electric appliances, EVs) and smart home devices.
- Highlight the cost-saving potential for working families and other underrepresented groups to expand program appeal.

**Address Participation Barriers in Multi-Family and Rental Housing:**

- Develop strategies for joint decision-making, possibly through landlord-tenant engagement programs or targeted incentives for property owners.

**Broaden Participation Demographics:**

- Tailor messaging to resonate with various customer segments, especially full-time workers and families, emphasizing benefits like ease of use and potential savings.
- Consider outreach campaigns aimed at diverse demographics to foster inclusivity and increase overall program impact.

**Leverage Technology to Increase Adoption:**

- Continue promoting smart technology use, possibly through incentives or educational initiatives, to unlock further load-shifting capabilities.
- Explore additional solutions such as home automation and energy management systems.



## APPENDIX A. RESIDENTIAL CUSTOMER ACCEPTANCE SURVEY

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### Research objectives

Survey link: [https://survey.dnv.com/jfe/preview/previewId/9625bf24-971a-4367-aa26-e367b986725c/SV\\_6LmGWDkz7vx6bNI?Q\\_CHL=preview&Q\\_SurveyVersionID=current](https://survey.dnv.com/jfe/preview/previewId/9625bf24-971a-4367-aa26-e367b986725c/SV_6LmGWDkz7vx6bNI?Q_CHL=preview&Q_SurveyVersionID=current)

1. Understanding the rate	See - Section 4.1
2. Customer communication preferences	See - Section 4.1
3. Customer satisfaction	See - Section 4.2
4. Change in usage due to the rate	See - Section 4.4 and Section 4.5
5. Resources needed to respond to the rate	See - Section 4.6
6. Participation barriers	See - Section 4.6

### Email invite

["PNM Time-of-Day Survey" <donotreply@qemailserver.com>]

**Subject: PNM Time-of-Day Program – We'd love your feedback!**

Dear Valued PNM Customer,

As a participant in the Time-of-Day program, your insights directly influence how our program can better serve customers like you. Please take a moment to provide your feedback. This survey takes 10 minutes to complete.

Your input is greatly appreciated.

**To start the survey, please visit:** [Click here to start the survey](#)

**The reward for participating:** We're pleased to offer a \$10 e-gift card when you complete the survey.

**Your responses are confidential:** We've partnered with DNV Energy (www.dnv.com), a trusted research provider, to ensure your privacy; your information will be combined with responses from other households, ensuring individual data remains anonymous.

If you have any questions or concerns, please don't hesitate to reach out at: [timeofday@pnmresources.com](mailto:timeofday@pnmresources.com).

Thank you for being a valued PNM customer.

Sincerely,

Time-of-Day Program Manager

For more information about the Time-of-Day program, please visit: [PNM Time-of-Day](#)

## Survey Screener



**1. Before receiving this survey, did you know you were enrolled in the PNM Time-of-Day pilot program?**

- a1. Yes, I remember enrolling in this program [Skip to Section 4 Survey Q1]
- a2. I don't recall/did not sign up for it/ or have since unenrolled [Skip to section 5 - Opt-out]

**2. In the Time-of-Day plan, electric prices change based on the day, time, and season. Do you remember enrolling in the Time-of-Day Plan?**

**Tip: Energy costs are more expensive during on-peak hours and cheaper during off-peak hours.**

- a1. Yes [Skip to Section 4 Survey Q1]
- a2. I have since unenrolled [Skip to section 5 - Opt-out]
- a3. No, I don't recall [T&T]

## Survey

### Understanding of the Plan Features

**1. What was your main reason for enrolling in the Time-of-Day plan? [(Choices are in random order.)]**

- a1. An opportunity to save on my electric bills
- a2. A promotion from PNM
- a3. Environmental concerns
- a4. I can shift my energy usage to save money
- a5. The bill guarantee means I won't pay more
- a6. I was already using energy at off-peak times
- a7. Other (please specify): \_\_\_\_\_

**2. On which days of the week do the Time-of-Day hourly rates apply? [(Choices are in random order.)]**

- a1. Every day of the week
- a2. Weekdays only, and not weekends
- a3. Weekdays only, not weekends or holidays
- a4. I don't know

**3. For the next two questions, we want to see how well customers understand this rate plan and when electricity costs are the highest (on-peak hours).**



**As a reminder, this plan has two seasons, a "summer" and "non-summer" season. The non-summer months are from September 1st to May 30th. When are the non-summer on-peak hours of the day? Select all that apply.**

- a1. 5 AM to 8 AM
- a2. 8 AM to 5 PM
- a3. 5 PM to 8 PM
- a4. Electricity cost is the same regardless of the time [exclusive]
- a5. I don't know [exclusive]

**4. When are the summer on-peak hours from June 1st to August 31st? Select all that apply.**

- a1. 5 AM to 8 AM
- a2. 8 AM to 5 PM
- a3. 5 PM to 8 PM
- a4. Electricity cost is the same regardless of the time [exclusive]
- a5. I don't know [exclusive]

**5. Did you know about the 12-month bill guarantee? This guarantee means you won't pay more on your bill than you would have on the previous plan. If you spend more under the plan, PNM will credit you the difference.**

- a1. Yes
- a2. No

**6. After 90 days on the plan, PNM will email you a report comparing your monthly usage history to your previous months. Have you received a home energy report?**

- a1. Yes
- a2. No, not yet [skip to Q10]
- a3. Don't know

**7. Did you find the home energy report useful?**

- a1. Very useful
- a2. Somewhat useful
- a3. Not very useful
- a4. Don't recall



**8. [If Q7a3 = not very useful] What changes can be made to the report to make it more useful? Select all that apply.**

- a1. Make it easier to understand
- a2. Simplify language and pictures
- a3. Compare more data and display it in different ways
- a4. Provide more tips on how to shift energy usage
- a5. Other, please specify:
- a6. Don't know

**9. Which PNM resources do you use to learn about the Time-of-Day program? Select all that apply.**

- a1. Welcome letter
- a2. Monthly home energy report
- a3. Program website resources and tools
- a4. Conversations with PNM representatives
- a5. Other, please specify:
- a6. None of these [Exclusive]
- a7. I don't recall this information [Exclusive]

## Satisfaction and Participant Experience

**10. Please rate how satisfied you are with the Time-of-Day rate plan.**

Very satisfied / Satisfied/ Neutral / Dissatisfied / Very dissatisfied / Don't know/ Not Applicable

- a1. Clear information on how the plan works
- a2. Ease to get answers to my questions
- a3. Tools or resources, like a monthly report, to help manage energy use
- a4. The effort it takes to save money on the plan
- a5. Monthly savings on the plan
- a6. Overall experience with the program

**11. [Ask if any response in Q10.A1 through A7 is < 4] You said you were less than satisfied with one or more parts of the program. Please let us know how we can improve your satisfaction by choosing from the options below. [Choices are randomized]**

- a1. More information about the environmental benefits of this program
- a2. Allow me to set up alerts if my usage is too high
- a3. More tips and recommendations in my monthly email
- a4. Provide a sample bill that explains the charges
- a5. Information about smart technologies to help me manage my energy use
- a6. Reduce the number of on-peak hours
- a7. Other, please explain: [text box]

## Valuation of Plan

**12. How much effort does it take to save money on the Time-of-Day plan?**

- a1. No effort
- a2. Minimal
- a3. Some
- a4. Significant
- a5. Not sure/unable to assess

**13. How does the cost of the Time-of-Day plan compare with your previous plan? The Time-of-Day plan is...**

- a1. Much less expensive
- a2. A little less expensive
- a3. About the same
- a4. A little more expensive
- a5. A lot more expensive
- a6. Don't know

**14. [Show if Q14= a4 or a5] What do you think is causing your higher energy bill? Select all that apply.**

- a1. I use more energy at home than I did before
- a2. My household forgets to shift usage during the on-peak hours
- a3. My household is unable to shift usage during the on-peak hours
- a4. Other reasons, please specify: [text box]
- a5. Don't know [Exclusive]

## Interest in Automating and Scheduling Energy Use

**15. Do you currently use, or would you consider using, the following smart home technologies?**

[1. Use currently, 2. Do not use, 3. Would not use due to cost or other reasons]

- |                               |   |
|-------------------------------|---|
| a1. Smart or wi-fi thermostat | a4. Smart lighting, e.g., occupancy sensors |
| a2. Smart power plugs         | a5. Programmable water heater timer         |
| a3. Smart appliances          |   |

## When You Use Energy

**16. Since joining this rate plan, what changes have you made to reduce your energy usage? Select all that apply.**

- a1. I shift usage to off-peak hours
- a2. I use energy-efficient appliances
- a3. I monitor usage more closely
- a4. I use smart technology that shifts my usage (e.g., smart plugs, lights, appliances)
- a5. Other, please specify: [text box]
- a6. None of these, I continue using electricity as usual [exclusive]

## Barriers to Shifting Energy Use and Additional Feedback

**17. What, if anything, stops you from reducing energy use during on-peak times? Select all that apply. (randomize)**

- a1. People are home during the day
- a2. Schedule constraints
- a3. Limited access to energy-saving devices or smart home technology
- a4. It's too difficult to remember when the peak hours are
- a5. It's too inconvenient, requires too much effort, or is uncomfortable
- a6. I don't see a noticeable savings by shifting
- a7. I have already shifted everything that can be shifted
- a8. Other, please specify: [text box]

**18. How likely are you to stay enrolled in the program beyond one year?**

- a1. Very likely
- a2. Somewhat likely
- a3. Not likely
- a4. Don't know

**19. What parts of the program would you like to learn more about? Select all that apply. (randomize)**



- a1. My savings from this program
- a2. The cost of electricity during peak and off-peak hours
- a3. Reminders on when peak hours apply
- a4. Tips for reducing my energy use
- a5. Integration of solar panels with this program
- a6. Customer support options
- a7. Using the customer portal for real-time usage information
- a8. Technology incentives for shifting usage (e.g., smart thermostats)
- a9. None; I have all the information I need [Exclusive]
- a10. Don't know [Exclusive]
- a11. Other, please specify: [text box]

## Dwelling and Demographics

**This information is collected for internal purposes only and stays confidential. The following questions are used for statistical purposes only and will help us understand each household's energy use.**

### **20. What type of home best describes where you live?**

- a1. Single-family house detached, separate from any other home
- a2. Single-family house, attached to one or more houses (e.g., duplex, row house, or townhouse)
- a3. Apartment or condo in a building with 2-4 units
- a4. Apartment or condo in a building with 5 or more units
- a5. Mobile or manufactured home
- a6. Other, please specify:

### **21. Which appliances in the home use gas or propane as the main fuel source?**

- a1. Water heater
- a2. Heater
- a3. Cooking, e.g., stove/oven
- a4. Clothes dryer
- a5. None of these [exclusive]
- a6. Don't know [exclusive]

### **22. How many people live in your home?**

- a1. Adults in household \_\_\_\_ scale 0 to 8
- a2. Seniors (60 or older) in household \_\_\_\_ scale 0 to 8
- a3. Children (18 or younger) in household \_\_\_\_ scale 0 to 8

### **23. What is your current employment status?**

- a1. Full-time employee
- a2. Part-time employee
- a3. Currently seeking opportunities
- a4. Retired, unemployed or disabled
- a5. Active military
- a6. Student
- a7. Prefer not to answer

### **24. [Show if Q=25 a1 or a2] Where do you work?**



- a1. Work in an office or at a job site
- a2. Work from home full-time
- a3. Work hybrid, from home and at an office or job site
- a4. Other, please specify: [text box]
- a5. Prefer not to answer

**25. What is the highest degree or level of education you have completed? If you currently enrolled in school, please indicate the highest degree you have received.**

- |   |                                  |
|---|----------------------------------|
| a1. Some high school                              | a4. Bachelor's degree            |
| a2. High school diploma                           | a5. Master's degree or doctorate |
| a3. Vocational, trade school, or associate degree | a6. Prefer not to answer         |

**26. What is your age?**

- |                   |                          |
|-------------------|--------------------------|
| a1. Under 25      | a5. 55 – 64 years        |
| a2. 25 – 34 years | a6. 65 years or older    |
| a3. 35 – 44 years | a7. Prefer not to answer |
| a4. 45 – 54 years |                          |

**27. Before taxes, what was the total income for everyone in your household in 2024?**

- |                            |                            |
|----------------------------|----------------------------|
| a1. \$24,999 or less       | a6. \$150,000 to \$199,999 |
| a2. \$25,000 to \$49,999   | a7. \$200,000 or more      |
| a3. \$50,000 to \$74,999   | a8. Prefer not to answer   |
| a4. \$75,000 to \$99,999   |                            |
| a5. \$100,000 to \$149,999 |                            |

**28. Do you have any feedback about your experience with this program?  
If yes, please share your thoughts:**

**29. This concludes our survey. Thank you for your participation. We're offering a \$10 gift card of your choice from Tango an incentive card vendor. Would you like to receive the gift card?**

(See [Tango's Privacy Policy](#))

- a1. Decline gift card offer
- a2. Accept. Enter the email address in the box below where the gift card should be emailed to [text box]

Thank you for taking the time to complete this survey. Your feedback is valuable and will be used to improve the TOD pilot program.

## **Opt-Out Survey**

We understand that you have declined participation in our TOD plan. We kindly request your input to refine this program to benefit all customers.

**1. What was the main reason for leaving the program?**

- a1. It was more expensive
- a2. I could not shift any of my current energy use
- a3. Shifting energy use requires too much effort
- a4. I was unable to participate due to safety, health, or other medical reasons, including specific equipment needs
- a5. I was relocating or closing my account [exclusive]
- a6. Program design does not support my solar and/or battery storage
- a7. Vacation rental cannot control energy use
- a8. Don't know, I didn't make the decision [exclusive]
- a9. Other reasons, please specify:

**2. You may have opted out of the program for more than one reason, what were some of the other reasons why you chose to leave?**

[repeat options in above question]

**3. Would you like to share anything about this program with PNM before we close this survey?**

**4. This concludes our survey, thank you for your participation we offer a \$10 e-gift card of your choice from our vendor Tango. Would you like to receive this card? (See Tango's Privacy Policy)**

- a1. Accept. Enter the email where the Tango gift card should be sent.
- a2. Decline gift card



Thank you for taking the time to complete this survey. Your feedback is valuable and will be used to improve the TOD pilot program.

## Reminder Email invite

["PNM Time-of-Day Survey" <donotreply@qemailserver.com>]

**Subject: Reminder: PNM Time-of-Day Program – We'd love your feedback!**

Dear Valued PNM Customer,

As a participant in the Time-of-Day program, your insights play a crucial role in improving our services for customers like you. Recently, we sent you an invitation to participate in our survey, and we noticed that you have not yet completed it. Your feedback is extremely valuable and helps PNM enhance your experience.

**To start the survey, please visit:** [Click here to start the survey](#)

**Reward for participation:** We are pleased to offer a \$10 e-gift card upon completing the survey.

**Your responses are confidential:** This survey will take 10 minutes to complete. We have partnered with DNV Energy (www.dnv.com), a trusted research provider, to ensure your privacy; your responses will be combined with those from other households, ensuring individual data remains anonymous.

If you have any questions or concerns, please don't hesitate to reach out at: [timeofday@pnmresources.com](mailto:timeofday@pnmresources.com).

Thank you for being a valued PNM customer.

Sincerely,

Time-of-Day Program Manager

For more information about the Time-of-Day program, please visit: [PNM Time-of-Day](#)







## **About DNV**

DNV is an independent assurance and risk management provider, operating in more than 100 countries, with the purpose of safeguarding life, property, and the environment. Whether assessing a new ship design, qualifying technology for a floating wind farm, analyzing sensor data from a gas pipeline or certifying a food company's supply chain, DNV enables its customers and their stakeholders to manage technological and regulatory complexity with confidence. As a trusted voice for many of the world's most successful organizations, we use our broad experience and deep expertise to advance safety and sustainable performance, set industry standards, and inspire and invent solutions.

TOD Impact Analysis Preliminary Results Memo

# PNM Exhibit HMP-6

Is contained in the following 8 pages.



**Memo to:**

Heidi Pitts  
Denine Rothman

**Memo No:**

1

**From:**

DNV Energy Systems

**Date:**

5/23/2025

**Prep. By:**

Daniel Pike, Nathan Caron

**Copied to:**

Pablo Magallanes-Flores  
Nathan Caron  
Amber Watkins

**Public Service of New Mexico's (PNM) Time-of-Day (TOD) Pilot Impact Analysis - Results**

This document provides preliminary results for the TOD Impact Analysis, assessing the effects of the TOD rate on customers and determining how much they are (or aren't) reducing their load during the on-peak periods. This document will also examine the off-peak period, along with the full day, to determine if customers shifted their usage from the on-peak period to the off-peak time frames, or if they primarily reduced their usage during the on-peak period without making up that usage elsewhere.

Based on data availability, this analysis focuses on two periods in 2024:

- Summer – June to August 2024
- Non-Summer – September to December 2024

While the program started at the beginning of 2024, with the first customers enrolled and assigned to treatment and control groups by mid-February, the meter installs took some time to get underway. This results in limited data available for analysis at the beginning of the Non-Summer months in 2024. Data availability was the determining factor in splitting the time frames into the two listed above and not including the program's early months of February-May 2024. A future revision of this first-year analysis (to be included in the first-year evaluation report) may extend the Non-Summer time range out to January 2025 to provide a fuller exploration of impacts at the end of the first year of the program being in place.

In addition to the date range, the analysis considered three customer characteristics. Customers were identified as low-middle income (LMI), net metered, and distributed energy resources (DER). No net-metered customers were enrolled and available to analyze until after the summer months, so there is no breakdown available for that characteristic during that period. Due to this, net metering was not considered as a category in this analysis. Net metering and DER often go together for residential customers, so DER was also not considered. LMI had enough data available for both the TOD rate group and the control group, so this document includes analysis by LMI and non-LMI categories.

This memo focuses primarily on the results of the impact analysis. Methods and background will be provided as part of the final document. Findings are provided for the overall residential group by summer and non-summer time frames. Additional tables/figures broken down by LMI and non-LMI are provided at the end of the memo.

Impact Analysis

Table 1 contains the number of customers with available interval data broken down by season and by LMI grouping. The non-LMI customers make up the majority of the customers in the analysis, covering about 58% by the end of the summer time frame and increasing to about 66% by the end non-summer time frame. The customers with available interval data continued to increase over the span of the first year with meters consistently being rolled out and installed.



Season	LMI Flag	Control	TOD Rate
Non-Summer	No	176	168
	Yes	86	85
	All	262	253
Summer	No	81	64
	Yes	46	45
	All	127	109

Table 1: Customer Counts by Season

Figure 1 illustrates the data availability during 2024, showing how many meters were installed and providing data from June 2024 to December 2024.

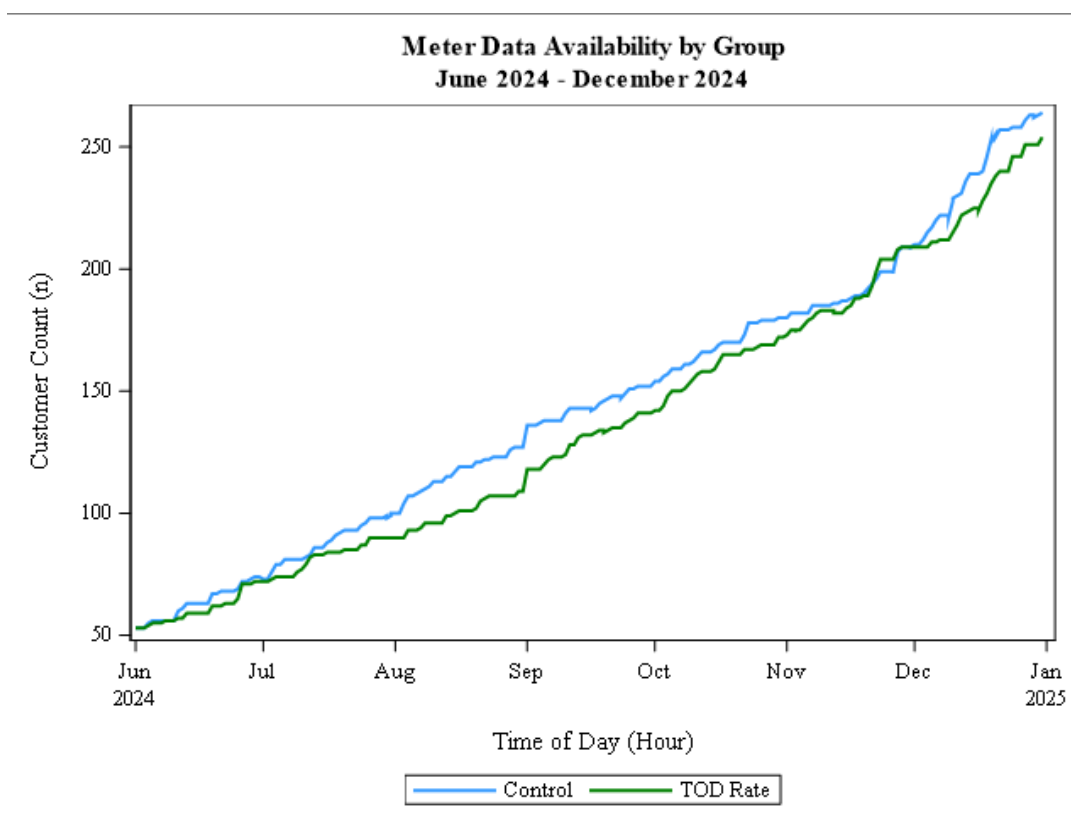


Figure 1: Interval Meter Roll Out

There is a steady increase in both the control group customers and the TOD Rate customers from the start of June through the end of December. The TOD Rate sample increased from approximately 50 customers to just over 250 customers with about an equal mix of meters installed over that time.

Figure 2 displays the average hourly customer demands between the control group and the TOD rate group based on the season. For reference, the on-peak period during the summer months was between 5:00 – 8:00 PM (hour ending 18 – 20) and the non-summer months was between 5:00 – 8:00 AM (hour ending 6 – 8) and 5:00 – 8:00 PM (hour ending 18 – 20).



Page 3 of 8

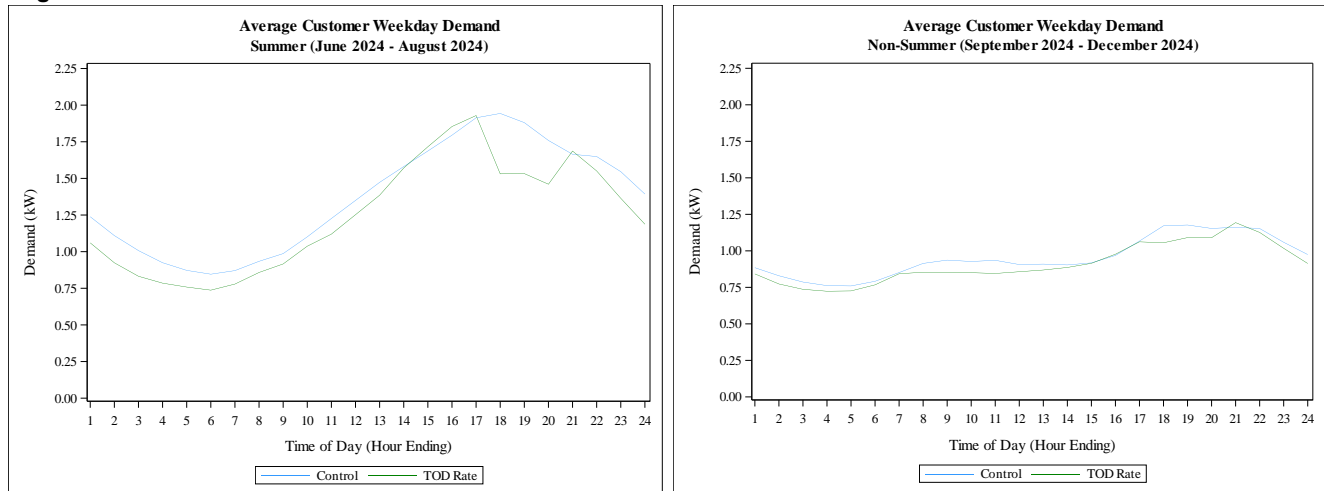


Figure 2: Average Customer Demand by Season

During the summer months, there is a noticeable decline in demand at the beginning of the on-peak period with a very slight build up in demand before the on-peak time frame. The demand continued to be reduced through the 3-hour window. For non-summer, there appears to be a very modest reduction in the morning hours, but it appears to span between 7:00 AM to 10:00 AM, which does not line up with the on-peak morning periods. Like summer, the evening on-peak period continues to show a reduction, albeit not a very strong one. Customers, on average, had higher demands in the summer, which allowed a better opportunity for reduction during those months as compared to the non-summer months. This is likely driven by adjustments made on air conditioners in the home. While there is a slight increase prior to the event during the summer months and a slight increase at the end of the evening on-peak period during the non-summer months, there is no discernible shifting of demand to the off-peak periods. This appears to have been more of a conservation effort by the TOD customers versus a shifting effort.

To quantify the magnitude of these reductions and determine if there was any statistical significance, a regression model was applied to the data. Table 2 contains the results of this model.

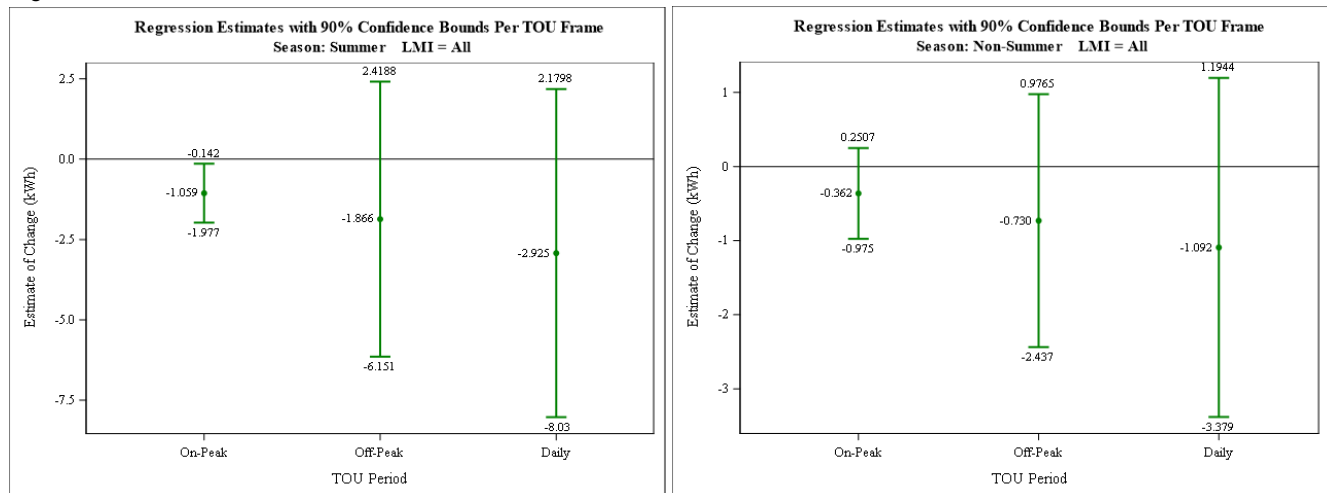
Period	Pre-Treatment Use		DF	Estimate of Change (kWh)			Statistical Significance		
	Daily Use	Monthly Use		Daily Change	Percent Change	Monthly Change	p-Value	Lower Bound	Upper Bound
Summer Residential Customers									
On-Peak (3 Hours)	5.583	111.662	236	-1.059	-19.0%	-21.183	0.058	-1.977	-0.142
Off-Peak (21 Hours)	27.169	543.381		-1.866	-6.9%	-37.319	0.473	-6.151	2.419
Total (24 Hours)	32.752	655.042		-2.925	-8.9%	-58.501	0.345	-8.030	2.180
Non-Summer Residential Customers									
On-Peak (6 Hours)	6.057	121.145	528	-0.362	-6.0%	-7.243	0.331	-0.975	0.251
Off-Peak (18 Hours)	16.817	336.347		-0.730	-4.3%	-14.608	0.481	-2.437	0.977
Total (24 Hours)	22.874	457.489		-1.092	-4.8%	-21.848	0.432	-3.379	1.194

Table 2: Regression Results by Season

The highlighted rows have been deemed not statistically significant at the 90% confidence level. During the summer period, the on-peak period did show a significant reduction in total usage. This was a decrease of approximately 19%. The monthly numbers are obtained by assuming 20 weekdays in a month (4 weeks with 5 weekdays each). While the other periods listed here all appear to show a reduction, no other time frames are statistically significant at the 90% confidence level. This coincides with the results shown in Figure 2.



Figure 3 demonstrates the results shown in Table 2 in a visual manner.



**Figure 3: Regression Plots by Season**

The line graphs show both the point estimate (the center of the line) and their error bounds. The smaller the line, the less variable the data was. The on-peak period is showing less variability, indicating that customers behave more similarly during that time frame. Since the on-peak period in the summer has a negative value on both upper and lower error bounds, this confirms there is a statistically significant reduction in demand for the TOD rate customers during that period. For the off-peak and daily results, there is not enough evidence to say the control group and the TOD rate group are statistically significantly different from one another. The same is true for the two periods and the daily consumption in the non-summer months.

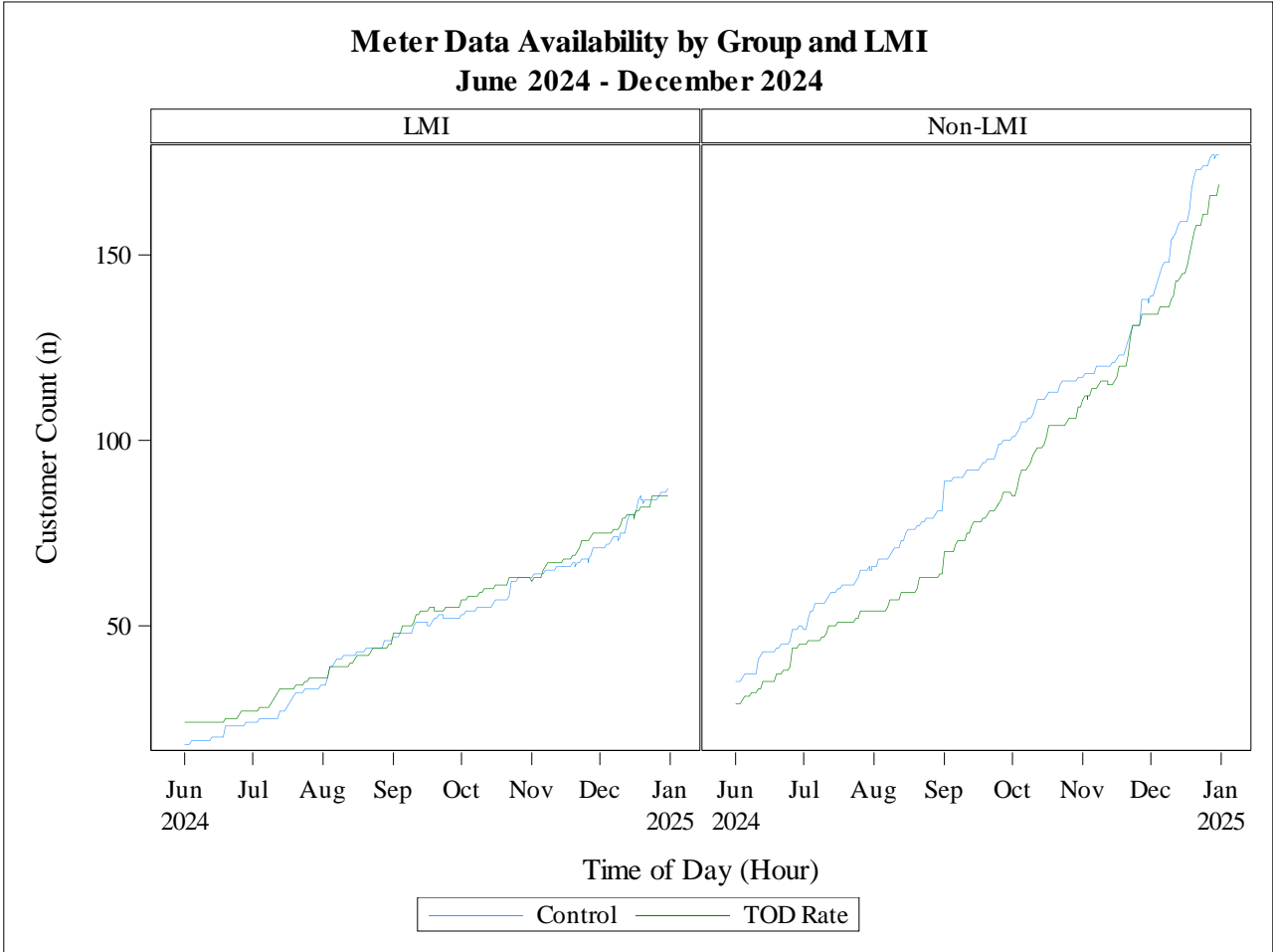
### Conclusion

Enrollment in the TOD rate continues to increase as the program continues, with meters now consistently being installed for new customers as they sign up. The sample size more than doubled by the end of the summer months to the end of December 2024. Overall, the pilot rate appears to successfully induce customers to reduce their usage during the on-peak time frames, with statistically significant decreases in summer months. The rate is not as successful in causing a reduction in load during the non-summer months, although there does appear to be some attempt at reduction during the evening on-peak hours. The customers also appear to reduce their usage in the morning hours of the non-summer months, but not strictly during the on-peak time frame, and not enough for statistical significance in the regression model. In all cases, customers do not appear to shift the load they reduced during the on-peak periods to other times of day, indicating a conservation and not a load-shifting effect.



Appendix

*Meter Installation by LMI Group*



*LMI Customer Results*



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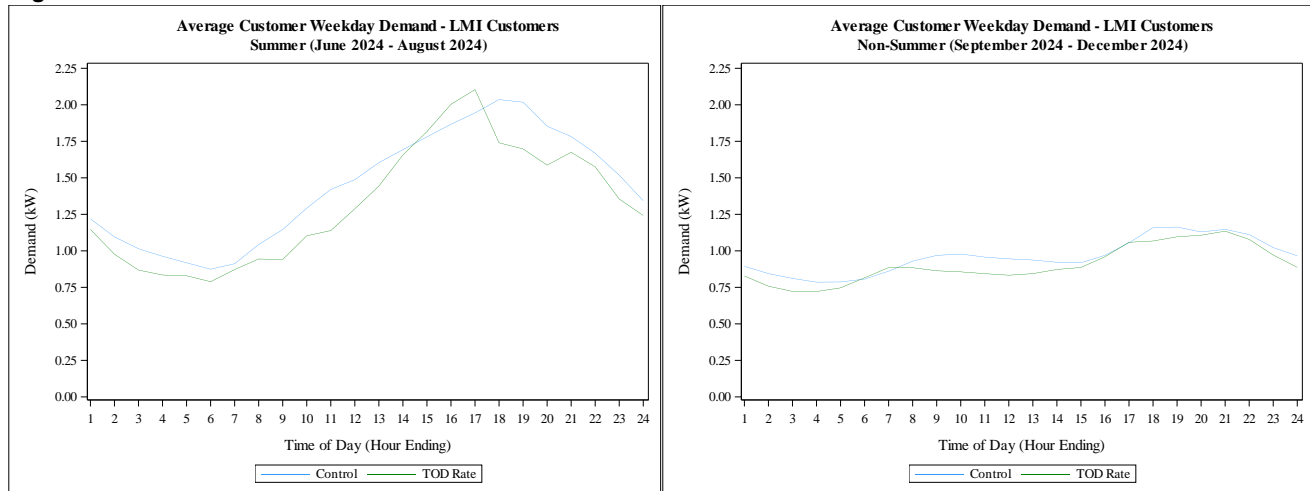


Figure 4: Average Customer Demand by Season – LMI Customers

Period	Pre-Treatment Use		DF	Estimate of Change (kWh)			Statistical Significance		
	Daily Use	Monthly Use		Daily Change	Percent Change	Monthly Change	p-Value	Lower Bound	Upper Bound
Summer LMI Residential Customers									
On-Peak (3 Hours)	5.907	118.141	90	-0.882	-14.9%	-17.645	0.384	-2.557	0.792
Off-Peak (21 Hours)	28.588	571.755		-1.985	-6.9%	-39.707	0.663	-9.523	5.552
Total (24 Hours)	34.495	689.896		-2.868	-8.3%	-57.353	0.599	-11.907	6.171
Non-Summer LMI Residential Customers									
On-Peak (6 Hours)	5.991	119.811	177	-0.135	-2.3%	-2.699	0.816	-1.094	0.824
Off-Peak (18 Hours)	16.897	337.932		-1.033	-6.1%	-20.650	0.537	-3.790	1.725
Total (24 Hours)	22.887	457.735		-1.167	-5.1%	-23.341	0.598	-4.817	2.483

Table 3: Regression Results by Season – LMI Customers

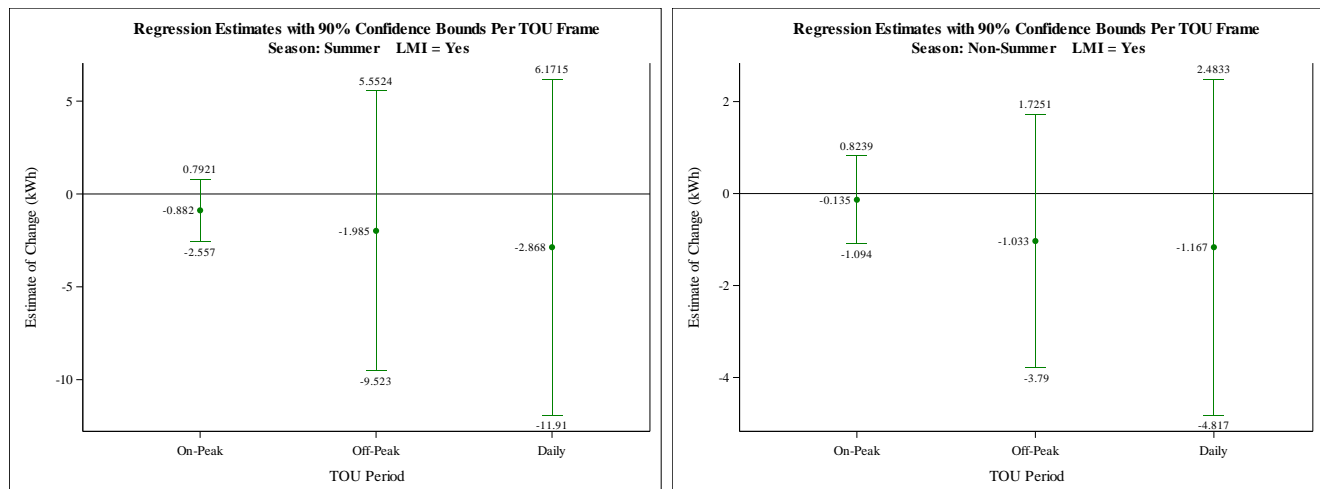


Figure 5: Regression Plots by Season – LMI Customers





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## Non-LMI Customer Results

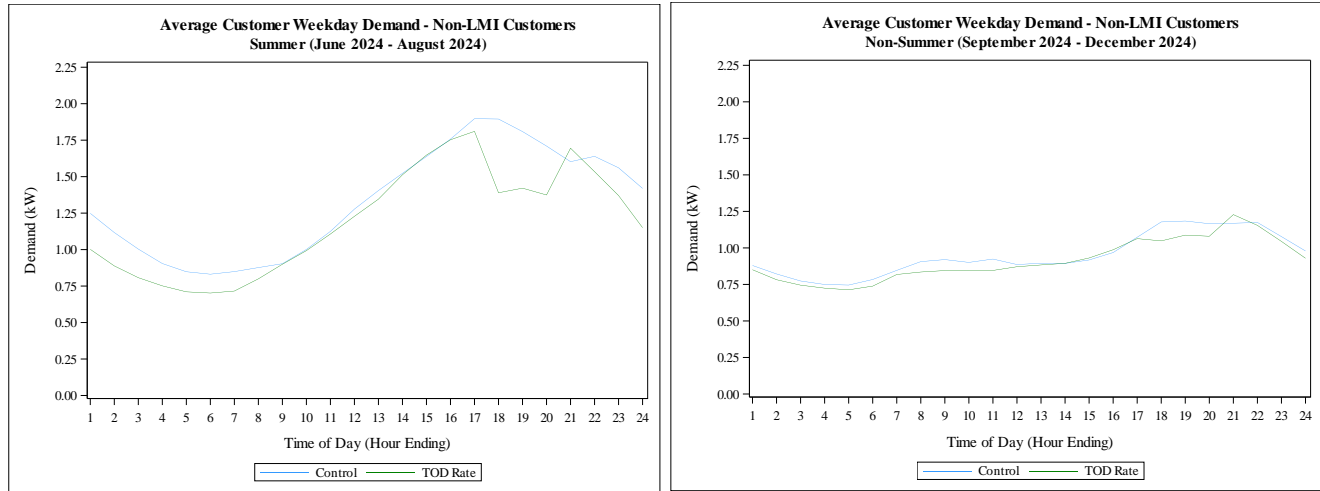


Figure 6: Average Customer Demand by Season – Non-LMI Customers

Period	Pre-Treatment Use		DF	Estimate of Change (kWh)			Statistical Significance		
	Daily Use	Monthly Use		Daily Change	Percent Change	Monthly Change	p-Value	Lower Bound	Upper Bound
Summer Non-LMI Residential Customers									
On-Peak (3 Hours)	5.414	108.274	145	-1.229	-22.7%	-24.575	0.065	-2.325	-0.133
Off-Peak (21 Hours)	26.427	528.543		-2.004	-7.6%	-40.073	0.526	-7.216	3.208
Total (24 Hours)	31.841	636.815		-3.232	-10.2%	-64.647	0.389	-9.426	2.961
Non-Summer Non-LMI Residential Customers									
On-Peak (6 Hours)	6.092	121.837	350	-0.491	-8.1%	-9.826	0.305	-1.280	0.298
Off-Peak (18 Hours)	16.776	335.524		-0.558	-3.3%	-11.161	0.673	-2.735	1.619
Total (24 Hours)	22.868	457.361		-1.049	-4.6%	-20.987	0.555	-3.979	1.880

Table 4: Regression Results by Season – Non-LMI Customers

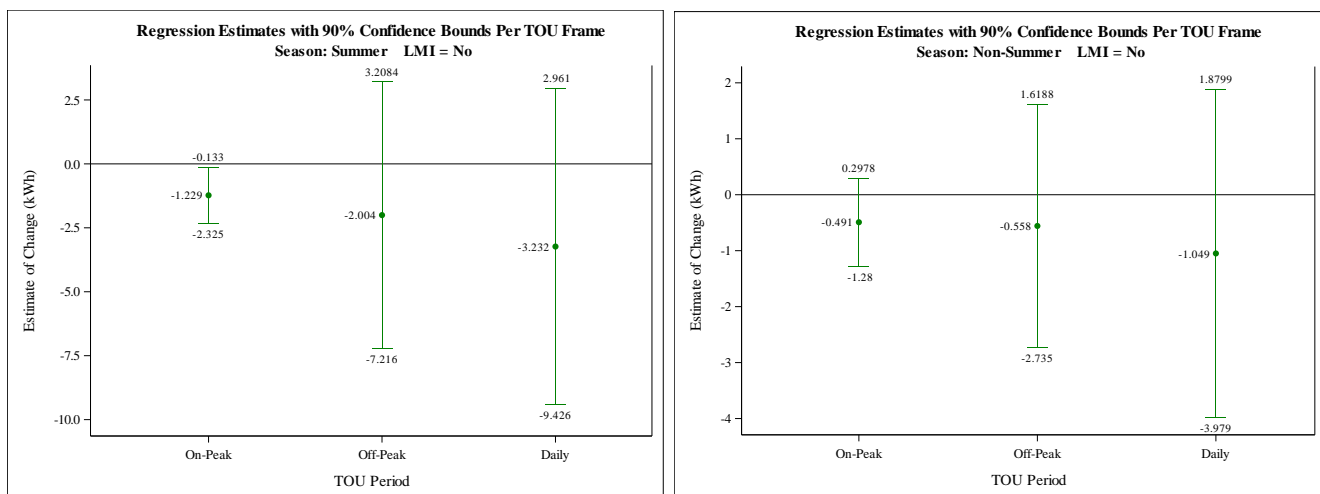


Figure 7: Regression Plots by Season – Non-LMI Customers



**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF PUBLIC SERVICE COMPANY OF</b>	)	
<b>NEW MEXICO’S FIRST ANNUAL GRID</b>	)	
<b>MODERNIZATION REVIEW FILING PURSUANT</b>	)	
<b>TO THE COMMISSION’S FINAL ORDER</b>	)	<b>Case No. 25-0004-UT</b>
	)	
<b>PUBLIC SERVICE COMPANY OF NEW MEXICO,</b>	)	
	)	
<b>Applicant.</b>	)	
	)	
<hr/>		

**AFFIDAVIT**

STATE OF NEW MEXICO	)	
	)	ss
COUNTY OF BERNALILLO	)	

**HEIDI PITTS, Ph.D., Lead Pricing Analyst, for PNMR Services Company**, upon being duly sworn according to law, under oath, deposes, and states: I have read the foregoing **Direct Testimony of Heidi Pitts**, and it is true and accurate based on my own personal knowledge and belief.

Dated this 19<sup>th</sup> day of June, 2025.

<b>Heidi M. Pitts</b>	Digitally signed by Heidi M. Pitts Date: 2025.06.19 15:31:25 -06'00'
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